CANADA

Certificate of Incorporation

Canada Business Corporation Act

Certificat de constitution

Loi sur les sociétés commerciales canadiennes

115584 CANADA INC.

Name of Corporation – Dénomination de la société

131559

Number – Numéro

I hereby certify that the above-mentioned Corporation, the Articles of Incorporation of which are attached, was incorporated under the Canada Business Corporations Act.

Je certifie par les présentes que la société mentionnée ci-haut, dont les statuts constitutifs sont joints, a été constituée en société en vertu de la Loi sur les sociétés commerciales canadiennes.

Frederick H. Sparling

Director – Directeur

21 mai, 1982.

Date of Incorporation – Date de constitution

CCA 1398

CANADA

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi sur les sociétés commerciales canadiennes.

COMMASSUR INC.
Name of Corporation — Dénomination de la société

131559-5
Number — Numéro

I hereby certify that the Articles of the above-mentioned Corporation were amended

Je certifie par les présentes que les statuts de la société mentionnée ci-haut ont été modifiés

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

(a) en vertu de l'article 13 de la Loi sur les sociétés commerciales canadiennes conformément à l'avis ci-joint;

(b) under Section 27 of the Canada Business Corporations Act as set out in the attached Articles of Amendment designating a series of shares; ☐

(b) en vertu de l'article 27 de la Loi sur les sociétés commerciales canadiennes tel qu'indiqué dans les clauses modificatrices ci-jointes désignant une série d'actions;

(c) under Section 171 of the Canada Business Corporations Act as set out in the attached Articles of Amendment; ☒

(c) en vertu de l'article 171 de la Loi sur les sociétés commerciales canadiennes tel qu'indiqué dans les clauses modificatrices ci-jointes;

(d) under Section 185 of the Canada Business Corporations Act as set out in the attached Articles of Reorganization; ☐

(d) en vertu de l'article 185 de la Loi sur les sociétés commerciales canadiennes tel qu'indiqué dans les clauses de réorganisation ci-jointes;

(e) under Section 185.1 of the Canada Business Corporations Act as set out in the attached Articles of Arrangement. ☐

(e) en vertu de l'article 185.1 de la Loi sur les sociétés commerciales canadiennes tel qu'indiqué dans les clauses d'arrangement ci-jointes.

Frederick H. Sparling
Director — Directeur

13 mai, 1983.
Date of Amendment — Date de la modification

LOI SUR LES SOCIETES
COMMERCIALES CANADIENNES
FORMULE 4
CLAUSES MODIFICATRICES
(ARTICLES 27 ou 171)

1.- Dénomination de la société:

115584 CANADA INC.

2.- No. de la société:

131559

3.- Les statuts de la société ci-haut mentionnée sont modifiés de la façon suivante:

La clause 1 des statuts constitutifs intitulée "Dénomination de la société" est modifiée en ce que la dénomination sociale de la société est changée de 115584 CANADA INC. en celle de COMMASSUR INC.

Date:

Le 30 avril 1983

Signature:

Guy St-Germain

Description du poste:

Président et chef de la direction

A L'USAGE DU MINISTERE SEULEMENT

Déposé le: 16 mai 1983

Consumer and Corporate Affairs Canada | Consommation et Affaires commerciales Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi régissant les sociétés par actions de régime fédéral

INTERNATIONALE NEDERLANDEN CANADA CORPORATION

CORPORATION INTERNATIONALE NEDERLANDEN CANADA **131559-5**

Name of corporation - Dénomination de la société | Corporation number - Numéro de la société

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

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

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

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

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

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

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

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

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

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

(e) under Section 192 of the *Canada Business Corporations Act* as set out in the attached articles of arrangement. ☐

e) en vertu de l'article 192 de la *Loi régissant les sociétés par actions de régime fédéral*, tel qu'il est indiqué dans les clauses d'arrangement ci-jointes.

July 9, 1993/le 9 juillet 1993

Director - Directeur

Date of Amendment - Date de modification

Canada

CANADA BUSINESS CORPORATIONS ACT
FORM 4
ARTICLES OF AMENDMENT
(SECTION 27 OR 177)

---

1 - Name of Corporation

COMMASSUR INC.

2 - Corporation No.

131559-5

3 - The articles of the above-named Corporation are amended as follows:

Section 1 of the articles of incorporation be and is hereby deleted and replaced by the following:

1 - Name of Corporation

INTERNATIONALE NEDERLANDEN CANADA CORPORATION
CORPORATION INTERNATIONALE NEDERLANDEN CANADA

Date

JUNE 10, 1993

Signature

Robert J. Ewart
Senior Vice President/Corporate Secretary

Title

FOR DEPARTMENTAL USE ONLY

Filed JUL 12 1993

Industry Canada Industrie Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

ING CANADA INC. **131559-5**

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

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

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

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

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

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

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

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

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

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

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

Director - Directeur

January 30, 1996/le 30 janvier 1996
Date of Amendment - Date de modification

Canada

Industry Canada | Industrie Canada

Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

FORM 4
ARTICLES OF AMENDMENT
(SECTION 27 OR 177)

FORMULE 4
CLAUSES MODIFICATRICES
(ARTICLES 27 OU 177)

1 — Name of corporation — Dénomination de la société	2 — Corporation No. — N° de la société
INTERNATIONALE NEDERLANDEN CANADA CORPORATION	131559-5

3 — The articles of the above-named corporation are amended as follows: Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante :

To change the name of the Corporation to :

ING CANADA INC.

Date	Signature	Title — Titre
01-29-1996		President and Chief Executive Officer

IC 3069 (11-94) (oca 1387)

FOR DEPARTMENTAL USE ONLY - À L'USAGE DU MINISTÈRE SEULEMENT
Filed – Déposée FEB FEV - 2 1996

Industry Canada | Industrie Canada

Certificate of Amalgamation

Canada Business Corporations Act

Certificat de fusion

Loi canadienne sur les sociétés par actions

ING CANADA INC.

427397-4

Name of corporation-Dénomination de la société

Corporation number-Numéro de la 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.

Director - Directeur

December 10, 2004 / le 10 décembre 2004

Date of Amalgamation - Date de fusion

Canada

ustry Canada | Industrie Canada

Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

FORM 9
ARTICLES OF AMALGAMATION
(SECTION 185)

FORMULAIRE 9
STATUTS DE FUSION
(ARTICLE 185)

1 -- Name of the Amalgamated Corporation / Dénomination sociale de la société issue de la fusion

ING CANADA INC.

2 -- The province or territory in Canada where the registered office is to be situated / La province ou le territoire au Canada où se situera le siège social

Province of Ontario

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

An unlimited number of shares of one class designated as common shares;
An unlimited number of shares of a second class designated as Class A Shares; and
One share of a third class designated as the Special Share.
(See Schedule "A" attached hereto and forming part of these articles)

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

None

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

A minimum of 3 and a maximum of 21 directors.

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

None

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

None

8 -- The amalgamation has been approved pursuant to that section or subsection of the Act which is indicated as follows: / La fusion a été approuvée en accord avec l'article ou le paragraphe de la Loi indiqué ci-après

- [x] 183
- [ ] 184(1)
- [ ] 184(2)

9 -- Name of the amalgamating corporations / Dénomination sociale des sociétés fusionnantes	Corporation No. / N° de la société	Signature	Date	Title / Titre	Tel. No. / N° de tél.
ING CANADA INC.	3917801		Dec. 9, 2004	Secretary	416-941-5140
ING CANADA HOLDINGS INC.	3701735		Dec. 9, 2004	Secretary	416-941-5140

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427397-4

DEC 14 2004

** 3190 (2003/06)

Canada

Schedule "A"
Articles of Amalgamation
ING CANADA INC.
Share Provisions

1. Common Shares

1.1 The common shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

The holders of the common shares shall be entitled to:

1.1.1 one vote for each common share held at all meetings of shareholders of the Corporation, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series;

1.1.2 receive any dividend declared by the Corporation in respect of the common shares; and

1.1.3 receive the remaining property of the Corporation upon dissolution.

2. Class A Shares

2.1 The Class A Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

2.1.1 the Class A Shares may at any time, and from time to time, be issued in one or more series, in accordance with and subject to applicable law. The directors of the Corporation shall, subject to applicable law, the provisions herein contained and to any conditions attaching to any outstanding series of Class A Shares, by resolution duly passed before the issue of any Class A Shares of any series fix the number of shares in and determine the designation, rights, privileges, restrictions and conditions attaching to the Class A Shares of such series;

2.1.2 so long as any Class A Shares are outstanding, the Class A Shares of each series shall rank both with regard to dividends and return of capital in priority to the common shares and over any other shares ranking junior to the Class A Shares, and the Class A Shares of each series may also be given such other preferences over the common shares and any other shares ranking junior to the Class A Shares as may be determined as to the respective series authorized to be issued. The priority, in the case of cumulative dividends, shall be with respect to all prior completed periods in respect of which such dividends were payable plus such further amounts, if any, as may be specified in the provisions attaching to a particular series and in the case of non-cumulative dividends, shall be with respect to all dividends declared and unpaid; and

2.1.3 the Class A Shares of each series shall rank on a parity with the Class A Shares of every other series with respect to priority in payment of dividends and return of capital in the event of liquidation, dissolution or winding up of the Corporation.

3. **Special Share**

3.1 The Special Share shall have attached thereto, the following rights, privileges, restrictions and conditions:

3.1.1 The following terms shall have the following meanings in this Section 3:

(a) **"Affiliate"** means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person.

(b) **"Business"** means the operation, directly or indirectly, of a property and casualty insurance business and any ancillary business, including manufacturing and distribution of property and casualty insurance products and services, carried on, directly or indirectly, by the Corporation through Subsidiaries or otherwise from and after the date hereof in the ING Canada Territory.

(c) **"Compete"** means to directly or indirectly engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation or control of any business where the products or activities of such business compete in whole or in part with the Business within the ING Canada Territory, and **"Competes"** shall have a corresponding meaning.

(d) **"control"** (including, with correlative meanings, the terms **"controlling"**, **"controlled by"** and **"under direct or indirect common control"**), as used with respect to any Person, shall mean the ownership, directly or indirectly, of voting securities with more than fifty percent (50%) of the votes of all voting securities of such Person or similar ownership interests of such Person, including any securities or similar ownership interests which are voting only upon the occurrence of a contingency where such contingency has occurred and is continuing.

(e) **"Co-Operation Agreement"** means the Co-Operation Agreement to be dated on or about December 15, 2004 between the Corporation and ING Groep N.V. as the same shall be amended, modified, supplemented or replaced from time to time.

(f) **"Independent Director"** means a director of the Corporation who is independent of the Corporation as determined from time to time pursuant to the Independent Director Rules.

(g) **"Independent Director Rules"** means (i) the rules of the Toronto Stock Exchange or such other principal exchange or quotation system on which the common shares of the Corporation are listed or traded from time to time; (ii) securities laws, together with the regulations, rules, published policies, instruments and orders made thereunder, applicable to the Corporation from time to time; (iii) insurance company laws and all related regulations, guidelines and instructions of regulatory authorities applicable to the Corporation from time to time; and (iv) insurance company laws and all related regulations, guidelines and

instructions of regulatory authorities applicable to the Subsidiaries of the Corporation from time to time as if such laws and related regulations, guidelines and instructions of regulatory authorities were applicable to the Corporation.

(h) **"ING Canada Territory"** means (i) each province and territory of Canada, and (ii) each other jurisdiction to which ING Groep N.V. has consented in writing to be included in the definition of "ING Canada Territory", provided that: (A) ING Groep N.V. shall be deemed to have consented in writing for the purpose of (ii) above if it has provided its consent as contemplated in the definition of "ING Canada Territory" in the Non-Competition Agreement to be dated on or about December 15, 2004 between the Corporation and ING Groep N.V., as the same shall be amended, modified, supplemented or replaced from time, and (B) on and after the date that ING Groep N.V. first ceases to beneficially own at least thirty-three and one-third percent ($33^1/_3\%$) of the outstanding common shares, ING Groep N.V. may not unreasonably withhold, condition or delay such consent.

(i) **"ING Groep N.V."** means ING Groep N.V., a corporation governed by the laws of The Netherlands, and its successors.

(j) **"outstanding common shares"** means, at any time, the number of common shares issued and outstanding at the relevant time as reflected on the share register of the Corporation.

(k) **"Person"** shall be broadly interpreted and includes any individual, corporation, partnership, joint venture, limited liability company, association or other business entity and any trust, unincorporated organization or government or any agency or political subdivision thereof.

(l) **"Subsidiary"** shall mean any corporation, partnership, joint venture, limited liability company, association or other entity which a Person controls.

3.1.2 In this Section 3, a Person shall be deemed to beneficially own common shares which are beneficially owned by its Affiliates; provided that such Person shall not be deemed to beneficially own common shares which are beneficially owned by any Person directly or indirectly controlling ING Groep N.V. or with whom ING Groep N.V. is under direct or indirect common control.

3.1.3 The holder of the Special Share shall be entitled to receive notice of, to attend and speak at any meeting of the shareholders of the Corporation. Notwithstanding the foregoing, the holder of the Special Share shall not be entitled either to vote at any meeting of the shareholders of the Corporation or to sign a resolution in writing, other than:

(a) in respect of the right of the holder of the Special Share to nominate and elect directors in accordance with Subsection 3.1.4; and

(b) as a separate class (i) pursuant to the rights granted under the Act and (ii) upon any proposed change to the minimum or maximum number of directors pursuant to paragraph 173(1)(m) of the Act.

3.1.4 Subject to Subsections 3.1.7 and 3.1.8, the holder of the Special Share shall be entitled to nominate and elect directors of the Corporation as set forth below in paragraphs (a) to (e) of this Subsection 3.1.4. Each director so nominated and elected shall hold office until the close of the next annual meeting of voting shareholders of the Corporation or until his or her successor is elected or appointed. Subject to Subsections 3.1.7 and 3.1.8, for so long as the Special Share is issued and outstanding:

(a) until the date that the holder of the Special Share first ceases to beneficially own at least thirty-three and one-third percent ($33^1/_3$%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 5/12 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(b) on and after the date that the holder of the Special Share first ceases to beneficially own at least thirty-three and one-third percent ($33^1/_3$%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least thirty percent (30%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/3 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(c) on and after the date that the holder of the Special Share first ceases to beneficially own at least thirty percent (30%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least twenty-five percent (25%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/4 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(d) on and after the date that the holder of the Special Share first ceases to beneficially own at least twenty-five percent (25%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least twenty percent (20%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/6 of the total number of directors (disregarding any fractional number of directors) comprising the board; and

(e) on and after the date that the holder of the Special Share first ceases to beneficially own at least twenty percent (20%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least ten percent (10%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/12 of the total number of directors (disregarding any fractional number of directors) comprising the board.

3.1.5 The election of directors by the holder of the Special Share may be conducted by a resolution in writing signed by the holder of the Special Share, to be effective on the date of the

Corporation's annual meeting of voting shareholders or on such other date as specified in such resolution, or at a meeting of the holder of the Special Share.

3.1.6 Subject to Subsections 3.1.7 and 3.1.8, if, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there shall exist or occur any vacancy on the board of directors with respect to a director elected or entitled to be elected by the holder of the Special Share, or for any other reason there are at any time fewer directors serving on the board of directors elected by the holder of the Special Share than such holder is entitled to elect in accordance with this Section 3, the resulting vacancy shall be filled by an individual who shall be nominated and elected by the holder of the Special Share.

3.1.7 The right of the holder of the Special Share as provided in Subsection 3.1.4 shall be subject at all times to the requirement that the board of directors shall at all times include not less than the number of Independent Directors as required or recommended by the Independent Director Rules.

3.1.8 Notwithstanding any other provisions of this Section 3, if, at any time, the holder of the Special Share or any of its Affiliates, or any combination of the foregoing, Competes, then, from that time until the date that it and each of its Affiliates cease to Compete, (i) subject to the Act, the holder of the Special Share shall not be entitled to exercise any of the rights attaching to the Special Share, including, without limitation, any rights provided in Subsections 3.1.3, 3.1.4, 3.1.5, 3.1.6 and 3.1.9, and (ii) the first sentence of Subsection 3.1.9 shall cease to apply.

3.1.9 Subject to Subsection 3.1.8, until the date that the holder of the Special Share first ceases to beneficially own at least fifty percent (50%) of the outstanding common shares, the Chief Executive Officer of the Corporation shall be appointed by the board of directors on an annual basis, or sooner in the event such officer resigns or otherwise ceases to hold office prior to such approved appointment, from among the directors elected by the holder of the Special Share; provided that if, for any reason, at the relevant time, there are no directors holding office who have been elected or appointed by the holder of the Special Share, the board of directors shall appoint an individual of its choosing as the Chief Executive Officer. For greater certainty, on the date that the holder of the Special Share first ceases to beneficially own at least fifty percent (50%) of the outstanding common shares, the rights granted to the holder of the Special Share in this Subsection 3.1.9 shall forever be extinguished.

