

one or more Class A Preferred Shareholders shall not affect the validity of such redemption, but upon such failure or omission being discovered, notice shall be given forthwith to such holder or holders and such notice shall have the same force and effect as if given in due time; and

- (ii) every notice of intention to redeem shall, unless all of the Class A Preferred Shares are to be redeemed, specify the number of shares so held called for redemption and shall specify the redemption date, the redemption price and place or places within Canada at which the certificates representing the Class A Preferred Shares may be presented and surrendered for redemption. The notice of intention shall state that the Class A Preferred Shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the amount payable on redemption shall not be duly made by the Corporation, in which case the entitlement to dividends and the rights of the holders shall remain unimpaired.

Subject to the foregoing, the provisions of Section 11 hereof with respect to the giving of notice of intention of redemption shall apply mutatis mutandis to the giving of such notice.

- (d) 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 holders of the Class A Preferred Shares to be redeemed, the redemption price of such shares on presentation and surrender of the certificate or certificates representing Class A Preferred Shares called for redemption at the place or places designated in the aforesaid notice of intention of redemption. Payment in respect of Class A Preferred Shares being redeemed shall be made by cheque payable to the holder thereof at par in lawful money of Canada at any branch in Canada of the Corporation's bankers or any other Canadian chartered bank or trust company licensed under the laws of Canada or a province thereof. Such cheque shall satisfy and discharge all liability of the Corporation for the redemption price, to the extent of the amount represented thereby, unless such cheque is not paid on due presentation.
- (e) Notwithstanding anything herein contained, the Corporation shall have the right, at any time on or after the mailing or delivery of the notice of intention of redemption, to deposit the redemption price of the Class A Preferred Shares so called for redemption to a special account maintained by the Corporation with a branch of a Canadian chartered bank or trust company (the "Trustee") designated by the Corporation in the notice of redemption which has offices in Winnipeg, Manitoba to be paid without interest to or to the order of the respective Class A Preferred Shareholders whose shares have been called for redemption, upon presentation and surrender to the Trustee of the certificates representing such shares. Upon such deposit being made or upon the date specified for redemption in such notice, whichever is later, the Class A Preferred Shares in respect of which such deposit shall have been made shall be deemed to have been redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving their proportion of the amount so deposited without interest, upon presentation and surrender to the Trustee of the certificate or certificates representing the Class A Preferred Shares being redeemed. Any interest allowed on any such deposit shall belong to the Corporation.

Redemption monies that are represented by a cheque that has not been presented for payment or that otherwise remain unclaimed (including moneys held on deposit to a special account as provided for above) for a period of 6 years from the date specified for redemption shall be forfeited to the Corporation.

4. RETRACTION

- (a) At any time on or after June 30, 2010, and subject to the provision of subsection 36(2) of the CBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced (and in the case of such amendment, re-enactment or replacement, any references herein shall be read as referring to such amended, re-enacted or replaced provisions), every registered Class A Preferred Shareholder may, at his option and in the manner hereinafter provided, require the Corporation to redeem at any time all or part of the Class A Preferred Shares held by such shareholder (the "**Retraction Right**") at a price equal to \$1.00 per share, plus accrued and unpaid cumulative preferential dividends thereon, calculated to but excluding the date fixed for such redemption, whether or not such dividends have been declared, the whole being hereinafter referred to as the "retraction price".
- (b) If and whenever at any time there is a Reorganization (as defined herein), the Retraction Right set forth in paragraph 4(a) shall be accelerated and each Class A Preferred Shareholder shall be entitled to immediately exercise the Retraction Right.
- (c) In the event a Class A Preferred Shareholder wishes to exercise the Retraction Right set forth in paragraph 4(a) hereof, the Class A Preferred Shareholder shall surrender the certificate or certificates representing the Class A Preferred Shares to be redeemed at the registered office of the Corporation accompanied by a notice in writing (hereinafter called a "**retraction notice**") signed by such holder requiring the Corporation to redeem all or a specified number of the Class A Preferred Shares represented thereby. As soon as practicable following receipt of a retraction notice, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the Class A Preferred Shares to be redeemed the retraction price thereof. If only a part of the Class A Preferred Shares represented by any certificate are redeemed, a new certificate representing the balance of the Class A Preferred Shares shall be issued at the expense of the Corporation.
- (d) If the Corporation is not permitted, by insolvency provisions or other provisions of applicable law (including, without limitation, subsection 36(2) of the CBCA) or the rights, privileges, restrictions and conditions attaching to any share of the Corporation ranking on a parity with or prior to the Class A Preferred Shares, to redeem all the Class A Preferred Shares duly tendered by Class A Preferred Shareholders pursuant to Section 4(a), the Corporation shall redeem only the maximum number of Class A Preferred Shares (rounded to the next lower multiple of 10 shares) which the Board of Directors determines the Corporation is then permitted to redeem. Such redemption will be made pro rata (disregarding fractions of shares) from each Class A Preferred Shareholder according to the number of Class A Preferred Shares tendered for redemption by each such holder and the Corporation shall issue and deliver to each such holder a new share certificate, at the expense of the Corporation, representing the Class A Preferred Shares not redeemed by the Corporation.