3.1.10 No dividends shall be declared and/or paid by the Corporation on the Special Share.

3.1.11 The Special Share shall be deemed to be converted by the Corporation without any further act on the part of the Corporation into one common share concurrently with:

(a) the sale, transfer, assignment or any other disposition of the legal and/or beneficial title of the Special Share by the holder of the Special Share to anyone other than ING Groep N.V. or a direct or indirect wholly-owned Subsidiary of ING Groep N.V.; or

(b) the time that any direct or indirect wholly-owned Subsidiary of ING Groep N.V. who, at the relevant time, holds the Special Share is no longer a direct or indirect wholly-owned Subsidiary of ING Groep N.V.; or

(c) the time that the holder of the Special Share first ceases to beneficially own at least ten percent (10%) of the outstanding common shares; or

(d) the Termination of the Co-Operation Agreement. In this paragraph (d) of Subsection 3.1.11, "Termination" means termination for a reason other than as a result of a breach by the Corporation of the Co-Operation Agreement, and where the termination of the Co-Operation Agreement has been disputed by either party to the Co-Operation Agreement, the Co-Operation Agreement shall be deemed not to have been terminated until the parties thereto agree that such termination shall have occurred or until the dispute has been resolved through a final non-appealable decision binding on the parties thereto by a court of competent jurisdiction or by an arbitrator in accordance with the terms of the Co-Operation Agreement.

3.1.12 In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holder of the Special Share shall be entitled to receive, before any distribution of any part of the assets of the Corporation among the holders of the common shares but after any such distribution among the holders of any series of Class A Shares, Cdn.$1.00 for the Special Share.

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 10th day of December, 2004.

BETWEEN:

ING CANADA HOLDINGS INC./
SOCIÉTÉ DE PORTEFEUILLE ING CANADA INC.
a corporation incorporated under the laws of Canada

("Holdco")

- and -

ING CANADA INC.
a corporation incorporated under the laws of Canada

("Subco")

BACKGROUND:

Holdco was incorporated by amalgamation under the *Canada Business Corporations Act* by certificate of amalgamation effective January 1, 2000.

Subco was incorporated by amalgamation under the *Canada Business Corporations Act* by certificate of amalgamation effective July 1, 2001.

Holdco and Subco have each made full disclosure to one another of all their respective assets and liabilities.

The authorized capital of Holdco consists of an unlimited number of a class of shares designated as preferred shares none of which are issued and outstanding and an unlimited number of a class of shares designated as common shares of which 141,569 are issued and outstanding as fully paid and non-assessable.

The authorized capital of Subco consists of an unlimited number of a class of shares designated as Class A common shares none of which are issued and outstanding, an unlimited number of a class of shares designated as Class B common shares of which 78,077,458 are issued and outstanding as fully paid and non-assessable, 5,092 shares of a class of shares designated as Class C shares none of which are issued and outstanding, an unlimited number of a class of shares designated as Class D shares none of which are issued and outstanding and an unlimited number of a class of shares designated as Class E shares issuable in series, 1,000,000 shares of a series of Class E shares designated as Series 1 Class E shares of which 467,500 are issued and outstanding as fully paid and non-assessable, 450,000 shares of a series of Class E shares designated as Series 3 Class E shares, but intended to be Series 2 Class E Shares, of which 382,500 are issued and outstanding as fully paid and non-assessable and 1,300,000 shares of a

series of Class E shares designated as Series 3 Class E shares of which 750,000 are issued and outstanding as fully paid and non-assessable.

Holdco and Subco have agreed to amalgamate as provided in this Agreement.

1. In this Agreement:

(a) "Act" means the *Canada Business Corporations Act* R.S.C. 1985, c.44 as amended, or any successor thereof.

(b) "Agreement" means this amalgamation agreement;

(c) "Amalgamated Corporation" means the corporation continuing from the amalgamation of the Amalgamating Corporations; and

(d) "Amalgamating Corporations" means Holdco and Subco.

2. Each of the Amalgamating Corporations agrees to amalgamate and to continue as one corporation as of 12:01 a.m. on December 10, 2004, as provided in this Agreement.

3. The name of the Amalgamated Corporation shall be ING CANADA INC. in English and in French.

4. The registered office of the Amalgamated Corporation shall be in the Province of Ontario and located at 181 University Avenue, 7th Floor, Toronto M5H 3M7 until changed in accordance with the Act.

5. There shall be no restrictions on the business the Amalgamated Corporation may carry on or on the powers the Amalgamated Corporation may exercise.

6. The by-laws of the Amalgamated Corporation shall not be the by-laws of either of the Amalgamating Corporations. A copy of the proposed by-laws of the Amalgamated Corporation is attached as Schedule A to this Agreement.

7. The share capital of the Amalgamated Corporation shall consist of an unlimited number of shares of one class designated as common shares, an unlimited number of shares of a second class designated as Class A Shares and one share of a third class designated as the Special Share.

8. The rights, privileges, restrictions and conditions attaching to each class of shares and the directors' authority with respect to any class of shares which may be issued in series are as follows:

8.1 The common shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

The holders of the common shares shall be entitled to:

. . .

8.1.1 one vote for each common share held at all meetings of shareholders of the Amalgamated Corporation, other than meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series;

8.1.2 receive any dividend declared by the Amalgamated Corporation in respect of the common shares; and

8.1.3 receive the remaining property of the Amalgamated Corporation upon dissolution.

8.2 The Class A Shares shall have attached thereto, as a class, the following rights, privileges, restrictions and conditions:

8.2.1 the Class A Shares may at any time, and from time to time, be issued in one or more series, in accordance with and subject to applicable law. The directors of the Amalgamated Corporation shall, subject to applicable law, the provisions herein contained and to any conditions attaching to any outstanding series of Class A Shares, by resolution duly passed before the issue of any Class A Shares of any series fix the number of shares in and determine the designation, rights, privileges, restrictions and conditions attaching to the Class A Shares of such series;

8.2.2 so long as any Class A Shares are outstanding, the Class A Shares of each series shall rank both with regard to dividends and return of capital in priority to the common shares and over any other shares ranking junior to the Class A Shares, and the Class A Shares of each series may also be given such other preferences over the common shares and any other shares ranking junior to the Class A Shares as may be determined as to the respective series authorized to be issued. The priority, in the case of cumulative dividends, shall be with respect to all prior completed periods in respect of which such dividends were payable plus such further amounts, if any, as may be specified in the provisions attaching to a particular series and in the case of non-cumulative dividends, shall be with respect to all dividends declared and unpaid; and

8.2.3 the Class A Shares of each series shall rank on a parity with the Class A Shares of every other series with respect to priority in payment of dividends and return of capital in the event of liquidation, dissolution or winding up of the Amalgamated Corporation.

8.3 The Special Share shall have attached thereto the following rights, privileges, restrictions and conditions:

8.3.1 The following terms shall have the following meanings in this Section 8.3:

(a) "Affiliate" means, with respect to any Person, any other Person directly or indirectly controlling, controlled by or under direct or indirect common control with such Person.

(b) "Business" means the operation, directly or indirectly, of a property and casualty insurance business and any ancillary business, including manufacturing and distribution of property and casualty insurance products and services, carried on, directly or indirectly, by the Amalgamated Corporation through Subsidiaries or otherwise from and after the date hereof in the ING Canada Territory.

(c) "Compete" means to directly or indirectly engage or invest in, own, manage, operate, finance, control, or participate in the ownership, management, operation or control of any business where the products or activities of such business compete in whole or in part with the Business within the ING Canada Territory, and "Competes" shall have a corresponding meaning.

(d) "control" (including, with correlative meanings, the terms "controlling", "controlled by" and "under direct or indirect common control"), as used with respect to any Person, shall mean the ownership, directly or indirectly, of voting securities with more than fifty percent (50%) of the votes of all voting securities of such Person or similar ownership interests of such Person, including any securities or similar ownership interests which are voting only upon the occurrence of a contingency where such contingency has occured and is continuing.

(e) "Co-Operation Agreement" means the Co-Operation Agreement to be dated on or about December 15, 2004 between the Amalgamated Corporation and ING Groep N.V. as the same shall be amended, modified, supplemented or replaced from time to time.

(f) "Independent Director" means a director of the Amalgamated Corporation who is independent of the Amalgamated Corporation as determined from time to time pursuant to the Independent Director Rules.

(g) "Independent Director Rules" means (i) the rules of the Toronto Stock Exchange or such other principal exchange or quotation system on which the common shares of the Amalgamated Corporation are listed or traded from time to time; (ii) securities laws, together with the regulations, rules, published policies, instruments and orders made thereunder, applicable to the Amalgamated Corporation from time to time; (iii) insurance company laws and all related regulations, guidelines and instructions of regulatory authorities applicable to the Amalgamated Corporation from time to time; and (iv) insurance company laws and all related regulations, guidelines and instructions of regulatory authorities applicable to the Subsidiaries of the Amalgamated Corporation from time to time as if such laws and related regulations, guidelines and instructions of regulatory authorities were applicable to the Amalgamated Corporation.

(h) "ING Canada Territory" means (i) each province and territory of Canada, and (ii) each other jurisdiction to which ING Groep N.V. has consented in writing to be included in the definition of "ING Canada Territory", provided that: (A) ING Groep N.V. shall be deemed to have consented in writing for the purpose of (ii) above if it has provided its consent as contemplated in the definition of "ING Canada Territory" in the Non-Competition Agreement to be dated on or about December 15, 2004 between the Amalgamated Corporation and ING Groep N.V., as the same shall be amended, modified, supplemented or replaced from time, and (B) on and after the date that ING Groep N.V. first ceases to beneficially own at least thirty-three and one-third percent (33 1/3%) of the outstanding common

shares, ING Groep N.V. may not unreasonably withhold, condition or delay such consent.

(i) "ING Groep N.V." means ING Groep N.V., a corporation governed by the laws of The Netherlands, and its successors.

(j) "outstanding common shares" means, at any time, the number of common shares issued and outstanding at the relevant time as reflected on the share register of the Amalgamated Corporation.

(k) "Person" shall be broadly interpreted and includes any individual, corporation, partnership, joint venture, limited liability company, association or other business entity and any trust, unincorporated organization or government or any agency or political subdivision thereof.

(l) "Subsidiary" shall mean any corporation, partnership, joint venture, limited liability company, association or other entity which a Person controls.

8.3.2 In this Section 8.3, a Person shall be deemed to beneficially own common shares which are beneficially owned by its Affiliates; provided that such Person shall not be deemed to beneficially own common shares which are beneficially owned by any Person directly or indirectly controlling ING Groep N.V. or with whom ING Groep N.V. is under direct or indirect common control.

8.3.3 The holder of the Special Share shall be entitled to receive notice of, to attend and speak at any meeting of the shareholders of the Amalgamated Corporation. Notwithstanding the foregoing, the holder of the Special Share shall not be entitled either to vote at any meeting of the shareholders of the Amalgamated Corporation or to sign a resolution in writing, other than:

(a) in respect of the right of the holder of the Special Share to nominate and elect directors in accordance with Subsection 8.3.4; and

(b) as a separate class (i) pursuant to the rights granted under the Act and (ii) upon any proposed change to the minimum or maximum number of directors pursuant to paragraph 173(1)(m) of the Act.

8.3.4 Subject to Subsections 8.3.7 and 8.3.8, the holder of the Special Share shall be entitled to nominate and elect directors of the Amalgamated Corporation as set forth below in paragraphs (a) to (e) of this Subsection 8.3.4. Each director so nominated and elected shall hold office until the close of the next annual meeting of voting shareholders of the Amalgamated Corporation or until his or her successor is elected or appointed. Subject to Subsections 8.3.7 and 8.3.8, for so long as the Special Share is issued and outstanding:

(a) until the date that the holder of the Special Share first ceases to beneficially own at least thirty-three and one-third percent (33 1/3%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 5/12 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(b) on and after the date that the holder of the Special Share first ceases to beneficially own at least thirty-three and one-third percent (33 1/3%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least thirty percent (30%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/3 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(c) on and after the date that the holder of the Special Share first ceases to beneficially own at least thirty percent (30%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least twenty-five percent (25%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/4 of the total number of directors (disregarding any fractional number of directors) comprising the board;

(d) on and after the date that the holder of the Special Share first ceases to beneficially own at least twenty-five percent (25%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least twenty percent (20%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/5 of the total number of directors (disregarding any fractional number of directors) comprising the board; and

(e) on and after the date that the holder of the Special Share first ceases to beneficially own at least twenty percent (20%) of the outstanding common shares and until the date that such holder first ceases to beneficially own at least ten percent (10%) of the outstanding common shares, the holder of the Special Share shall be entitled to nominate and elect to the board of directors that number of directors equal to 1/12 of the total number of directors (disregarding any fractional number of directors) comprising the board.

8.3.5 The election of directors by the holder of the Special Share may be conducted by a resolution in writing signed by the holder of the Special Share, to be effective on the date of the Amalgamated Corporation's annual meeting of voting shareholders or on such other date as specified in such resolution, or at a meeting of the holder of the Special Share.

8.3.6 Subject to Subsections 8.3.7 and 8.3.8, if, as a result of death, disability, retirement, resignation, removal (with or without cause) or otherwise, there shall exist or occur any vacancy on the board of directors with respect to a director elected or entitled to be elected by the holder of the Special Share, or for any other reason there are at any time fewer directors serving on the board of directors elected by the holder of the Special Share than such holder is entitled to elect in accordance with this Section 8.3, the resulting vacancy shall be filled by an individual who shall be nominated and elected by the holder of the Special Share.

8.3.7 The right of the holder of the Special Share as provided in Subsection 8.3.4 shall be subject at all times to the requirement that the board of directors shall at all times include not

less than the number of Independent Directors as required or recommended by the Independent Director Rules.

8.3.8 Notwithstanding any other provision of this Section 8.3, if, at any time, the holder of the Special Share or any of its Affiliates, or any combination of the foregoing, Competes, then from that time until the date that it and each of its Affiliates cease to Compete, (i) subject to the Act, the holder of the Special Share shall not be entitled to exercise any of the rights attaching to the Special Share, including, without limitation, any rights provided in Subsections 8.3.3, 8.3.4, 8.3.5, 8.3.6 and 8.3.9, and (ii) the first sentence of Subsection 8.3.9 shall cease to apply.

8.3.9 Subject to Subsection 8.3.8, until the date that the holder of the Special Share first ceases to beneficially own at least fifty percent (50%) of the outstanding common shares, the Chief Executive Officer of the Amalgamated Corporation shall be appointed by the board of directors on an annual basis, or sooner in the event such officer resigns or otherwise ceases to hold office prior to such approved appointment, from among the directors elected by the holder of the Special Share; provided that if, for any reason, at the relevant time, there are no directors holding office who have been elected or appointed by the holder of the Special Share, the board of directors shall appoint an individual of its choosing as the Chief Executive Officer. For greater certainty, on the date that the holder of the Special Share first ceases to beneficially own at least fifty percent (50%) of the outstanding common shares, the rights granted to the holder of the Special Share in this Subsection 8.3.9 shall forever be extinguished.

8.3.10 No dividends shall be declared and/or paid by the Amalgamated Corporation on the Special Share.

8.3.11 The Special Share shall be deemed to be converted by the Amalgamated Corporation without any further act on the part of the Amalgamated Corporation into one common share concurrently with:

(a) the sale, transfer, assignment or any other disposition of the legal and/or beneficial title of the Special Share by the holder of the Special Share to anyone other than ING Groep N.V. or a direct or indirect wholly-owned Subsidiary of ING Groep N.V.; or

(b) the time that any direct or indirect wholly-owned Subsidiary of ING Groep N.V. who, at the relevant time, holds the Special Share is no longer a direct or indirect wholly-owned Subsidiary of ING Groep N.V.; or

(c) the time that the holder of the Special Share first ceases to beneficially own at least ten percent (10%) of the outstanding common shares; or

(d) the Termination of the Co-Operation Agreement. In this paragraph (d) of Subsection 8.3.11, "Termination" means termination for a reason other than as a result of a breach by the Amalgamated Corporation of the Co-Operation Agreement, and where the termination of the Co-Operation Agreement has been disputed by either party to the Co-Operation Agreement, the Co-Operation Agreement shall be deemed not to have been terminated until the parties thereto agree that such termination shall have occurred or until the dispute has been

resolved through a final non-appealable decision binding on the parties thereto by a court of competent jurisdiction or by an arbitrator in accordance with the terms of the Co-Operation Agreement.

8.3.12 In the event of the liquidation, dissolution or winding-up of the Amalgamated Corporation, whether voluntary or involuntary, the holder of the Special Share shall be entitled to receive, before any distribution of any part of the assets of the Amalgamated Corporation among the holders of the common shares but after any such distribution among the holders of any series of Class A Shares, Cdn.$1.00 for the Special Share.

9. The issued and outstanding shares in the capital of the Amalgamating Corporations shall be cancelled or converted into issued shares in the capital of the Amalgamated Corporation as follows:

9.1 The 141,569 common shares of Holdco shall be converted into 93,620,000 issued common shares of the Amalgamated Corporation.

9.2 The 78,077,458 Class B common shares and the Class E shares of each series of Subco, all of which are held by Holdco, shall be cancelled when the amalgamation becomes effective without any repayment of capital in respect thereof.

After the amalgamation contemplated in this Agreement is effective, the shareholder of Holdco shall be entitled to receive a certificate or certificates for shares of the Amalgamated Corporation as provided above upon surrender of all certificates representing shares held in either of the Amalgamating Corporations.

10. The Amalgamated Corporation will indicate $177,220,133 as the stated capital account for the common shares in the capital of the Amalgamated Corporation.

11. The Board of Directors of the Amalgamated Corporation shall consist of a minimum of three directors and a maximum of 21 directors and shall be 6 until changed in accordance with the Act. The first directors are:

Full Name	Residence Address	Resident Canadian
Yves Brouillette	449 Langley Oaks Drive Marietta, Georgia 30067 U.S.A.	No
Claude Dussault	168 Joicey Blvd. Toronto, Ontario, Canada M5M 2V2	Yes
Robert Crispin	3558 Piedmont Road, #1 Atlanta, Georgia 30305 U.S.A.	No
David Wheat	3070 Cypress Pond Pass Duluth, Georgia 30097 U.S.A.	No

Full Name	Residence Address	Resident Canadian
Mark Tullis	115 Spindale Court Atlanta, Georgia 30350 U.S.A.	No
Michael W. Cunningham	1166 Bay Street, #302 Toronto, Ontario, Canada M5S 2X8	Yes

The first directors shall hold office until the close of the first annual meeting of voting shareholders of the Amalgamated Corporation or until successors are elected or appointed. The subsequent directors shall be elected each year thereafter at either an annual meeting or a special meeting of the shareholders. The directors shall manage or supervise the management of the business and affairs of the Amalgamated Corporation, subject to the provisions of the Act.

12. Upon the endorsement of the certificate of amalgamation under the Act:

12.1 The amalgamation of the Amalgamating Corporations and their continuance as one Amalgamated Corporation become effective.

12.2 The property of each Amalgamating Amalgamated Corporation continues to be the property of the Amalgamated Corporation.

12.3 The Amalgamated Corporation continues to be liable for the obligations of each Amalgamating Corporation.

12.4 An existing cause of action, claim or liability to prosecution is unaffected.

12.5 A civil, criminal or administrative action or proceeding pending by or against an Amalgamating Corporation may be continued to be prosecuted by or against the Amalgamated Corporation

12.6 A conviction against, or ruling, order or judgment in favour of or against, an Amalgamating Corporation may be enforced by or against the Amalgamated Corporation.

12.7 The articles of amalgamation are deemed to be the articles of incorporation of the Amalgamated Corporation and the certificate of amalgamation is deemed to be the certificate of incorporation of the Amalgamated Corporation.

13. This Agreement may be terminated by the directors of either of the Amalgamating Corporations, notwithstanding the approval of this Agreement by the shareholder of such Amalgamating Corporation, at any time prior to the endorsement of a certificate of amalgamation under the Act in respect of this Agreement.

[THE NEXT PAGE IS THE EXECUTION PAGE]

TO WITNESS THEIR AGREEMENT the parties have duly executed this Agreement by the signatures of their proper officers in that behalf.

ING CANADA HOLDINGS INC./
SOCIÉTÉ DE PORTEFEUILLE ING CANADA INC.

Per: _____
Name: Claude Dussault
Title: Director

Per: _____
Name: SVP Corporate & Legal Services,
Title: and Secretary.
We have authority to bind the Corporation

ING CANADA INC.

Per: _____
Name: Claude Dussault
Title: President and Chief Executive Officer

Per: _____
Name: Michael W. Cunningham
Title: Senior Vice-President and Chief Financial Officer
We have authority to bind the Corporation

SCHEDULE "A"

BY-LAWS

By-law No. 1

A By-law Relating to the Business and Affairs of

ING CANADA INC.

PART 1
INTERPRETATION

1.01 Definitions

In this by-law, unless the context otherwise requires:

"Act" means the *Canada Business Corporations Act* RSC 1985, c. C-44 and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, in each case, as amended from time to time;

"articles" means the articles, as that term is defined in the Act, of the Corporation, as amended or restated from time to time;

"auditor" means the auditor of the Corporation;

"board" means the board of directors of the Corporation;

"business day" means any day, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario;

"by-law" means a by-law of the Corporation;

"Corporation" means the corporation amalgamated on December 10, 2004 under the name "ING Canada Inc.";

"director" means a director of the Corporation;

"officer" has the meaning set forth in the Act but reference to any specific officer is to the individual holding that office of the Corporation;

"proxyholder" means a person holding a valid proxy for a shareholder;

"shareholder" means a shareholder of the Corporation; and

"voting person" means, in respect of a meeting of shareholders, a shareholder entitled to vote at that meeting, a duly authorized representative of a shareholder entitled to vote at the meeting or a proxyholder entitled to vote at that meeting.

Terms defined in the Act and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in the Act.

1.02 Number, Gender and Headings

In this by-law, unless the context otherwise requires, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in this by-law and its division into Parts, Sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of this by-law.

1.03 By-law Subordinate to Other Documents

This by-law is subordinate to, and should be read in conjunction with, the Act, the articles and any unanimous shareholder agreement of the Corporation.

1.04 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles, by-laws or administrative rules of the Corporation, the day of service or posting of the notice of document shall not, unless it is otherwise provided, be counted in such number of days or other period.

PART 2
PROTECTION AND INDEMNITY

2.01 Limitation of Liability

Subject to any applicable statutory provisions, no director or officer and no other individual who acts at the Corporation's request as a director or officer, or in a similar capacity, of another entity, shall be liable for:

(a) the acts, receipts, neglects or defaults of any other person;

(b) joining in any receipt or other act for conformity;

(c) any loss, damage or expense to the Corporation or other entity arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation or other entity;

(d) the insufficiency or deficiency of any security in or upon which any monies of the Corporation or other entity are invested;

(e) any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person with whom any monies, securities or other property of the Corporation or other entity are lodged or deposited;

(f) any loss, damage or expense occasioned by any error of judgment or oversight; or

(g) any other loss, damage or expense related to the performance or non-performance of the duties of that individual's office.

2.02 Contracts on Behalf of the Corporation

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by any officer or employee of the Corporation acting within the scope of his or her authority, all contracts, instruments and documents in writing including those necessary to sell, assign, transfer, purchase or accept shares, stocks, bonds, debentures, warrants or other like securities from or to the Corporation, all deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, in the name of the Corporation shall be signed on behalf of the Corporation by any two of the chairman, vice-chairman, the chief executive officer, chief financial officer, general counsel, a vice-president of legal services,

executive vice-president, assistant vice-president, vice-president of finance (of the Corporation or any wholly owned subsidiary of the Corporation), secretary, or assistant secretary.

The board, in its sole and absolute discretion, may further authorize by resolution any other person, whether individually or jointly with another designated person and whether by name or office, to so sign such documents.

Signatures of any of the officers or persons provided herein may be lithographed, stamped or printed, if and to the extent and subject to such conditions all as the board may from time to time by resolution authorize, and such authorized signature or signatures on any instrument or document shall have the same force and effect as if manual signature had been used.

If any officer whose facsimile signature is on any instrument when issued and delivered shall be valid and binding on the Corporation as if such officer had held office at the time of issue and delivery.

2.03 Indemnity of Directors and Officers

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation:

(a) shall indemnify each director or officer or former director or officer and each other individual who acts or has acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity (and each such individual's respective heirs and personal representatives), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided:

(i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful;

(b) shall advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 2.03(a) in accordance with the Act; and

(c) the Corporation may purchase and maintain or arrange for the purchase and maintenance of insurance for the benefit of directors, officers, former directors and former officers of the Corporation and their respective heirs and personal representatives to the full extent permitted by the Act.

2.04 Indemnities Not Limiting

The provisions of this Article 2 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which a person is otherwise entitled.

PART 3
MEETINGS OF SHAREHOLDERS

3.01 Notice of Shareholders' Meetings

The board may call a meeting of shareholders by causing notice of the time, place and, when required by the Act, purposes of the meeting to be given to each shareholder entitled to vote at the meeting, each director and the auditor. Subject to any applicable securities law or policy, such notice shall be given no less than 21 days and no more than 60 days before the meeting.

3.02 Quorum at Meetings of Shareholders

A quorum at meetings of shareholders shall be as set out in Section 5.02.

3.03 Chair and Secretary of Shareholders Meetings

The chair of the board shall preside as chair of all meetings of shareholders. If there is no chair of the board or the chair of the board is not present or is unwilling to act as chair of a shareholder meeting, then the chief executive officer of the Corporation shall preside as chair of the meeting if present, a director and willing to act. In any other case, the directors present shall choose one of their number to be the chair of the meeting.

The secretary shall keep the minutes of all meetings of the shareholders. The secretary shall attend to the giving of all notices of meetings of shareholders. The secretary shall, in general, perform all of the duties which are incident to the office of secretary and such other duties as the board or the chief executive officer may from time to time prescribe. The board may also appoint one or more assistant secretaries and such assistant secretary shall exercise the functions of the secretary in his or her absence or incapacity or the functions determined by the board.

3.04 Voting

Unless the chair of a meeting of shareholders directs a ballot or a voting person demands one, each motion shall be voted upon by a show of hands. Each voting person has 1 vote in a vote by show of hands. A ballot may be directed or demanded either before or after a vote by show of hands. If a ballot is taken, a prior vote by show of hands has no effect. A ballot so directed or demanded shall be taken in such manner as the chair of the meeting shall direct. If a ballot is taken, each voting person shall be entitled with respect to each share which he is entitled to vote at the meeting upon the motion, to one vote or such other number of votes as may be provided by the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said motion. Subject to compliance with the Act and the board's discretion, any vote at a meeting of shareholders may be taken in whole or in part by means of a telephonic, electronic or other communication facility that the Corporation, in its discretion, has made available for that purpose. Unless a ballot is directed or demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

3.05 Scrutineers

The chair of a meeting of shareholders may appoint for that meeting 1 or more scrutineers, who need not be voting persons.

3.06 Who May Attend Shareholders' Meeting

The only persons entitled to attend a meeting of shareholders are voting persons, the directors, the auditor and the chief executive officer, if not, as well as others permitted by the chair of the meeting.

3.07 Participation By Communication Facility

Any person entitled to attend a meeting of shareholders may, subject to the board's discretion, participate in the meeting in accordance with the Act by means of a telephonic, electronic or other communication facility made available by the Corporation that permits all participants to communicate adequately with each other during the meeting and a person participating in a meeting by such means is deemed to be present at the meeting. A meeting of the shareholders called by either the directors or the shareholders may, subject to the board's discretion, be held entirely by means of such a telephonic, electronic or other communications facility that permits all participants to communicate adequately which each other during the meeting if the directors or shareholders calling the meeting so determine.

3.08 Adjournments

The chair of the meeting may and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at the adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

PART 4
ADMINISTRATIVE RULES

4.01 Administrative Rules

The directors may from time to time, pass resolutions to make administrative rules pertaining to the internal affairs of the Corporation, including, but not limited to, meetings of directors, security certificates, payments, execution of documents, notices and other matters.

PART 5
QUORUM

5.01 Quorum for Board Meetings

At any meeting of the board, a quorum for the transaction of business shall be a majority of the number of directors in office from time to time. The board shall not transact business at a meeting of directors unless the minimum number of resident Canadian directors required by the Act is present.

5.02 Quorum at Meetings of Shareholders

A quorum at meetings of shareholders consists of at least two voting persons.

PART 6
AMENDMENT OR REPEAL OF FORMER BY-LAWS

6.01 Former By-laws May be Amended or Repealed

The board may make, amend or repeal one or more by-laws that regulate the business or affairs of the Corporation provided that any by-law, amendment or repeal of a by-law shall be submitted to the shareholders at the next meeting of shareholders for confirmation, rejection or amendment.

6.02 Effect of Repeal of By-laws

The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal. All directors, officers and other persons acting under any by-law repealed in whole or part shall continue to act as if elected or appointed under the provisions of this by-law.

MADE by the board on the 10th day of December, 2004.

Chief Executive Officer

Secretary

CONFIRMED by the Shareholder on the 10th day of December, 2004.

Chief Executive Officer

Secretary

Administrative Rules

Administrative Rules Relating to the Business and Affairs of

ING Canada Inc.

PART 1
INTERPRETATION

1.01 Definitions

In these administrative rules, unless the context otherwise requires:

"Act" means the *Canada Business Corporations Act* RSC 1985, c. C-44 and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, in each case, as amended from time to time;

"administrative rule" means an administrative rule of the Corporation made and amended from time to time by the board;

"articles" means the articles, as that term is defined in the Act, of the Corporation, as amended or restated from time to time;

"auditor" means the auditor of the Corporation;

"board" means the board of directors of the Corporation;

"Corporation" means the corporation amalgamated on December 10, 2004 under the name "ING Canada Inc.";

"director" means a director of the Corporation;

"electronic document" means, except in the case of a statutory declaration or affidavit required under the Act, any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means (including electronic mail) and that can be read or perceived by a person or by any means;

"officer" has the meaning set forth in the Act but reference to any specific officer is to the individual holding that office of the Corporation; and

"shareholder" means a shareholder of the Corporation.

Terms defined in the Act and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in the Act.

1.02 Number, Gender and Headings

In these administrative rules, unless the context otherwise requires, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in these administrative rules and its division into Parts, Sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of these administrative rules.

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1.03 Administrative Rules Subordinate to Other Documents

These administrative rules are subordinate to, and should be read in conjunction with, the *Act*, the articles and the by-laws of the Corporation.

1.04 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles, by-laws or administrative rules of the Corporation, the day of service or posting of the notice of document shall not, unless it is otherwise provided, be counted in such number of days or other period.

PART 2
DIRECTORS

2.01 Notice of Meeting

Any director may call a meeting of the board by giving notice stating the time and place of the meeting to each of the directors. Except as otherwise required by the *Act*, such notice need not specify the purpose of or the business to be transacted at the meeting. Notices of board meetings shall be given in accordance with Section 4.01 no less than 48 hours before the time of the meeting (except in the case of emergency meetings where such notice shall be no less than 24 hours). Without limiting Section 4.06, no prior notice need be given if all directors agree to waive notice.

The board may determine, by resolution, dates, times and places for regular meetings of the board. A copy of any such resolution shall be given to each director forthwith after being passed, but no other notice is required for any such meeting except where the *Act* requires the purpose of or the business to be transacted at a meeting to be specified.

2.02 Meetings Without Notice

A meeting of the board may be held without notice immediately following the first or any annual meeting of shareholders.

2.03 Place of Meeting

A meeting of the board may be held at any place within or outside Canada.

2.04 Quorum for Board Meetings

A quorum at meetings of directors shall be as set out in the by-laws of the Corporation.

2.05 Participation by Communications Facility

A director may, in accordance with the *Act* and if all directors consent, participate in a meeting of the board or of a committee of the board by means of a telephone, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in such a meeting shall be deemed to be present at that meeting.

2.06 Chair of Board Meetings

The chair of the board shall preside as chair of all meetings of the board. If there is no chair of the board or if the chair is not present or is unwilling to act as chair of a board meeting, then the chief executive officer of the Corporation, if present, a director and willing to act, shall preside as chair of the meeting. In any other case, the directors present at the meeting shall choose a director to preside as chair of the meeting.

2.07 Votes at Board Meetings

Each director present at a meeting of the board shall have 1 vote on each motion arising. Motions arising at meetings of the board shall be decided by a majority of the votes cast. The chair of the meeting shall have a second or casting vote.

2.08 Committees

Subject to the provisions of the Act and unless otherwise determined by the board, each committee of the board shall have power to fix its quorum at not less than the majority of its members, to elect its chair and to regulate its procedures.

2.09 Officers

Each officer shall hold office during the pleasure of the board. Any officer may, however, resign at any time by giving notice to the Corporation.

PART 3
SECURITY CERTIFICATES, PAYMENTS

3.01 Certificates

Security certificates shall be in such form as the board may approve or the Corporation adopt. The chief executive officer or the board may order the cancellation of any security certificate that has become defaced and the issuance of a replacement certificate for it when the defaced certificate is delivered to the Corporation or to a transfer agent or branch transfer agent of the Corporation.

3.02 Payments

Any amount payable in cash to shareholders (including dividends payable in cash) may be paid by cheque (or by wire transfer or any other type of electronic payment) drawn on any of the Corporation's bankers to the order of each registered holder of shares of the class or series in respect of which such amount is to be paid. Cheques may be sent by ordinary mail, postage prepaid, to each such registered holder at that holder's address as shown in the records of the Corporation, unless that holder otherwise directs in writing. The mailing of a cheque (or the provision of an electronic payment) as aforesaid shall satisfy and discharge all liability for the applicable dividend or other payment to the extent of the sum represented by such cheque plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque is not paid on due presentation.