If the Corporation fails to redeem all Class A Preferred Shares duly tendered for redemption pursuant to paragraph 4(a) because of insolvency provisions or other provisions of applicable law (including, without limitation, subsection 36(2) of the CBCA) or the rights, privileges, restrictions and conditions attaching to any shares of the Corporation ranking on a parity with or prior to the Class A Preferred Shares, then the Corporation shall redeem on each dividend payment date after such Class A Preferred Shares are duly tendered for redemption pursuant to Section 4(a), the lesser of: (i) the number of Class A Preferred Shares so tendered and not redeemed; and (ii) the number of Class A Preferred Shares (rounded to the next lower multiple of 10 shares and selected pro rata from each holder of Class A Preferred Shares so tendered according to the number of

Class A Preferred Shares so tendered by each such holder) which the Board of Directors determines the Corporation is then permitted to redeem. The Corporation shall be under no obligation to give notice to the Class A Preferred Shareholders in respect of the redemptions provided for in this Section 4(c). If the directors of the Corporation have acted in good faith in making any of the determinations referred to above as to the number of Class A Preferred Shares which the Corporation is permitted at any time to redeem, the directors of the Corporation and the Corporation shall have no liability in the event that any such determination proves inaccurate.

- (e) Except as otherwise provided herein, the exercise of the Retraction Right by any Class A Preferred Shareholder shall be irrevocable upon receipt by the Corporation of the certificate or certificates representing the Class A Preferred Shares to be redeemed and the retraction notice. To the extent that the Corporation has not redeemed Class A Preferred Shares deposited for redemption due to restrictions of the kind referred to in paragraph 4(c), any Class A Preferred Shareholder who made an original deposit may withdraw all, but not less than all, of the remaining Class A Preferred Shares so deposited by him and not redeemed, in which case such Class A Preferred Shareholder shall be deemed to have elected not to have the unredeemed balance of his deposited Class A Preferred Shares redeemed under the provisions of paragraph 4(c). Such number of Class A Preferred Shares withdrawn hereunder shall be released from the deposit and the Corporation shall thereafter have no obligation to redeem in accordance with paragraph 4(c) any of the Class A Preferred Shares so released.
- (f) The inability of the Corporation to effect a redemption shall not affect or limit the obligation of the Corporation to pay any dividends accrued or accruing on the Class A Preferred Shares from time to time not redeemed and remaining outstanding.

5. CONVERSION

- (a) For the purposes of this Section 5:
 - (i) "**Conversion Basis**" means the number obtained by dividing \$1.00 by the Conversion Price;
 - (ii) "**Conversion Price**" means \$28.47949, subject to adjustment as hereinafter provided;
 - (iii) "**Current Market Price**" means the weighted average trading price per Common Share on the Exchange for 20 consecutive trading days ending on the fifth trading day preceding the date of determination. The weighted average trading price per Common Share shall be determined by dividing the aggregate sale price of all Common Shares sold on the Exchange during the said 20 consecutive trading days by the total number of Common Shares so sold; provided that if the Common Shares are not listed on any Exchange, the Current Market Price at any date shall be determined by the Board of Directors, acting reasonably; and
 - (iv) "**Exchange**" means the Toronto Stock Exchange or, if at the relevant time, the Common Shares are not then listed on the Toronto Stock Exchange, such other stock exchange or over-the-counter quotation system on which the Common Shares are listed and/or posted for trading as selected by the Board of Directors, acting reasonably.
- (b) Class A Preferred Shareholders shall have the right at any time on or before the date (the "**Conversion Expiry Date**") that is three years from the date of issuance of the Class A Preferred Shares to convert any or all of their Class A Preferred Shares into Common Shares. The number

of Common Shares issuable upon the conversion of each Class A Preferred Share shall be equal to the Conversion Basis.