3.03 Payments to Joint Shareholders

Cheques payable to joint shareholders shall be made payable to the order of all such joint shareholders unless such joint shareholders direct otherwise. Such cheques may be sent to the joint shareholders at the address appearing on the records of the Corporation in respect of that joint holding, to the first address so appearing if there is more than one, or to such other address as those joint shareholders direct in writing. For greater certainty, any such payments made hereunder may be made by electronic means as contemplated in Section 3.02.

3.04 Non-Receipt of Cheques

The Corporation shall issue a replacement cheque in the same amount to any person who does not receive a cheque sent as provided in these administrative rules, if that person has satisfied the conditions regarding indemnity, evidence of non-receipt and title set by the board from time to time, either generally or for that particular case.

3.05 Currency of Dividends

Dividends or other distributions payable in cash may be paid to some shareholders in Canadian currency and to other shareholders in equivalent amounts of a currency or currencies other than Canadian currency. The board may declare dividends or other distributions in any currency or in alternative currencies and make such provisions as it deems advisable for the payment of such dividends or other distributions.

3.06 Lien for Indebtedness

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provisions of the articles, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the transfer of all or any part of such shares may be refused.

3.07 Interest; Fractions

No dividend or other distribution shall bear interest against the Corporation. Where the dividend or other distribution to which a shareholder is entitled includes a fraction of a cent, such fraction shall be disregarded and such payment shall be deemed payment in full.

3.08 Fractional Security or Property

If any dividend or other distribution results in any shareholder being entitled to a fractional part of a security or property, the Corporation may pay such shareholder in place of that fractional part the cash equivalent thereof as determined by the board or may carry out the distribution and adjust the rights of the shareholders on any basis the board considers appropriate.

PART 4
NOTICES

4.01 Procedure for Giving Notices

Any notice (which term includes any communication or document) to be given pursuant to the Act, the articles, the by-laws, the administrative rules or otherwise to a shareholder or other securityholder of the Corporation, director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's address as shown in the records of the Corporation or mailed to the person at such address by ordinary mail, postage prepaid, or, provided by facsimile, electronic document, in accordance with the Act. Notice shall not be sent by mail to anyone to whom notice may be given, in a municipality, if there is any general interruption of postal service in the municipality in which or to which it is mailed. Any notice so delivered shall be deemed to have been received when it is delivered personally, by facsimile, by electronic means, or at the address as aforesaid. Any such notice mailed or provided by electronic document as aforesaid shall be deemed to have been received at the time specified in the Act.

4.02 Notices to Successors in Title

Notice to a shareholder or other securityholder as aforesaid is sufficient notice to each successor in title to that shareholder or other securityholder until the name and address of that successor have been entered on the records of the Corporation. For greater certainty, any such notice made hereunder may be made by electronic means as contemplated in Section 4.01.

4.03 Notice to Joint Securityholders

Notice to one joint securityholder is sufficient notice to all of them. Such notice shall be addressed to all such joint securityholders and sent to the address for them shown in the records of the Corporation, or to the first such address if there is more than one.

4.04 Facsimile Signatures on Notices

The signature on any notice or other communication or document to be sent by the Corporation may be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced.

4.05 Omission of Notice Does Not Invalidate Actions

All actions taken at a meeting in respect of which a notice has been given shall be valid even if:

(a) by accident, notice was not given to any person;

(b) notice was not received by any person; or

(c) there was an error in a notice that did not affect the substance of the notice.

4.06 Waiver of Notice

Any person entitled to notice under the Act, the articles, the by-laws or the administrative rules may waive that notice. Waiver, either before or after the event referred to in the notice, shall cure any defect in giving that notice to such person.

MADE by the board on the 10th day of December, 2004.

Chief Executive Officer

Secretary

Industry Canada | Industrie Canada

Certificate of Amendment

Certificat de modification

Canada Business Corporations Act

Loi canadienne sur les sociétés par actions

Intact Financial Corporation

Intact Corporation financière

427397-4

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

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

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

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

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

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

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

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

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

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

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

Richard G. Shaw
Director - Directeur

May 13, 2009 / le 13 mai 2009

Date of Amendment - Date de modification

Canada

Industry Canada | Industrie Canada

Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

ELECTRONIC TRANSACTION REPORT | **RAPPORT DE LA TRANSACTION ÉLECTRONIQUE**

ARTICLES OF AMENDMENT (SECTIONS 27 OR 177) | CLAUSES MODIFICATRICES (ARTICLES 27 OU 177)

Processing Type - Mode de traitement: E-Commerce/Commerce-É

1. Name of Corporation - Dénomination de la société	2. Corporation No. - N° de la société
ING CANADA INC.	427397-4

3. The articles of the above-named corporation are amended as follows:
Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante:

La dénomination sociale est modifiée pour :
Intact Financial Corporation
Intact Corporation financière

Date	Name - Nom	Signature	Capacity of - en qualité
2009-05-13	CHANTAL DENOMMÉE		DIRIGEANT AUTORISÉ

Canada

Industry Canada | Industrie Canada

Canada Business Corporations Act | Loi canadienne sur les sociétés par actions

ELECTRONIC TRANSACTION REPORT | **RAPPORT DE LA TRANSACTION ÉLECTRONIQUE**

ARTICLES OF AMENDMENT (SECTIONS 27 OR 177) | CLAUSES MODIFICATRICES (ARTICLES 27 OU 177)

Processing Type - Mode de traitement: E-Commerce/Commerce-É

1. Name of Corporation - Dénomination de la société	2. Corporation No. - N° de la société
Intact Financial Corporation Intact Corporation financière	427397-4

3. The articles of the above-named corporation are amended as follows:
Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante:

The Articles of Amalgamation of the Company be amended to delete from the authorized capital of the Company the one share designated as the "Special Share" and delete in their entirety the rights, privileges,restrictions and conditions attaching to the Special Share as set forth in Article 3 of the Articles of Amalgamation of the Company.

Date	Name - Nom	Signature	Capacity of - en qualité
2009-05-13	CHANTAL DENOMMÉE		DIRIGEANT AUTORISÉ

Canada

Amended and Restated By-law No. 1

A By-law Relating to the Business and Affairs of

INTACT FINANCIAL CORPORATION

PART 1
INTERPRETATION

1.01 Definitions

In this by-law, unless the context otherwise requires:

"Act" means the *Canada Business Corporations Act* RSC 1985, c. C-44 and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, in each case, as amended from time to time;

"articles" means the articles, as that term is defined in the Act, of the Corporation, as amended or restated from time to time;

"auditor" means the auditor of the Corporation;

"board" means the board of directors of the Corporation;

"business day" means any day, other than a Saturday, Sunday or statutory or civic holiday in Toronto, Ontario;

"by-law" means a by-law of the Corporation;

"Corporation" means the corporation amalgamated on December 10, 2004 under the name "Intact Financial Corporation" (formerly "ING Canada Inc.");

"director" means a director of the Corporation;

"officer" has the meaning set forth in the Act but reference to any specific officer is to the individual holding that office of the Corporation;

"proxyholder" means a person holding a valid proxy for a shareholder;

"shareholder" means a shareholder of the Corporation; and

"voting person" means, in respect of a meeting of shareholders, a shareholder entitled to vote at that meeting, a duly authorized representative of a shareholder entitled to vote at the meeting or a proxyholder entitled to vote at that meeting.

Terms defined in the Act and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in the Act.

1.02 Number, Gender and Headings

In this by-law, unless the context otherwise requires, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in this by-law and its division into Parts, Sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of this by-law.

1.03 By-law Subordinate to Other Documents

This by-law is subordinate to, and should be read in conjunction with, the Act, the articles and any unanimous shareholder agreement of the Corporation.

1.04 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles, by-laws or administrative rules of the Corporation, the day of service or posting of the notice of document shall not, unless it is otherwise provided, be counted in such number of days or other period.

PART 2
PROTECTION AND INDEMNITY

2.01 Limitation of Liability

Subject to any applicable statutory provisions, no director or officer and no other individual who acts at the Corporation's request as a director or officer, or in a similar capacity, of another entity, shall be liable for:

(a) the acts, receipts, neglects or defaults of any other person;

(b) joining in any receipt or other act for conformity;

(c) any loss, damage or expense to the Corporation or other entity arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation or other entity;

(d) the insufficiency or deficiency of any security in or upon which any monies of the Corporation or other entity are invested;

(e) any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person with whom any monies, securities or other property of the Corporation or other entity are lodged or deposited;

(f) any loss, damage or expense occasioned by any error of judgment or oversight; or

(g) any other loss, damage or expense related to the performance or non-performance of the duties of that individual's office.

2.02 Contracts on Behalf of the Corporation

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by any officer or employee of the Corporation acting within the scope of his or her authority, all contracts, instruments and documents in writing including those necessary to sell, assign, transfer, purchase or

accept shares, stocks, bonds, debentures, warrants or other like securities from or to the Corporation, all deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or moveable, in the name of the Corporation shall be signed on behalf of the Corporation by any two of the chairman, vice-chairman, the chief executive officer, chief financial officer, general counsel, a vice-president of legal services, executive vice-president, assistant vice-president, vice-president of finance (of the Corporation or any wholly owned subsidiary of the Corporation), secretary, or assistant secretary.

The board, in its sole and absolute discretion, may further authorize by resolution any other person, whether individually or jointly with another designated person and whether by name or office, to so sign such documents.

Signatures of any of the officers or persons provided herein may be lithographed, stamped or printed, if and to the extent and subject to such conditions all as the board may from time to time by resolution authorize, and such authorized signature or signatures on any instrument or document shall have the same force and effect as if manual signature had been used.

If any officer whose facsimile signature is on any instrument when issued and delivered shall be valid and binding on the Corporation as if such officer had held office at the time of issue and delivery.

2.03 Indemnity of Directors and Officers

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation:

(a) shall indemnify each director or officer or former director or officer and each other individual who acts or has acted at the Corporation's request as a director or officer, or in a similar capacity, of another entity (and each such individual's respective heirs and personal representatives), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, provided:

(i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and

(ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful;

(b) shall advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 2.03(a) in accordance with the Act; and

(c) the Corporation may purchase and maintain or arrange for the purchase and maintenance of insurance for the benefit of directors, officers, former directors and former officers of the Corporation and their respective heirs and personal representatives to the full extent permitted by the Act.

2.04 Indemnities Not Limiting

The provisions of this Article 2 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which a person is otherwise entitled.

PART 3
MEETINGS OF SHAREHOLDERS

3.01 Notice of Shareholders' Meetings

The board may call a meeting of shareholders by causing notice of the time, place and, when required by the Act, purposes of the meeting to be given to each shareholder entitled to vote at the meeting, each director and the auditor. Subject to any applicable securities law or policy, such notice shall be given no less than 21 days and no more than 60 days before the meeting.

3.02 Quorum at Meetings of Shareholders

A quorum at meetings of shareholders shall be as set out in Section 5.02.

3.03 Chair and Secretary of Shareholders Meetings

The chair of the board shall preside as chair of all meetings of shareholders. If there is no chair of the board or the chair of the board is not present or is unwilling to act as chair of a shareholder meeting, then the chief executive officer of the Corporation shall preside as chair of the meeting if present, a director and willing to act. In any other case, the directors present shall choose one of their number to be the chair of the meeting.

The secretary shall keep the minutes of all meetings of the shareholders. The secretary shall attend to the giving of all notices of meetings of shareholders. The secretary shall, in general, perform all of the duties which are incident to the office of secretary and such other duties as the board or the chief executive officer may from time to time prescribe. The board may also appoint one or more assistant secretaries and such assistant secretary shall exercise the functions of the secretary in his or her absence or incapacity or the functions determined by the board.

3.04 Voting

Unless the chair of a meeting of shareholders directs a ballot or a voting person demands one, each motion shall be voted upon by a show of hands. Each voting person has 1 vote in a vote by show of hands. A ballot may be directed or demanded either before or after a vote by show of hands. If a ballot is taken, a prior vote by show of hands has no effect. A ballot so directed or demanded shall be taken in such manner as the chair of the meeting shall direct. If a ballot is taken, each voting person shall be entitled with respect to each share which he is entitled to vote at the meeting upon the motion, to one vote or such other number of votes as may be provided by the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said motion. Subject to compliance with the Act and the board's discretion, any vote at a meeting of shareholders may be taken in whole or in part by means of a telephonic, electronic or other communication facility that the Corporation, in its discretion, has made available for that purpose. Unless a ballot is directed or demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

3.05 Scrutineers

The chair of a meeting of shareholders may appoint for that meeting 1 or more scrutineers, who need not be voting persons.

3.06 Who May Attend Shareholders' Meeting

The only persons entitled to attend a meeting of shareholders are voting persons, the directors, the auditor and the chief executive officer, if any, as well as others permitted by the chair of the meeting.

3.07 Participation By Communication Facility

Any person entitled to attend a meeting of shareholders may, subject to the board's discretion, participate in the meeting in accordance with the Act by means of a telephonic, electronic or other communication facility made available by the Corporation that permits all participants to communicate adequately with each other during the meeting and a person participating in a meeting by such means is deemed to be present at the meeting. A meeting of the shareholders called by either the directors or the shareholders may, subject to the board's discretion, be held entirely by means of such a telephonic, electronic or other communications facility that permits all participants to communicate adequately which each other during the meeting if the directors or shareholders calling the meeting so determine.

3.08 Adjournments

The chair of the meeting may and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place but no business shall be transacted at the adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

PART 4
ADMINISTRATIVE RULES

4.01 Administrative Rules

The directors may from time to time, pass resolutions to make administrative rules pertaining to the internal affairs of the Corporation, including, but not limited to, meetings of directors, security certificates, payments, execution of documents, notices and other matters.

PART 5
QUORUM

5.01 Quorum for Board Meetings

At any meeting of the board, a quorum for the transaction of business shall be a majority of the number of directors in office from time to time. The board shall not transact business at a meeting of directors unless the minimum number of resident Canadian directors required by the Act is present.

5.02 Quorum at Meetings of Shareholders

A quorum at meetings of shareholders consists of at least 25% of the shares entitled to vote at the meeting being present in person or represented by proxy, and at least two shareholders be present in person.

PART 6
AMENDMENT OR REPEAL OF FORMER BY-LAWS

6.01 Former By-laws May be Amended or Repealed

The board may make, amend or repeal one or more by-laws that regulate the business or affairs of the Corporation provided that any by-law, amendment or repeal of a by-law shall be submitted to the shareholders at the next meeting of shareholders for confirmation, rejection or amendment.

6.02 Effect of Repeal of By-laws

The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal. All directors, officers and other persons acting under any by-law repealed in whole or part shall continue to act as if elected or appointed under the provisions of this by-law.

MADE by the board on the 7th day of May, 2014

Chief Executive Officer

Secretary

CONFIRMED by the shareholders of the Corporation on the 7th day of May, 2014

Advance Notice By-law

By-law No.2

A By-law relating to Advance Notice of Nominations of Directors of the Corporation

1. ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

(a) Subject to the laws governing the Corporation and the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders, if one of the purposes for which the special meeting was called was the election of directors. Such nominations may be made in the following manner:

(i) by or at the direction of the board, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the Act, or a requisition of the shareholders made in accordance with the Act; or

(iii) by any person (a "Nominating Shareholder")

(A) who, at the close of business on the date of the giving of the notice provided for below in this By-law No.2 of the Corporation (the "By-law") and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and

(B) who complies with the notice procedures set forth below in this By-law.

(b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this By-law.

(c) To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be given:

(i) in the case of an annual meeting (including and annual and special meeting) of shareholders, not less than 30 days before the date of the meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date;

(ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(d) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (the "Proposed Nominee"):

(A) the name, age, province or state and country of residence of the Proposed Nominee;

(B) the principal occupation, business or employment of the Proposed Nominee, both at present and within the five years preceding the notice;

(C) the number of securities of each class of voting securities of the Corporation or its subsidiaries which are beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(D) a description of any agreement, arrangement or understanding (financial, compensation or indemnity related or otherwise) between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person acting jointly or in concert with the Nominating Shareholder or the Proposed Nominee, in connection with the Proposed Nominee's election as director;

(E) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or its affiliates or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation or any of the Corporation's Affiliates and the interests of the Proposed Nominee;

(F) whether the Proposed Nominee is a "resident Canadian" within the meaning of the Act; and

(G) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

(ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has any rights or obligations relating to the voting of any securities of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and

(iii) a written consent duly signed by each Proposed Nominee to being named as a nominee for election to the board and to serve as a director of the Corporation, if elected.

The Corporation may require that any Proposed Nominee furnish such other information to comply with requirements of the Office of the Superintendent of Financial Institutions (Canada) relating to assessing the suitability of directors and potential changes to the board.

(e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this By-law; provided, however, that nothing in this By-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chair of the meeting of shareholders shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this By-law and, if any proposed nomination is not in compliance with this By-law, to declare that such defective nomination shall be disregarded.

(f) For purposes of this By-law:

(i) "Act" means the *Canada Business Corporations Act*, or any statute that may be substituted therefor, as from time to time amended;

(ii) "Affiliate", when used to indicate a relationship with a specific person, shall mean a person that directly,

or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;

(iii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(iv) "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

Terms defined in By-law No.1 of the Corporation and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in By-law No.1 of the Corporation.

(g) Notwithstanding any other provision of this By-law, notice given to the Secretary of the Corporation pursuant to this By-law may only be given by personal delivery, facsimile transmission (at such contact information as set out on the Corporation's issuer profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com) or electronic mail (to corporate.secretary@intact.net), and shall be deemed to have been given and made only at the time it is served by personal delivery or email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Eastern Time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(h) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this By-law.

2. EFFECTIVE DATE

This By-law shall come into force when confirmed by the Shareholders of the Corporation.

ADOPTED by the Board on February 7, 2017
AMENDED by the Board on April 19, 2017

CONFIRMED by the shareholders of the Corporation on May 3, 2017

Administrative Rules

Administrative Rules Relating to the Business and Affairs of

ING Canada Inc.

PART 1
INTERPRETATION

1.01 Definitions

In these administrative rules, unless the context otherwise requires:

"Act" means the *Canada Business Corporations Act* RSC 1985, c. C-44 and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, in each case, as amended from time to time;

"administrative rule" means an administrative rule of the Corporation made and amended from time to time by the board;

"articles" means the articles, as that term is defined in the Act, of the Corporation, as amended or restated from time to time;

"auditor" means the auditor of the Corporation;

"board" means the board of directors of the Corporation;

"Corporation" means the corporation amalgamated on December 10, 2004 under the name "ING Canada Inc.";

"director" means a director of the Corporation;

"electronic document" means, except in the case of a statutory declaration or affidavit required under the Act, any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means (including electronic mail) and that can be read or perceived by a person or by any means;

"officer" has the meaning set forth in the Act but reference to any specific officer is to the individual holding that office of the Corporation; and

"shareholder" means a shareholder of the Corporation.

Terms defined in the Act and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in the Act.

1.02 Number, Gender and Headings

In these administrative rules, unless the context otherwise requires, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in these administrative rules and its division into Parts, Sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of these administrative rules.

1.03 Administrative Rules Subordinate to Other Documents

These administrative rules are subordinate to, and should be read in conjunction with, the Act, the articles and the by-laws of the Corporation.

1.04 Computation of Time

Where a given number of days' notice or notice extending over a period is required to be given under any provisions of the articles, by-laws or administrative rules of the Corporation, the day of service or posting of the notice of document shall not, unless it is otherwise provided, be counted in such number of days or other period.

PART 2
DIRECTORS

2.01 Notice of Meeting

Any director may call a meeting of the board by giving notice stating the time and place of the meeting to each of the directors. Except as otherwise required by the Act, such notice need not specify the purpose of or the business to be transacted at the meeting. Notices of board meetings shall be given in accordance with Section 4.01 no less than 48 hours before the time of the meeting (except in the case of emergency meetings where such notice shall be no less than 24 hours). Without limiting Section 4.06, no prior notice need be given if all directors agree to waive notice.

The board may determine, by resolution, dates, times and places for regular meetings of the board. A copy of any such resolution shall be given to each director forthwith after being passed, but no other notice is required for any such meeting except where the Act requires the purpose of or the business to be transacted at a meeting to be specified.

2.02 Meetings Without Notice

A meeting of the board may be held without notice immediately following the first or any annual meeting of shareholders.

2.03 Place of Meeting

A meeting of the board may be held at any place within or outside Canada.

2.04 Quorum for Board Meetings

A quorum at meetings of directors shall be as set out in the by-laws of the Corporation.

2.05 Participation by Communications Facility

A director may, in accordance with the Act and if all directors consent, participate in a meeting of the board or of a committee of the board by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in such a meeting shall be deemed to be present at that meeting.

2.06 Chair of Board Meetings

The chair of the board shall preside as chair of all meetings of the board. If there is no chair of the board or if the chair is not present or is unwilling to act as chair of a board meeting, then the chief executive officer of the Corporation, if present, a director and willing to act, shall preside as chair of the meeting. In any other case, the directors present at the meeting shall choose a director to preside as chair of the meeting.

2.07 Votes at Board Meetings

Each director present at a meeting of the board shall have 1 vote on each motion arising. Motions arising at meetings of the board shall be decided by a majority of the votes cast. The chair of the meeting shall have a second or casting vote.

2.08 Committees

Subject to the provisions of the Act and unless otherwise determined by the board, each committee of the board shall have power to fix its quorum at not less than the majority of its members, to elect its chair and to regulate its procedures.

2.09 Officers

Each officer shall hold office during the pleasure of the board. Any officer may, however, resign at any time by giving notice to the Corporation.

PART 3
SECURITY CERTIFICATES, PAYMENTS

3.01 Certificates

Security certificates shall be in such form as the board may approve or the Corporation adopt. The chief executive officer or the board may order the cancellation of any security certificate that has become defaced and the issuance of a replacement certificate for it when the defaced certificate is delivered to the Corporation or to a transfer agent or branch transfer agent of the Corporation.

3.02 Payments

Any amount payable in cash to shareholders (including dividends payable in cash) may be paid by cheque (or by wire transfer or any other type of electronic payment) drawn on any of the Corporation's bankers to the order of each registered holder of shares of the class or series in respect of which such amount is to be paid. Cheques may be sent by ordinary mail, postage prepaid, to each such registered holder at that holder's address as shown in the records of the Corporation, unless that holder otherwise directs in writing. The mailing of a cheque (or the provision of an electronic payment) as aforesaid shall satisfy and discharge all liability for the applicable dividend or other payment to the extent of the sum represented by such cheque plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque is not paid on due presentation.

3.03 Payments to Joint Shareholders

Cheques payable to joint shareholders shall be made payable to the order of all such joint shareholders unless such joint shareholders direct otherwise. Such cheques may be sent to the joint shareholders at the address appearing on the records of the Corporation in respect of that joint holding, to the first address so appearing if there is more than one, or to such other address as those joint shareholders direct in writing. For greater certainty, any such payments made hereunder may be made by electronic means as contemplated in Section 3.02.

3.04 Non-Receipt of Cheques

The Corporation shall issue a replacement cheque in the same amount to any person who does not receive a cheque sent as provided in these administrative rules, if that person has satisfied the conditions regarding indemnity, evidence of non-receipt and title set by the board from time to time, either generally or for that particular case.

3.05 Currency of Dividends

Dividends or other distributions payable in cash may be paid to some shareholders in Canadian currency and to other shareholders in equivalent amounts of a currency or currencies other than Canadian currency. The board may declare dividends or other distributions in any currency or in alternative currencies and make such provisions as it deems advisable for the payment of such dividends or other distributions.

3.06 Lien for Indebtedness

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provisions of the articles, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, the transfer of all or any part of such shares may be refused.

3.07 Interest; Fractions

No dividend or other distribution shall bear interest against the Corporation. Where the dividend or other distribution to which a shareholder is entitled includes a fraction of a cent, such fraction shall be disregarded and such payment shall be deemed payment in full.

3.08 Fractional Security or Property

If any dividend or other distribution results in any shareholder being entitled to a fractional part of a security or property, the Corporation may pay such shareholder in place of that fractional part the cash equivalent thereof as determined by the board or may carry out the distribution and adjust the rights of the shareholders on any basis the board considers appropriate.

PART 4
NOTICES

4.01 Procedure for Giving Notices

Any notice (which term includes any communication or document) to be given pursuant to the Act, the articles, the by-laws, the administrative rules or otherwise to a shareholder or other securityholder of the Corporation, director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's address as shown in the records of the Corporation or mailed to the person at such address by ordinary mail, postage prepaid, or, provided by facsimile, electronic document, in accordance with the Act. Notice shall not be sent by mail to anyone to whom notice may be given, in a municipality, if there is any general interruption of postal services in the municipality in which or to which it is mailed. Any notice so delivered shall be deemed to have been received when it is delivered personally, by facsimile, by electronic means, or at the address as aforesaid. Any such notice mailed or provided by electronic document as aforesaid shall be deemed to have been received at the time specified in the Act.

4.02 Notices to Successors in Title

Notice to a shareholder or other securityholder as aforesaid is sufficient notice to each successor in title to that shareholder or other securityholder until the name and address of that successor have been entered on the records of the Corporation. For greater certainty, any such notice made hereunder may be made by electronic means as contemplated in Section 4.01.

4.03 Notice to Joint Securityholders

Notice to one joint securityholder is sufficient notice to all of them. Such notice shall be addressed to all such joint securityholders and sent to the address for them shown in the records of the Corporation, or to the first such address if there is more than one.

4.04 Facsimile Signatures on Notices

The signature on any notice or other communication or document to be sent by the Corporation may be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced.

4.05 Omission of Notice Does Not Invalidate Actions

All actions taken at a meeting in respect of which a notice has been given shall be valid even if:

(a) by accident, notice was not given to any person;

(b) notice was not received by any person; or

(c) there was an error in a notice that did not affect the substance of the notice.

4.06 Waiver of Notice

Any person entitled to notice under the Act, the articles, the by-laws or the administrative rules may waive that notice. Waiver, either before or after the event referred to in the notice, shall cure any defect in giving that notice to such person.

MADE by the board on the 10th day of December, 2004.

Chief Executive Officer

Secretary

Industry Canada Industrie Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Marcie Girouard

Director / Directeur

2011-07-06

Date of Amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Industry Canada | Industrie Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation amends the description of classes of shares as follows:
La description des catégories d'actions est modifiée comme suit :
See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Chantal Denommee

Chantal Denommee
514-985-7111 x8371

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).
Nota : Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ ou d'un emprisonnement maximal de six mois, ou de ces deux peines (paragraphe 250(1) de la LCSA).

Canada

Pursuant to subsection 27(4) of the Canada Business Corporations Act, the articles of the Corporation are hereby amended:

(a) to create a new series of Class A Shares, to be designated as "Non-cumulative Rate Reset Class A Shares Series 1" and limited in number to 10,000,000 shares, each such Non-cumulative Rate Reset Class A Share Series 1 having attached thereto the following rights, privileges, restrictions and conditions:

Series 1 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "**Series 1 Preferred Shares Provisions**") attaching to the Non-cumulative Rate Reset Class A Shares Series 1 (the "**Series 1 Preferred Shares**") of Intact Financial Corporation (the "**Corporation**").

1. **Consideration for Issue**

The consideration for the issue of each Series 1 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. **Dividends**

(1) **Payment of Dividends.** The holders of Series 1 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 1 Preferred Shares, as and when declared by the Board of Directors, fixed quarterly non-cumulative preferential cash dividends at the rates and times herein provided.

(a) During the Initial Fixed Rate Period, dividends on the Series 1 Preferred Shares will, if declared, be in the amount per annum equal to $1.05 per share, determined by multiplying the Initial Fixed Dividend Rate by $25.00, payable quarterly on each Dividend Payment Date. Accordingly, on each Dividend Payment Date during the Initial Fixed Rate Period, other than September 30, 2011, the dividend payable, if declared, will be equal to $0.2625 per share. The initial dividend amount payable, if declared, will be payable on September 30, 2011 and will be in the amount per share determined by multiplying $1.05 by the number of days in the period from and including the Issue Date to but excluding September 30, 2011, and dividing that product by 365.

(b) During each Subsequent Fixed Rate Period, dividends on the Series 1 Preferred Shares will, if declared, be in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, payable quarterly on each Dividend Payment Date.

(c) The Corporation will, in respect of each Subsequent Fixed Rate Period, calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the then holders of Series 1 Preferred Shares. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the

absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 1 Preferred Shares.

(d) In respect of any period other than the initial Dividend Period that is less than a full Dividend Period, dividends on the Series 1 Preferred Shares will, if declared, be in the amount per share determined by multiplying the applicable Annual Fixed Dividend Rate by $25.00, and multiplying such product by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(2) **Method of Payment.** Dividends on the Series 1 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 1 Preferred Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 1 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative.** If the Board of Directors does not declare the dividends, or any part thereof, on the Series 1 Preferred Shares on or before the Dividend Payment Date for a particular Dividend Period, the entitlement of the holders of the Series 1 Preferred Shares to such dividends, or to any part thereof, for the Dividend Period will be forever extinguished.

3. **Redemption**

(1) **No Redemption Before December 31, 2017.** The Corporation may not redeem any of the Series 1 Preferred Shares prior to December 31, 2017.

(2) **Redemption On and After December 31, 2017.** On December 31, 2017 and on December 31 every fifth year thereafter, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 1 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (4) below, by the

payment of an amount in cash for each Series 1 Preferred Share so redeemed equal to $25.00 (the "**Redemption Price**") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(3) **Partial Redemptions.** In the case of partial redemptions, Series 1 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 1 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(4) **Notice of Redemption.** The Corporation will give to each holder of Series 1 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the "**Redemption Notice**"). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 1 Preferred Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the "**Redemption Date**"). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 1 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(5) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 1 Preferred Shares to be redeemed, in respect of each Series 1 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 1 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 1 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If a part only of the Series 1 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (6) below, from and after the date specified in any Redemption Notice, the Series 1 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 1 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 1 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 1 Preferred Shares.

(6) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 1 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 1 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 1 Preferred Shares. Any such

deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 1 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 1 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 1 Preferred Shares**

(1) **Conversion at the Option of the Holder.**

(a) Holders of Series 1 Preferred Shares will have the right, at their option, on December 31, 2017 and on December 31 in every fifth year thereafter (a "**Series 1 Conversion Date**"), to convert, subject to the terms and provisions hereof, all or any Series 1 Preferred Shares registered in their name into Series 2 Preferred Shares on the basis of one (1) Series 2 Preferred Share for each Series 1 Preferred Share. The Corporation will give written notice to the then holders of the Series 1 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 1 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 1 Conversion Date. On the 30th day prior to each Series 1 Conversion Date, the Corporation will give written notice to the then holders of the Series 1 Preferred Shares of the Annual Fixed Dividend Rate for the succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 2 Preferred Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(4) to the holders of the Series 1 Preferred Shares of the redemption of all the Series 1 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 1 Preferred Shares of the Annual Fixed Dividend Rate, Floating Quarterly Dividend Rate or Conversion Privilege and the right of any holder of Series 1 Preferred Shares to convert such Series 1 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 1 Preferred Shares will not be entitled to convert the Series 1 Preferred Shares registered in their name into Series 2 Preferred Shares on a Series 1 Conversion Date if the Corporation determines that there would remain outstanding on the Series 1 Conversion Date less than 1,000,000 Series 2 Preferred Shares after taking into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares and all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a),

mutatis mutandis, to all affected holders of Series 1 Preferred Shares at least seven (7) days prior to the applicable Series 1 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 1 Conversion Date, at the expense of the Corporation, to such holders of Series 1 Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 1 Preferred Shares, new certificates representing the Series 1 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 1 Preferred Shares after taking into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares and all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares, then, all, but not part, of the remaining outstanding Series 1 Preferred Shares will automatically be converted into Series 2 Preferred Shares on the basis of one (1) Series 2 Preferred Share for each Series 1 Preferred Share on the applicable Series 1 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 1 Preferred Shares at least seven (7) days prior to the Series 1 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege.**

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 1 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 1 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 1 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Conversion Notice such holder may also elect to convert part only of the Series 1 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 1 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the Conversion Notice in writing from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 1 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 1 Preferred Shares into Series 2 Preferred Shares on the applicable Series 1 Conversion Date as provided for in section 4(2), the Series 1 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 1 Conversion Date into Series 2 Preferred Shares and the holders thereof will be deemed to be holders of Series 2 Preferred Shares at 5:00 p.m. (Toronto time) on the Series 1 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series 1 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 2 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 1 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to or upon the written order of the holder of the Series 1 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 2 Preferred Shares and the number of remaining Series 1 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 1 Conversion Date, so that the rights of the holder of such Series 1 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 2 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 2 Preferred Shares at such time.

(d) The holder of any Series 1 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 2 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 2 Preferred Shares upon the conversion of Series 1 Preferred Shares will be made without charge to the converting holders of Series 1 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 2 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 2 Preferred Shares are issued in respect of the issuance of such Series 2 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 1 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 1 Preferred Shares converted into Series 2 Preferred Shares on a Series 1 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 1 Conversion Date and available for issuance on the conversion of the Series 2 Preferred Shares.

(4) **Right Not to Deliver Series 2 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 1 Preferred Shares, or upon an automatic conversion, pursuant to section 4(2), of Series 1 Preferred Shares, the Corporation reserves the right not to deliver Series 2 Preferred Shares to any Ineligible Person.