- (c) The conversion privilege herein provided for may be exercised by notice in writing (the "conversion notice") given to the Corporation at its registered office accompanied by the certificate or certificates representing Class A Preferred Shares in respect of which the holder thereof desires to exercise such right of conversion. The conversion notice shall be signed by such holder or his duly authorized attorney or agent and shall specify the number of Class A Preferred Shares which the holder desires to have converted. The transfer form on the certificate or certificates in question need not be endorsed, except in the circumstances hereinafter contemplated. If less than all the Class A Preferred Shares represented by a certificate or certificates accompanying any such notice are to be converted, the holder shall be entitled to receive, at the expense of the Corporation, a new certificate representing the Class A Preferred Shares which are not to be converted.

On any conversion of Class A Preferred Shares, the certificates for Common Shares issued in exchange therefor shall be issued in the name of the registered holder of the Class A Preferred Shares converted or in such name or names as such registered holder may direct in writing (either in the conversion notice referred to above or otherwise), provided that such registered holder shall pay any applicable security transfer taxes; in any such case the transfer form on the back of the certificate representing the Class A Preferred Shares to be converted shall be endorsed by the registered holder thereof or his duly authorized attorney, with signature guaranteed in manner satisfactory to the Corporation.

- (d) In the case where any Class A Preferred Shares are called for redemption or retraction, the right of conversion shall, notwithstanding anything herein contained, cease and terminate at the close of business on the business day immediately preceding the date fixed for redemption; provided, however, that if the Corporation shall fail to redeem such Class A Preferred Shares in accordance with the notice of redemption or notice of retraction, as applicable, the right of conversion shall thereupon be restored.
- (e) Notwithstanding any delay in the delivery of certificates representing Common Shares into which Class A Preferred Shares have been converted, the right of a holder of Class A Preferred Shares to convert the same into Common Shares shall be deemed to have been exercised, and the registered holder of Class A Preferred Shares to be converted (or any person or persons in whose name or names any such registered holder of Class A Preferred Shares shall have directed certificates representing Common Shares be issued as provided in paragraph 5(b)) shall be deemed to have become a holder of Common Shares of record for all purposes, on the date of delivery to the Corporation of the conversion notice and certificates representing the Class A Preferred Shares to be converted.
- (f) The Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.
 - (i) If and whenever at any time prior to the Conversion Expiry Date, the Corporation shall:
 - (1) subdivide the outstanding Common Shares into a greater number of Common Shares;
 - (2) consolidate the outstanding Common Shares into a lesser number of Common Shares;

- (3) issue Common Shares (or securities convertible into Common Shares) to all or substantially all of the holders of outstanding Common Shares by way of a stock dividend or other distribution of Common Shares or securities convertible into Common Shares;

the Conversion Price in effect on the effective date of such subdivision or consolidation, or on the record date of such stock dividend or other distribution, as the case may be, shall be adjusted to equal the price determined by multiplying the Conversion Price in effect immediately prior to such effective date or record date by a fraction of which the numerator shall be the total number of Common Shares outstanding immediately prior to such date and the denominator shall be the total number of Common Shares immediately after such date. Any such issue of Common Shares by way of a stock dividend or other distribution shall be deemed to have been made on the record date for the stock dividend or other distribution for the purpose of calculating the number of outstanding Common Shares under subparagraphs 5(f)(ii) or (iii). Notwithstanding the foregoing, to the extent that such stock dividend or other distribution contemplated by subparagraph 5(f)(i)(3) is not so made, the Conversion Price shall then be readjusted to the Conversion Price that would then be in effect if such record date had not been fixed.