5. **Restrictions on Dividends and Retirement and Issue of Shares**

As long as any Series 1 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 1 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 1 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 1 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 1 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 1 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 1 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 1 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 1 Preferred Shares;

unless, in each case, all dividends on the Series 1 Preferred Shares and the Series 2 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Dividend Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 1 Preferred Shares and the Series 2 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. **Issue of Additional Shares**

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 1

Preferred Shares, provided that no series of class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 1 Preferred Shares without the prior approval of the holders of the Series 1 Preferred Shares given as specified in section 11.

7. Amendments to Series 1 Preferred Shares

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 1 Preferred Shares given as specified in section 11 and with any required approvals of any stock exchanges on which the Series 1 Preferred Shares may be listed, delete, amend or vary any of these Series 1 Preferred Shares Provisions.

8. Purchase for Cancellation

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 1 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding up its affairs, the holders of the Series 1 Preferred Shares will be entitled to receive $25.00 for each Series 1 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation distributed to the holders of any shares ranking junior to the Series 1 Preferred Shares. After payment of those amounts, the holders of Series 1 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. Voting Rights

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 1 Preferred Shares as a series, holders of Series 1 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 1 Preferred Shares in any Dividend Period. In that event, the holders of Series 1 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 1 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 1 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 1 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 1 Preferred Shares to which the holders are entitled under these Series 1 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 1 Preferred Shares in

any Dividend Period, in which event the Voting Rights will become effective again and so on from time to time.

11. **Approval of Holders of Series 1 Preferred Shares**

Any approval given by the holders of Series 1 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 1 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 1 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 1 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3\%$ of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 1 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 1 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3\%$ of the votes cast at the meeting will constitute the approval of the holders of Series 1 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 1 Preferred Shares will be entitled to one vote in respect of each Series 1 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. **Tax Election**

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 1 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 1 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. **Notices**

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 1 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 1 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 1 Preferred Shares in connection with the redemption or conversion of Series 1 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 1 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 1 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 1 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. **Number of Series 1 Preferred Shares**

The Corporation is authorized to issue 10,000,000 Series 1 Preferred Shares designated as Non-cumulative Rate Reset Class A Shares Series 1.

15. **Interpretation**

(1) **Defined Terms.** In these Series 1 Preferred Shares Provisions:

"**Accrued Amount**" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Dividend Periods preceding the date fixed for redemption.

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 1.72%.

"**Bloomberg Screen GCAN5YR Page**" means the display designated as page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other

page as may replace the GCAN5YR page on that service) for purposes of displaying Government of Canada bond yields.

"Board of Directors" means the board of directors of the Corporation.

"Book-Entry System" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"Business Day" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"Common Shares" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"Conversion Notice" has the meaning attributed to it in section 4(1)(a).

"Conversion Privilege" has the meaning attributed to it in section 4(1)(a).

"Depository" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"Dividend Payment Date" means the last day of the months of March, June, September and December in each year.

"Dividend Period" means the period from and including the Issue Date up to but excluding September 30, 2011 and, thereafter, the three-month period commencing on and including a Dividend Payment Date and ending on the day immediately preceding the next Dividend Payment Date.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 1.72%.

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Global Certificate" has the meaning attributed to it in section 16(1).

"Government of Canada Yield" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"Ineligible Person" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 1 Preferred Shares or Series 2 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"Initial Fixed Dividend Rate" means 4.20% per annum.

"Initial Fixed Rate Period" means the period commencing on the Issue Date and ending on, but excluding, December 31, 2017.

"Issue Date" means the date any of the Series 1 Preferred Shares are first issued.

"Participant" has the meaning attributed to it in section 16(1).

"Quarterly Commencement Date" means the last day of each of March, June, September and December in each year.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including December 31, 2017 to but excluding March 31, 2018, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"Redemption Date" has the meaning attributed to it in section 3(4).

"Redemption Notice" has the meaning attributed to it in section 3(4).

"Redemption Price" has the meaning attributed to it in section 3(2).

"Series 1 Conversion Date" has the meaning attributed to it in section 4(1)(a).

"Series 1 Preferred Shares" has the meaning attributed to it in the introductory paragraph to these Series 1 Preferred Shares Provisions.

"Series 1 Preferred Shares Provisions" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 1 Preferred Shares.

"Series 2 Preferred Shares" means the Non-cumulative Floating Rate Class A Shares Series 2 of the Corporation.

"Subsequent Fixed Rate Period" means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2017, to but excluding December 31, 2022, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding December 31 in the fifth year thereafter.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"Tax Act" means the *Income Tax Act* (Canada).

"Transfer Agent" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 1 Preferred Shares.

"Voting Rights" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 1 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters.**

(a) If any date on which any dividend on the Series 1 Preferred Shares is payable or on or by which any other action is required to be taken by the Corporation under these Series 1 Preferred Shares Provisions is not a Business Day, then the dividend will be payable, or such other action will be required to be taken, on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 1 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 1 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 1 Preferred 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 holder of Series 1 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 1 Preferred Shares under these Series 1 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 1 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 1 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. Registration of Series 1 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 1 Preferred Shares Provisions, the Series 1 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 1 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will be registered in the name of "**CDS & CO.**" (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 1 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 1 Preferred Shares or to a successor Depository for the Series 1 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 1 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 1 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 1 Preferred Shares.** For purposes of these Series 1 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 1 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 1 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 1 Preferred Shares, including payments of dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 2 Preferred Shares and certificates for those shares on the conversion of the Series 1 Preferred Shares into Series 2 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 1 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 1 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 2 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 1 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 1 Preferred Shares from the Book-Entry System, subsections (1) and (2) above will no longer be applicable to the Series 1 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 1 Preferred Shares in definitive registered form equal to the aggregate number of Series 1 Preferred Shares represented by the

Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 1 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such number of Series 1 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 1 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 1 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

(b) to create a new series of Class A Shares, to be designated as "Non-cumulative Floating Rate Class A Shares Series 2" to be issuable upon conversion of the Non-cumulative Rate Reset Class A Shares Series 1 and limited in number to 10,000,000 shares, each such Non-cumulative Floating Rate Class A Share Series 2 having attached thereto the following rights, privileges, restrictions and conditions:

Series 2 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the **"Series 2 Preferred Shares Provisions"**) attaching to the Non-cumulative Floating Rate Class A Shares Series 2 (the **"Series 2 Preferred Shares"**) of Intact Financial Corporation (the **"Corporation"**).

1. **Consideration for Issue**

The consideration for the issue of each Series 2 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. **Dividends**

(1) **Payment of Dividends.**

(a) The holders of Series 2 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 2 Preferred Shares, as and when declared by the Board of Directors, non-cumulative preferential cash dividends payable quarterly at the Floating Quarterly Dividend Rate as calculated from time to time. Accordingly, on each Dividend Payment Date, the dividend payable on the Series 2 Preferred Shares, if declared, will be in the amount per share determined by multiplying:

(A) the product obtained by multiplying $25.00 by the Floating Quarterly Dividend Rate applicable to the Quarterly Floating Rate Period immediately preceding such Dividend Payment Date; by

(B) a fraction, the numerator of which is the actual number of days elapsed 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) The Corporation will, in respect of each Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Dividend Rate for such Floating Quarterly Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the then holders of Series 2 Preferred Shares. Each such determination by the Corporation of the Floating Quarterly Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 2 Preferred Shares.

(2) **Method of Payment.** Dividends on the Series 2 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at

par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 2 Preferred Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 2 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative.** If the Board of Directors does not declare the dividends, or any part thereof, on the Series 2 Preferred Shares on or before the Dividend Payment Date for a Quarterly Floating Rate Period, the entitlement of the holders of the Series 2 Preferred Shares to such dividends, or to any part thereof, for the Quarterly Floating Rate Period will be forever extinguished.

3. **Redemption**

(1) **Redemption After December 31, 2017.** After December 31, 2017, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 2 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (3) below, by the payment of an amount in cash for each Series 2 Preferred Share so redeemed equal to:

(a) $25.00 in the case of redemptions on December 31, 2022 and on December 31 in every fifth year thereafter; or

(b) $25.50 in the case of redemptions on any other date after December 31, 2017 that is not a Series 2 Conversion Date;

(the "**Redemption Price**") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(2) **Partial Redemptions.** In the case of partial redemptions, Series 2 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 2 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(3) **Notice of Redemption.** The Corporation will give to each holder of Series 2 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the "**Redemption Notice**"). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 2 Preferred Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the "**Redemption Date**"). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 2 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(4) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 2 Preferred Shares to be redeemed, in respect of each Series 2 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 2 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 2 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If a part only of the Series 2 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (5) below, from and after the date specified in any Redemption Notice, the Series 2 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 2 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 2 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 2 Preferred Shares.

(5) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 2 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 2 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 2 Preferred Shares. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 2 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 2 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 2 Preferred Shares**

(1) **Conversion at the Option of the Holder.**

(a) Holders of Series 2 Preferred Shares will have the right, at their option, on December 31, 2022 and on December 31 in every fifth year thereafter (a "**Series 2 Conversion Date**"), to convert, subject to the terms and provisions hereof, all or any Series 2 Preferred Shares registered in their name into Series 1 Preferred Shares on the basis of one (1) Series 1 Preferred Share for each Series 2 Preferred Share. The Corporation will give written notice to the then holders of the Series 2 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 2 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 2 Conversion Date. On the 30th day prior to each Series 2 Conversion Date, the Corporation will give written notice to the then holders of the Series 2 Preferred Shares of the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 1 Preferred Shares for the succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(3) to the holders of the Series 2 Preferred Shares of the redemption of all the Series 2 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 2 Preferred Shares of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any holder of Series 2 Preferred Shares to convert such Series 2 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 2 Preferred Shares will not be entitled to convert the Series 2 Preferred Shares registered in their name into Series 1 Preferred Shares on a Series 2 Conversion Date if the Corporation determines that there would remain outstanding on the Series 2 Conversion Date less than 1,000,000 Series 1 Preferred Shares after taking into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares and all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to all affected holders of Series 2 Preferred Shares at least seven (7) days prior to the applicable Series 2 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 2 Conversion Date, at the expense of the Corporation, to such holders of Series 2 Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 2 Preferred Shares, new certificates representing the Series 2 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 2 Preferred Shares after taking into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares and all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares, then, all, but not part, of the remaining outstanding Series 2 Preferred Shares will automatically be converted into Series 1 Preferred Shares on the basis of one (1) Series 1 Preferred Share for each Series 2 Preferred Share on the applicable Series 2 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 2 Preferred Shares at least seven (7) days prior to the Series 2 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege.**

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 2 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 2 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 2 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing, in which Conversion Notice such holder may also elect to convert part only of the Series 2 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 2 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the Conversion Notice in writing from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 2 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 2 Preferred Shares into Series 1 Preferred Shares on the applicable Series 2 Conversion Date as provided for in section 4(2), the Series 2 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 2 Conversion Date into Series 1 Preferred Shares and the holders thereof will be deemed to be holders of Series 1 Preferred Shares at 5:00 p.m. (Toronto time) on the Series 2 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates

representing Series 2 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 1 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 2 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to or upon the written order of the holder of the Series 2 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 1 Preferred Shares and the number of remaining Series 2 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 2 Conversion Date, so that the rights of the holder of such Series 2 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 1 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 1 Preferred Shares at such time.

(d) The holder of any Series 2 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 1 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 1 Preferred Shares upon the conversion of Series 2 Preferred Shares will be made without charge to the converting holders of Series 2 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 1 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 1 Preferred Shares are issued in respect of the issuance of such Series 1 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 2 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 2 Preferred Shares converted into Series 1 Preferred Shares on a Series 2 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 2 Conversion Date and available for issuance on the conversion of the Series 1 Preferred Shares.

(4) **Right Not to Deliver Series 1 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 2 Preferred Shares, or upon an automatic conversion,

pursuant to section 4(2), of Series 2 Preferred Shares, the Corporation reserves the right not to deliver Series 1 Preferred Shares to any Ineligible Person.

5. **Restrictions on Dividends and Retirement and Issue of Shares**

As long as any Series 2 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 2 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 2 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 2 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 2 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 2 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 2 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 2 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 2 Preferred Shares;

unless, in each case, all dividends on the Series 2 Preferred Shares and the Series 1 Preferred Shares then issued and outstanding up to and including those payable on the Dividend Payment Date for the last completed Quarterly Floating Rate Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 2 Preferred Shares and the Series 1 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. **Issue of Additional Shares**

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 2 Preferred Shares, provided that no series of class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 2 Preferred Shares without the prior approval of the holders of the Series 2 Preferred Shares given as specified in section 11.

7. **Amendments to Series 2 Preferred Shares.**

The Corporation may from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 2 Preferred Shares given as specified in

section 11 and with any required approvals of any stock exchanges on which the Series 2 Preferred Shares may be listed, delete, amend or vary any of these Series 2 Preferred Shares Provisions.

8. **Purchase for Cancellation**

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 2 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 2 Preferred Shares will be entitled to receive $25.00 for each Series 2 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation distributed to the holders of any shares ranking junior to the Series 2 Preferred Shares. After payment of those amounts, the holders of Series 2 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. **Voting Rights**

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 2 Preferred Shares as a series, holders of Series 2 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 2 Preferred Shares in any Quarterly Floating Rate Period. In that event, the holders of Series 2 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 2 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 2 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 2 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 2 Preferred Shares to which the holders are entitled under these Series 2 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 2 Preferred Shares in any Quarterly Floating Rate Period, in which event the Voting Rights will become effective again and so on from time to time.

11. **Approval of Holders of Series 2 Preferred Shares**

Any approval given by the holders of Series 2 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 2 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 2

Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 2 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than 66$^{2}/_{3}$% of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 2 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 2 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than 66$^{2}/_{3}$% of the votes cast at the meeting will constitute the approval of the holders of Series 2 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 2 Preferred Shares will be entitled to one vote in respect of each Series 2 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. **Tax Election**

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 2 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 2 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. **Notices**

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 2 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 2 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 2 Preferred Shares in connection with the redemption or conversion of Series 2 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender

of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 2 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 2 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 2 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. Number of Series 2 Preferred Shares

The Corporation is authorized to issue 10,000,000 Series 2 Preferred Shares designated as Non-cumulative Floating Rate Class A Shares Series 2.

15. Interpretation

(1) **Defined Terms.** In these Series 2 Preferred Shares Provisions:

"Accrued Amount" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Quarterly Floating Rate Periods preceding the date fixed for redemption.

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 1.72%.

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

"Board of Directors" means the board of directors of the Corporation.

"Book-Entry System" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"Business Day" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"Common Shares" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"Conversion Notice" has the meaning attributed to it in section 4(1)(a).

"Conversion Privilege" has the meaning attributed to it in section 4(1)(a).

"Depository" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"Dividend Payment Date" means the last day of the months of March, June, September and December in each year.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 1.72%.

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Global Certificate" has the meaning attributed to it in section 16(1).

"Government of Canada Yield" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"Ineligible Person" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada

where the issue or delivery to that person of Series 2 Preferred Shares or Series 1 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"Participant" has the meaning attributed to it in section 16(1).

"Quarterly Commencement Date" means the last day of each of March, June, September and December in each year.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including December 31, 2017 to but excluding March 31, 2018, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"Redemption Date" has the meaning attributed to it in section 3(3).

"Redemption Notice" has the meaning attributed to it in section 3(3).

"Redemption Price" has the meaning attributed to it in section 3(1).

"Series 1 Preferred Shares" means the Non-cumulative Rate Reset Class A Shares Series 1 of the Corporation.

"Series 2 Conversion Date" has the meaning attributed to it in section 4(1)(a).

"Series 2 Preferred Shares" has the meaning attributed to it in the introductory paragraph to these Series 2 Preferred Shares Provisions.

"Series 2 Preferred Shares Provisions" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 2 Preferred Shares.

"Subsequent Fixed Rate Period" means, for the initial Subsequent Fixed Rate Period, the period from and including December 31, 2017, to but excluding December 31, 2022, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding December 31 in the fifth year thereafter.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"Tax Act" means the *Income Tax Act* (Canada).

"**Transfer Agent**" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 2 Preferred Shares.

"**Voting Rights**" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 2 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters.**

(a) If any date on which any dividend on the Series 2 Preferred Shares is payable or on or by which any other action is required to be taken by the Corporation under these Series 2 Preferred Shares Provisions is not a Business Day, then the dividend will be payable, or such other action will be required to be taken, on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 2 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 2 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 2 Preferred 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 holder of Series 2 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 2 Preferred Shares under these Series 2 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 2 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 2 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. **Registration of Series 2 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System**

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 2 Preferred Shares Provisions, the Series 2 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 2 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will be registered in the name of "**CDS & CO.**" (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 2 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 2 Preferred Shares or to a successor Depository for the Series 2 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 2 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 2 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 2 Preferred Shares.** For purposes of these Series 2 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 2 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 2 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 2 Preferred Shares, including payments of

dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 1 Preferred Shares and certificates for those shares on the conversion of the Series 2 Preferred Shares into Series 1 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 2 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 2 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 1 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 2 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 2 Preferred Shares from the Book-Entry System, subsections (1) and (2) above will no longer be applicable to the Series 2 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 2 Preferred Shares in definitive registered form equal to the aggregate number of Series 2 Preferred Shares represented by the Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 2 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such number of Series 2 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 2 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 2 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

Industry Canada Industrie Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 27 of the *Canada Business Corporations Act* as set out in the attached articles of amendment designating a series of shares.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 27 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices désignant une série d'actions.

Marcie Girouard

Director / Directeur

2011-08-12

Date of Amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Industry Canada | Industrie Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

The corporation amends the description of classes of shares as follows:
La description des catégories d'actions est modifiée comme suit :
See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Chantal Denommee

Chantal Denommee
514-985-7111 x8371

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).
Nota : Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ ou d'un emprisonnement maximal de six mois, ou de ces deux peines (paragraphe 250(1) de la LCSA).

Canada

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended:

(a) to create a new series of Class A Shares, to be designated as "Non-cumulative Rate Reset Class A Shares Series 3" and limited in number to 10,000,000 shares, each such Non-cumulative Rate Reset Class A Share Series 3 having attached thereto the following rights, privileges, restrictions and conditions:

Series 3 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "**Series 3 Preferred Shares Provisions**") attaching to the Non-cumulative Rate Reset Class A Shares Series 3 (the "**Series 3 Preferred Shares**") of Intact Financial Corporation (the "**Corporation**").

1. **Consideration for Issue**

The consideration for the issue of each Series 3 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. **Dividends**

(1) **Payment of Dividends.** The holders of Series 3 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 3 Preferred Shares, as and when declared by the Board of Directors, fixed quarterly non-cumulative preferential cash dividends at the rates and times herein provided.

(a) During the Initial Fixed Rate Period, dividends on the Series 3 Preferred Shares will, if declared, be in the amount per annum equal to $1.05 per share, determined by multiplying the Initial Fixed Dividend Rate by $25.00, payable quarterly on each Dividend Payment Date. Accordingly, on each Dividend Payment Date during the Initial Fixed Rate Period, other than September 30, 2011, the dividend payable, if declared, will be equal to $0.2625 per share. The initial dividend amount payable, if declared, will be payable on September 30, 2011 and will be in the amount per share determined by multiplying $1.05 by the number of days in the period from and including the Issue Date to but excluding September 30, 2011, and dividing that product by 365.

(b) During each Subsequent Fixed Rate Period, dividends on the Series 3 Preferred Shares will, if declared, be in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, payable quarterly on each Dividend Payment Date.

(c) The Corporation will, in respect of each Subsequent Fixed Rate Period, calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the then holders of Series 3 Preferred Shares. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the

absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 3 Preferred Shares.

(d) In respect of any period other than the initial Dividend Period that is less than a full Dividend Period, dividends on the Series 3 Preferred Shares will, if declared, be in the amount per share determined by multiplying the applicable Annual Fixed Dividend Rate by $25.00, and multiplying such product by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(2) **Method of Payment.** Dividends on the Series 3 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 3 Preferred Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 3 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative.** If the Board of Directors does not declare the dividends, or any part thereof, on the Series 3 Preferred Shares on or before the Dividend Payment Date for a particular Dividend Period, the entitlement of the holders of the Series 3 Preferred Shares to such dividends, or to any part thereof, for the Dividend Period will be forever extinguished.

3. Redemption

(1) **No Redemption Before September 30, 2016.** The Corporation may not redeem any of the Series 3 Preferred Shares prior to September 30, 2016.

(2) **Redemption On and After September 30, 2016.** On September 30, 2016 and on September 30 every fifth year thereafter, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 3 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (4) below, by the payment of an amount in cash for each Series 3 Preferred Share so redeemed equal to $25.00 (the

"Redemption Price") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(3) **Partial Redemptions.** In the case of partial redemptions, Series 3 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 3 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(4) **Notice of Redemption.** The Corporation will give to each holder of Series 3 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the **"Redemption Notice"**). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 3 Preferred Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the **"Redemption Date"**). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 3 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(5) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 3 Preferred Shares to be redeemed, in respect of each Series 3 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 3 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 3 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Series 3 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (6) below, from and after the date specified in any Redemption Notice, the Series 3 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 3 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 3 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 3 Preferred Shares.

(6) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 3 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 3 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 3 Preferred Shares. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 3 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and

withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 3 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 3 Preferred Shares**

(1) **Conversion at the Option of the Holder.**

(a) Holders of Series 3 Preferred Shares will have the right, at their option, on September 30, 2016 and on September 30 in every fifth year thereafter (a "**Series 3 Conversion Date**"), to convert, subject to the terms and provisions hereof, all or any Series 3 Preferred Shares registered in their name into Series 4 Preferred Shares on the basis of one (1) Series 4 Preferred Share for each Series 3 Preferred Share. The Corporation will give written notice to the then holders of the Series 3 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 3 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 3 Conversion Date. On the 30th day prior to each Series 3 Conversion Date, the Corporation will give written notice to the then holders of the Series 3 Preferred Shares of the Annual Fixed Dividend Rate for the succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 4 Preferred Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(4) to the holders of the Series 3 Preferred Shares of the redemption of all the Series 3 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 3 Preferred Shares of the Annual Fixed Dividend Rate, Floating Quarterly Dividend Rate or Conversion Privilege and the right of any holder of Series 3 Preferred Shares to convert such Series 3 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 3 Preferred Shares will not be entitled to convert the Series 3 Preferred Shares registered in their name into Series 4 Preferred Shares on a Series 3 Conversion Date if the Corporation determines that there would remain outstanding on the Series 3 Conversion Date less than 1,000,000 Series 4 Preferred Shares after taking into account all Series 3 Preferred Shares tendered for conversion into Series 4 Preferred Shares and all Series 4 Preferred Shares tendered for conversion into Series 3 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to all affected holders of Series 3 Preferred Shares at least seven (7) days prior to the applicable Series 3 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 3 Conversion Date, at the expense of the Corporation, to such holders of Series 3

Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 3 Preferred Shares, new certificates representing the Series 3 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 3 Conversion Date less than 1,000,000 Series 3 Preferred Shares after taking into account all Series 3 Preferred Shares tendered for conversion into Series 4 Preferred Shares and all Series 4 Preferred Shares tendered for conversion into Series 3 Preferred Shares, then, all, but not part, of the remaining outstanding Series 3 Preferred Shares will automatically be converted into Series 4 Preferred Shares on the basis of one (1) Series 4 Preferred Share for each Series 3 Preferred Share on the applicable Series 3 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 3 Preferred Shares at least seven (7) days prior to the Series 3 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege.**

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 3 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 3 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 3 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing; in which Conversion Notice such holder may also elect to convert only part of the Series 3 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 3 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the duly completed Conversion Notice from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 3 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 3 Preferred Shares into Series 4 Preferred Shares on the applicable Series 3 Conversion Date as provided for in section 4(2), the Series 3 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 3 Conversion Date into Series 4 Preferred Shares and the holders thereof will be deemed to be holders of Series 4

Preferred Shares at 5:00 p.m. (Toronto time) on the Series 3 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series 3 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 4 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 3 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to or upon the written order of the holder of the Series 3 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 4 Preferred Shares and the number of remaining Series 3 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 3 Conversion Date, so that the rights of the holder of such Series 3 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 4 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 4 Preferred Shares at such time.

(d) The holder of any Series 3 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 4 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 4 Preferred Shares upon the conversion of Series 3 Preferred Shares will be made without charge to the converting holders of Series 3 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 4 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 4 Preferred Shares are issued in respect of the issuance of such Series 4 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 3 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 3 Preferred Shares converted into Series 4 Preferred Shares on a Series 3 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 3 Conversion Date and available for issuance on the conversion of the Series 4 Preferred Shares.

(4) **Right Not to Deliver Series 4 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 3 Preferred Shares, or upon an automatic conversion, pursuant to section 4(2), of Series 3 Preferred Shares, the Corporation reserves the right not to deliver Series 4 Preferred Shares to any Ineligible Person.

5. Restrictions on Dividends and Retirement and Issue of Shares

As long as any Series 3 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 3 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 3 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 3 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 3 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 3 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 3 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 3 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 3 Preferred Shares;

unless, in each case, all dividends on the Series 3 Preferred Shares and the Series 4 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Dividend Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 3 Preferred Shares and the Series 4 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. Issue of Additional Shares

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 3 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 3 Preferred Shares without the prior approval of the holders of the Series 3 Preferred Shares given as specified in section 11.

7. **Amendments to Series 3 Preferred Shares**

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 3 Preferred Shares given as specified in section 11 and with any required approvals of any stock exchanges on which the Series 3 Preferred Shares may be listed, delete, amend or vary any of these Series 3 Preferred Shares Provisions.

8. **Purchase for Cancellation**

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 3 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 3 Preferred Shares will be entitled to receive $25.00 for each Series 3 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 3 Preferred Shares. After payment of those amounts, the holders of Series 3 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. **Voting Rights**

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 3 Preferred Shares as a series, holders of Series 3 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 3 Preferred Shares in any Dividend Period. In that event, the holders of Series 3 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 3 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 3 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 3 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 3 Preferred Shares to which the holders are entitled under these Series 3 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 3 Preferred Shares in any Dividend Period, in which event the Voting Rights will become effective again and so on from time to time.

11. Approval of Holders of Series 3 Preferred Shares

Any approval given by the holders of Series 3 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 3 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 3 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 3 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3\%$ of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 3 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 3 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3\%$ of the votes cast at the meeting will constitute the approval of the holders of Series 3 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 3 Preferred Shares will be entitled to one vote in respect of each Series 3 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. Tax Election

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 3 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 3 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. Notices

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 3 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 3 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 3 Preferred Shares in connection with the redemption or conversion of Series 3 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by

the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 3 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 3 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 3 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. Number of Series 3 Preferred Shares

The Corporation is authorized to issue 10,000,000 Series 3 Preferred Shares designated as Non-cumulative Rate Reset Class A Shares Series 3.

15. Interpretation

(1) **Defined Terms.** In these Series 3 Preferred Shares Provisions:

"**Accrued Amount**" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Dividend Periods preceding the date fixed for redemption.

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.66%.

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

"**Board of Directors**" means the board of directors of the Corporation.

"**Book-Entry System**" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"**Business Day**" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"**Common Shares**" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"**Conversion Notice**" has the meaning attributed to it in section 4(1)(a).

"**Conversion Privilege**" has the meaning attributed to it in section 4(1)(a).

"**Depository**" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"**Dividend Payment Date**" means the last day of the months of March, June, September and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to but excluding September 30, 2011 and, thereafter, the three-month period commencing on and including a Dividend Payment Date and ending on the day immediately preceding the next Dividend Payment Date.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.66%.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"**Global Certificate**" has the meaning attributed to it in section 16(1).

"**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does

not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 3 Preferred Shares or Series 4 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"**Initial Fixed Dividend Rate**" means 4.20% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on, but excluding, September 30, 2016.

"**Issue Date**" means the date any of the Series 3 Preferred Shares are first issued.

"**Participant**" has the meaning attributed to it in section 16(1).

"**Quarterly Commencement Date**" means the last day of each of March, June, September and December in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period from and including September 30, 2016 to but excluding December 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Date**" has the meaning attributed to it in section 3(4).

"**Redemption Notice**" has the meaning attributed to it in section 3(4).

"**Redemption Price**" has the meaning attributed to it in section 3(2).

"**Series 3 Conversion Date**" has the meaning attributed to it in section 4(1)(a).

"**Series 3 Preferred Shares**" has the meaning attributed to it in the introductory paragraph to these Series 3 Preferred Shares Provisions.

"**Series 3 Preferred Shares Provisions**" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 3 Preferred Shares.

"Series 4 Preferred Shares" means the Non-cumulative Floating Rate Class A Shares Series 4 of the Corporation.

"Subsequent Fixed Rate Period" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2016, to but excluding September 30, 2021, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter.

"T-Bill Rate" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"Tax Act" means the *Income Tax Act* (Canada).

"Transfer Agent" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 3 Preferred Shares.

"Voting Rights" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding-up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 3 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters.**

(a) If any date on which any dividend on the Series 3 Preferred Shares is payable or on or by which any other action is required to be taken by the Corporation under these Series 3 Preferred Shares Provisions is not a Business Day, then the dividend will be payable, or such other action will be required to be taken, on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 3 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 3 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 3 Preferred 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 holder of Series 3 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 3 Preferred Shares under these Series 3 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 3 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 3 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. Registration of Series 3 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 3 Preferred Shares Provisions, the Series 3 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 3 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will

be registered in the name of "CDS & CO." (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 3 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 3 Preferred Shares or to a successor Depository for the Series 3 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 3 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 3 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 3 Preferred Shares.** For purposes of these Series 3 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 3 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 3 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 3 Preferred Shares, including payments of dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 4 Preferred Shares and certificates for those shares on the conversion of the Series 3 Preferred Shares into Series 4 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 3 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 3 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 4 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 3 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 3 Preferred Shares from the Book-Entry System, subsections (1) and (2) above will no longer be applicable to the Series 3 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 3 Preferred Shares in definitive registered form equal to the aggregate number of Series 3 Preferred Shares represented by the Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 3 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such number of Series 3 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 3 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 3 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

(b) to create a new series of Class A Shares, to be designated as "Non-cumulative Floating Rate Class A Shares Series 4" and limited in number to 10,000,000 shares, each such Non-cumulative Floating Rate Class A Share Series 4 having attached thereto the following rights, privileges, restrictions and conditions:

Series 4 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "**Series 4 Preferred Shares Provisions**") attaching to the Non-cumulative Floating Rate Class A Shares Series 4 (the "**Series 4 Preferred Shares**") of Intact Financial Corporation (the "**Corporation**").

1. **Consideration for Issue**

The consideration for the issue of each Series 4 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. **Dividends**

(1) **Payment of Dividends.**

(a) The holders of Series 4 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 4 Preferred Shares, as and when declared by the Board of Directors, non-cumulative preferential cash dividends payable quarterly at the Floating Quarterly Dividend Rate as calculated from time to time. Accordingly, on each Dividend Payment Date, the dividend payable on the Series 4 Preferred Shares, if declared, will be in the amount per share determined by multiplying:

(A) the product obtained by multiplying $25.00 by the Floating Quarterly Dividend Rate applicable to the Quarterly Floating Rate Period immediately preceding such Dividend Payment Date; by

(B) a fraction, the numerator of which is the actual number of days elapsed 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) The Corporation will, in respect of each Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Dividend Rate for such Floating Quarterly Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the then holders of Series 4 Preferred Shares. Each such determination by the Corporation of the Floating Quarterly Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 4 Preferred Shares.

(2) **Method of Payment.** Dividends on the Series 4 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 4 Preferred

Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 4 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative.** If the Board of Directors does not declare the dividends, or any part thereof, on the Series 4 Preferred Shares on or before the Dividend Payment Date for a Quarterly Floating Rate Period, the entitlement of the holders of the Series 4 Preferred Shares to such dividends, or to any part thereof, for the Quarterly Floating Rate Period will be forever extinguished.

3. **Redemption**

(1) **Redemption After September 30, 2016.** After September 30, 2016, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 4 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (3) below, by the payment of an amount in cash for each Series 4 Preferred Share so redeemed equal to:

(a) $25.00 in the case of redemptions on September 30, 2021 and on September 30 in every fifth year thereafter; or

(b) $25.50 in the case of redemptions on any other date after September 30, 2016 that is not a Series 4 Conversion Date;

(the "**Redemption Price**") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(2) **Partial Redemptions.** In the case of partial redemptions, Series 4 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 4 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(3) **Notice of Redemption.** The Corporation will give to each holder of Series 4 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the "**Redemption Notice**"). The Redemption Notice must be given at least 30 days but not

more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 4 Preferred Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the "**Redemption Date**"). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 4 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(4) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 4 Preferred Shares to be redeemed, in respect of each Series 4 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 4 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 4 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Series 4 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (5) below, from and after the date specified in any Redemption Notice, the Series 4 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 4 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 4 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 4 Preferred Shares.