- (ii) If and whenever at any time prior to the Conversion Expiry Date the Corporation shall fix a record date for the issuance of options, rights or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price of a Common Share on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus the number equal to the quotient obtained by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable). To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.
- (iii) If and whenever at any time prior to the Conversion Expiry Date the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of:
 - (1) shares of any class other than Common Shares and other than shares distributed to holders of Common Shares who have elected to receive dividends in the form of such shares in lieu of dividends paid in the ordinary course;

- (2) rights, options or warrants (excluding rights, warrants and options referred to in subparagraph 5(f)(ii), and rights, warrants and options exercisable at a price per share (or having a conversion or exchange price per share) equal to or greater than 95% of the Current Market Price;
- (3) evidences of its indebtedness; or
- (4) property or other assets (other than cash)

then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the aggregate fair market value (as determined by the Board of Directors, acting reasonably) of such shares, rights, options, warrants, evidences of indebtedness or property or other assets so distributed, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by such Current Market Price. To the extent that such distribution is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect if only such shares, rights, options, warrants, evidences of indebtedness or assets actually distributed were included in such fraction, as the case may be.

- (iv) If and whenever at any time prior to the Conversion Expiry Date, there is a:
 - (1) reclassification of the Common Shares or a change of the outstanding Common Shares into other shares or into other securities or a capital reorganization of the Corporation other than as described in Section 5(f)(i);
 - (2) a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity; or
 - (3) a sale or conveyance of the assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity,

(each such event being a "Reorganization")

any holder of a Class A Preferred Share who has not exercised his right of conversion prior to the effective date of such Reorganization, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares then sought to be acquired by it, the kind and number of trust units, shares or other securities or assets of the Corporation or of the body corporate, trust, partnership or other entity resulting from such Reorganization, or to which such sale or conveyance may be made, as the case may be, that such Class A Preferred Shareholder would have been entitled to receive as a result of such Reorganization, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Common Shares to which the holder was theretofore entitled upon conversion. If determined appropriate by the Board of Directors to give effect to or to evidence the provisions of this subparagraph (iv), the Corporation, its successor, or such purchasing

body corporate, trust, partnership or other entity, as the case may be, shall, prior to or contemporaneously with any such Reorganization, enter into an agreement which shall provide, to the extent possible, for the application of the provisions set forth herein with respect to the rights and interests thereafter of the Class A Preferred Shareholders to the end that the provisions set forth herein shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any trust units, shares or other securities or property to which a Class A Preferred Shareholder is entitled on the exercise of his conversion rights thereafter. Upon entering into any such agreement and the completion of such Reorganization, the Corporation shall cease to have any obligations (including the obligation to issue any Common Shares) hereunder and the Class A Preferred Shareholders shall cease to have any rights hereunder. Any agreement entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, trust, partnership or other entity shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided herein and which shall apply to successive Reorganizations.

- (g) The following rules and procedures shall be applicable to Conversion Price adjustments made pursuant to paragraph 5(f):
- (i) In any case in which paragraph 5(f) shall require that an adjustment shall become effective immediately after a record date for an event referred to therein, the Corporation may defer, until the occurrence of such event, issuing to the holder of any Class A Preferred Shares converted after such record date and before the occurrence of such event the additional Common Shares issuable upon such conversion by reason of the adjustment required by such event; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any dividends made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of conversion or such later date as such holder would, but for the provisions of this paragraph 5(g), have become the holder of record of such additional Common Shares.
 - (ii) If the purchase price provided for in any right, warrant or option issued as described in subparagraph 5(f)(ii) or (iii) is decreased or increased, the Conversion Price shall, subject to subparagraph 5(g)(i), forthwith be changed so as to decrease or increase, as the case may be, the Conversion Price to such Conversion Price as would have been obtained had the adjustment made in connection with the issuance of all such rights, options or securities been made upon the basis of such purchase price as so decreased or increased.
 - (iii) The adjustments provided for are cumulative and shall apply to successive events resulting in any adjustment; provided that no adjustment in the Conversion Price shall be required unless such adjustment would result in a change of at least 1% in the Conversion Price then in effect, provided, however, that any adjustments which, except for the provisions of this subparagraph 5(g)(iii) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
 - (iv) No adjustment in the Conversion Price shall be made in respect of any event described in subparagraphs 5(f)(i)(3), 5(f)(ii) or 5(f)(iii):
 - (1) if the Class A Preferred Shareholders are entitled to participate in such event on the same terms *mutatis mutandis* as if they had exercised their conversion rights