(5) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 4 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 4 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 4 Preferred Shares. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 4 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 4 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 4 Preferred Shares**

(1) **Conversion at the Option of the Holder.**

(a) Holders of Series 4 Preferred Shares will have the right, at their option, on September 30, 2021 and on September 30 in every fifth year thereafter (a "**Series 4**

Conversion Date"), to convert, subject to the terms and provisions hereof, all or any Series 4 Preferred Shares registered in their name into Series 3 Preferred Shares on the basis of one (1) Series 3 Preferred Share for each Series 4 Preferred Share. The Corporation will give written notice to the then holders of the Series 4 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 4 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 4 Conversion Date. On the 30th day prior to each Series 4 Conversion Date, the Corporation will give written notice to the then holders of the Series 4 Preferred Shares of the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 3 Preferred Shares for the succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(3) to the holders of the Series 4 Preferred Shares of the redemption of all the Series 4 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 4 Preferred Shares of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any holder of Series 4 Preferred Shares to convert such Series 4 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 4 Preferred Shares will not be entitled to convert the Series 4 Preferred Shares registered in their name into Series 3 Preferred Shares on a Series 4 Conversion Date if the Corporation determines that there would remain outstanding on the Series 4 Conversion Date less than 1,000,000 Series 3 Preferred Shares after taking into account all Series 4 Preferred Shares tendered for conversion into Series 3 Preferred Shares and all Series 3 Preferred Shares tendered for conversion into Series 4 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to all affected holders of Series 4 Preferred Shares at least seven (7) days prior to the applicable Series 4 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 4 Conversion Date, at the expense of the Corporation, to such holders of Series 4 Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 4 Preferred Shares, new certificates representing the Series 4 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 4 Conversion Date less than 1,000,000 Series 4 Preferred Shares after taking into account all Series 4 Preferred Shares tendered for conversion into Series 3 Preferred Shares and all Series 3 Preferred Shares tendered for conversion into Series 4 Preferred Shares, then, all, but not part, of the remaining outstanding Series 4 Preferred Shares will automatically be

converted into Series 3 Preferred Shares on the basis of one (1) Series 3 Preferred Share for each Series 4 Preferred Share on the applicable Series 4 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 4 Preferred Shares at least seven (7) days prior to the Series 4 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege.**

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 4 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 4 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 4 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing; in which Conversion Notice such holder may also elect to convert only part of the Series 4 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 4 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the duly completed Conversion Notice from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 4 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 4 Preferred Shares into Series 3 Preferred Shares on the applicable Series 4 Conversion Date as provided for in section 4(2), the Series 4 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 4 Conversion Date into Series 3 Preferred Shares and the holders thereof will be deemed to be holders of Series 3 Preferred Shares at 5:00 p.m. (Toronto time) on the Series 4 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series 4 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 3 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 4 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to

or upon the written order of the holder of the Series 4 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 3 Preferred Shares and the number of remaining Series 4 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 4 Conversion Date, so that the rights of the holder of such Series 4 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 3 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 3 Preferred Shares at such time.

(d) The holder of any Series 4 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 3 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 3 Preferred Shares upon the conversion of Series 4 Preferred Shares will be made without charge to the converting holders of Series 4 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 3 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 3 Preferred Shares are issued in respect of the issuance of such Series 3 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 4 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 4 Preferred Shares converted into Series 3 Preferred Shares on a Series 4 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 4 Conversion Date and available for issuance on the conversion of the Series 3 Preferred Shares.

(4) **Right Not to Deliver Series 3 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 4 Preferred Shares, or upon an automatic conversion, pursuant to section 4(2), of Series 4 Preferred Shares, the Corporation reserves the right not to deliver Series 3 Preferred Shares to any Ineligible Person.

5. **Restrictions on Dividends and Retirement and Issue of Shares**

As long as any Series 4 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 4 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 4 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 4 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 4 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 4 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 4 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 4 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 4 Preferred Shares;

unless, in each case, all dividends on the Series 4 Preferred Shares and the Series 3 Preferred Shares then issued and outstanding up to and including those payable on the Dividend Payment Date for the last completed Quarterly Floating Rate Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 4 Preferred Shares and the Series 3 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. Issue of Additional Shares

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 4 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 4 Preferred Shares without the prior approval of the holders of the Series 4 Preferred Shares given as specified in section 11.

7. Amendments to Series 4 Preferred Shares

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 4 Preferred Shares given as specified in section 11 and with any required approvals of any stock exchanges on which the Series 4 Preferred Shares may be listed, delete, amend or vary any of these Series 4 Preferred Shares Provisions.

8. Purchase for Cancellation

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 4 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 4 Preferred Shares will be entitled to receive $25.00 for each Series 4 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 4 Preferred Shares. After payment of those amounts, the holders of Series 4 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. Voting Rights

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 4 Preferred Shares as a series, holders of Series 4 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 4 Preferred Shares in any Quarterly Floating Rate Period. In that event, the holders of Series 4 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 4 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 4 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 4 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 4 Preferred Shares to which the holders are entitled under these Series 4 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 4 Preferred Shares in any Quarterly Floating Rate Period, in which event the Voting Rights will become effective again and so on from time to time.

11. Approval of Holders of Series 4 Preferred Shares

Any approval given by the holders of Series 4 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 4 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 4 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 4 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3\%$ of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 4 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 4 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was

originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3\%$ of the votes cast at the meeting will constitute the approval of the holders of Series 4 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 4 Preferred Shares will be entitled to one vote in respect of each Series 4 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. Tax Election

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 4 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 4 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. Notices

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 4 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 4 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 4 Preferred Shares in connection with the redemption or conversion of Series 4 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 4 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 4 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the

date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 4 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. **Number of Series 4 Preferred Shares**

The Corporation is authorized to issue 10,000,000 Series 4 Preferred Shares designated as Non-cumulative Floating Rate Class A Shares Series 4.

15. **Interpretation**

(1) **Defined Terms.** In these Series 4 Preferred Shares Provisions:

"Accrued Amount" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Quarterly Floating Rate Periods preceding the date fixed for redemption.

"Annual Fixed Dividend Rate" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.66%.

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

"Board of Directors" means the board of directors of the Corporation.

"Book-Entry System" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"Business Day" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"Common Shares" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"Conversion Notice" has the meaning attributed to it in section 4(1)(a).

"Conversion Privilege" has the meaning attributed to it in section 4(1)(a).

"Depository" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"Dividend Payment Date" means the last day of the months of March, June, September and December in each year.

"Fixed Rate Calculation Date" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"Floating Quarterly Dividend Rate" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.66%.

"Floating Rate Calculation Date" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"Global Certificate" has the meaning attributed to it in section 16(1).

"Government of Canada Yield" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"Ineligible Person" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 4 Preferred Shares or Series 3 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"Participant" has the meaning attributed to it in section 16(1).

"Quarterly Commencement Date" means the last day of each of March, June, September and December in each year.

"Quarterly Floating Rate Period" means, for the initial Quarterly Floating Rate Period, the period from and including September 30, 2016 to but excluding December 31, 2016, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Date**" has the meaning attributed to it in section 3(3).

"**Redemption Notice**" has the meaning attributed to it in section 3(3).

"**Redemption Price**" has the meaning attributed to it in section 3(1).

"**Series 3 Preferred Shares**" means the Non-cumulative Rate Reset Class A Shares Series 3 of the Corporation.

"**Series 4 Conversion Date**" has the meaning attributed to it in section 4(1)(a).

"**Series 4 Preferred Shares**" has the meaning attributed to it in the introductory paragraph to these Series 4 Preferred Shares Provisions.

"**Series 4 Preferred Shares Provisions**" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 4 Preferred Shares.

"**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including September 30, 2016, to but excluding September 30, 2021, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter.

"**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Transfer Agent**" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 4 Preferred Shares.

"**Voting Rights**" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding-up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 4 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters.**

(a) If any date on which any dividend on the Series 4 Preferred Shares is payable or on or by which any other action is required to be taken by the Corporation under these Series 4 Preferred Shares Provisions is not a Business Day, then the dividend will be payable, or such other action will be required to be taken, on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 4 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 4 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 4 Preferred 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 holder of Series 4 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 4 Preferred Shares under these Series 4 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 4 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 4 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. Registration of Series 4 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 4 Preferred Shares Provisions, the Series 4 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 4 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will be registered in the name of "**CDS & CO.**" (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 4 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 4 Preferred Shares or to a successor Depository for the Series 4 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 4 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 4 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 4 Preferred Shares.** For purposes of these Series 4 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 4 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 4 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 4 Preferred Shares, including payments of dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 3 Preferred Shares and certificates for those shares on the conversion of the Series 4 Preferred Shares into Series 3 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 4 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 4 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 3 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 4 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 4 Preferred Shares from the Book-Entry System, subsections (1) and (2)

above will no longer be applicable to the Series 4 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 4 Preferred Shares in definitive registered form equal to the aggregate number of Series 4 Preferred Shares represented by the Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 4 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such number of Series 4 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 4 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 4 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Virginie Ethier

Director / Directeur

2017-05-18

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Louis Marcotte

Louis Marcotte
514-282-7379

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended:

(a) to create a new series of Class A Shares, to be designated as "Non-Cumulative Class A Shares, Series 5" and limited in number to 6,000,000 shares, each such Non-Cumulative Class A Share, Series 5 having attached thereto the following rights, privileges, restrictions and conditions:

Series 5 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "Series 5 Preferred Shares Provisions") attaching to the Non-Cumulative Class A Shares, Series 5 (the "Series 5 Preferred Shares") of Intact Financial Corporation (the "Corporation").

ARTICLE 1
DIVIDENDS

1.1 Dividend Payment Dates and Quarters

The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series 5 Preferred Shares shall be the last day of each of the months of March, June, September and December in each year. A "Quarter" means the period from and including the date of initial issue of the Series 5 Preferred Shares to but excluding September 30, 2017, being the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

1.2 Payment of Dividends

The holders of Series 5 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors of the Corporation (the "Board of Directors"), out of moneys of the Corporation properly applicable to the payment of dividends, fixed, non-cumulative, preferential cash dividends (the "Quarterly Dividends") payable, with respect to each Quarter, on the Dividend Payment Date immediately following the end of such Quarter, the first of such dividends to be payable on September 30, 2017, with respect to the period from and including the date of initial issue of the Series 5 Preferred Shares to but excluding September 30, 2017 and to be in an amount per Series 5 Preferred Share determined in accordance with section 1.3. For all subsequent Quarters, dividends (if, as and when declared by the Board of Directors), subject to section 1.3 hereof, shall be in an amount per Series 5 Preferred Share equal to $0.325.

1.3 Dividend for Other than a Full Quarter

The holders of Series 5 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors out of moneys of the Corporation properly applicable to the payment of dividends, an initial non-cumulative preferential cash dividend in respect of the period from and including the date of initial issue of

the Series 5 Preferred Shares to but excluding September 30, 2017 (the "Initial Dividend Payment"), equal to $0.45945 per share if the Series 5 Preferred Shares are issued on May 24, 2017 or, if the Series 5 Preferred Shares are issued on any date after May 24, 2017 and prior to September 30, 2017, equal to the amount obtained (rounded to five decimal places) when $1.30 is multiplied by a fraction of which the numerator is the number of days from and including the date of initial issue of the Series 5 Preferred Shares to but excluding September 30, 2017 and the denominator is 365.

1.4 Payment Procedure

Subject to subsection 2.3(e) hereof, dividends (less any tax required to be deducted and withheld by the Corporation) on the Series 5 Preferred Shares shall be paid by the Corporation to the holders of record thereof by electronic funds transfer or by cheque drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at par at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 5 Preferred Shares will be paid to each holder of record thereof in the aggregate amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing of any cheque to a holder of Series 5 Preferred Shares or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.5 Dividends Non-Cumulative

If in any Quarter the Board of Directors in its discretion shall not declare the said dividends, or any part thereof, on the Series 5 Preferred Shares, then the entitlement of the holders thereof to such dividends or to any part thereof, shall be forever extinguished.

ARTICLE 2
CORPORATION'S REDEMPTION AND PURCHASE RIGHTS

2.1 General

Subject to Article 4 and to the extent permitted by applicable law, the Series 5 Preferred Shares may be redeemed or purchased by the Corporation as provided in this Article 2 but not otherwise.

2.2 Redemption Rights

(a) Series 5 Preferred Shares shall not be redeemable at the option of the Corporation prior to June 30, 2022. The Corporation may, upon giving notice as hereinafter provided, on or after June 30, 2022 at the option of the Corporation redeem the whole or from time to time any part of the then outstanding Series 5 Preferred

Shares by the payment of an amount in cash for each Series 5 Preferred Shares so redeemed equal to:

(i) $26.00 if the Series 5 Preferred Shares are redeemed on or after June 30, 2022 and prior to June 30, 2023;

(ii) $25.75 if the Series 5 Preferred Shares are redeemed on or after June 30, 2023 and prior to June 30, 2024;

(iii) $25.50 if the Series 5 Preferred Shares are redeemed on or after June 30, 2024 and prior to June 30, 2025;

(iv) $25.25 if the Series 5 Preferred Shares are redeemed on or after June 30, 2025 and prior to June 30, 2026; and

(v) $25.00 if the Series 5 Preferred Shares are redeemed on or after June 30, 2026;

(the "Cash Redemption Price") and by the payment of all declared and unpaid dividends on such Series 5 Preferred Shares to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation).

(b) If less than all of the outstanding Series 5 Preferred Shares are to be redeemed, the shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or in such other manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine, subject to the consent of the Toronto Stock Exchange.

2.3 <u>Manner of Redemption</u>

(a) Notice of redemption of Series 5 Preferred Shares shall be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption to each holder of Series 5 Preferred Shares to be redeemed. Such notice shall set out:

(i) the date (the "Redemption Date") on which the redemption is to take place;

(ii) unless all the Series 5 Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 5 Preferred Shares so held which are to be redeemed; and

(iii) the Cash Redemption Price and the amount of declared and unpaid dividends to be paid.

(b) On and after the Redemption Date the Corporation shall pay or cause to be paid to the holders of the Series 5 Preferred Shares so called for redemption the Cash

Redemption Price therefor and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) on presentation and delivery by the holder at the registered office of the Corporation, the principal transfer office of the transfer agent and registrar for the Series 5 Preferred Shares in the City of Toronto or such other place or places in Canada designated in the notice referred to in subsection 2.3(a), of the certificate or certificates representing the Series 5 Preferred Shares so called for redemption. Such payment shall be made by electronic funds transfer or by cheque or in such other manner, not contrary to applicable laws, as the Corporation may determine and shall be a full and complete discharge of the Corporation's obligation to pay the Cash Redemption Price and declared and unpaid dividends owed to the holders of Series 5 Preferred Shares so called for redemption unless such cheque is not honoured when presented for payment or payment by such other means is not received. From and after the Redemption Date, the holders of Series 5 Preferred Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 5 Preferred Shares in respect of such shares, except the right to receive therefor the Cash Redemption Price and declared and unpaid dividends thereon as at the Redemption Date, provided that if payment of such Cash Redemption Price and such declared and unpaid dividends (less any tax required to be deducted and withheld) is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired.

(c) The Corporation shall have the right at any time after mailing a notice of redemption to deposit the aggregate Cash Redemption Price of the Series 5 Preferred Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld) in a special account with the Corporation for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 5 Preferred Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof shall be limited to receiving, without interest, such holder's proportionate part of the Cash Redemption Price and declared and unpaid dividends (less any tax required to be deducted and withheld) so deposited upon presentation and surrender of the certificate or certificates representing such holder's Series 5 Preferred Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Redemption moneys and dividends which remain unclaimed for a period of six years from the applicable Redemption Date may be reclaimed and used by the Corporation for its own purposes.

(d) If less than all the Series 5 Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder.

(e) The provisions of section 1.4 hereof shall not apply to any declared and unpaid dividend which is required to be paid under subsection 2.2(a).

2.4 Purchase

Subject to Article 4, the Corporation may purchase for cancellation at any time the whole or from time to time any part of the then outstanding Series 5 Preferred Shares by private contract or in the open market (including purchases through or from an investment dealer or firm holding membership on a stock exchange) or pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of the Series 5 Preferred Shares, at any price at which, in the opinion of the Board of Directors, such shares are obtainable at the time of purchase, plus costs of purchase. If, upon any invitation for tenders, the Corporation receives tenders for Series 5 Preferred Shares at the same price in an aggregate number greater than the number for which the Corporation is prepared to accept tenders, the shares to be purchased shall be selected from the shares tendered at such price as nearly as may be pro rata according to the number of Series 5 Preferred Shares tendered in each such tender, or in such manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine. If only part of the Series 5 Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued without cost to the holder.

ARTICLE 3
VOTING RIGHTS

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 5 Preferred Shares as a series, holders of Series 5 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 5 Preferred Shares in any Quarter. In that event, the holders of Series 5 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 5 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 5 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "Voting Rights"). The Voting Rights of the holders of the Series 5 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 5 Preferred Shares to which the holders are entitled under these Series 5 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 5 Preferred Shares in any Quarter, in which event the Voting Rights will become effective again and so on from time to time.

ARTICLE 4
RESTRICTIONS ON DIVIDENDS AND RETIREMENT OF SHARES

As long as any Series 5 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 5 Preferred Shares given as provided in Article 9:

(a) declare, pay or set apart for payment any dividend on its common shares or any other shares ranking junior to the Series 5 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 5 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its common shares or any other shares ranking junior to the Series 5 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 5 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 5 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 5 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 5 Preferred Shares;

unless, in each case, all dividends on the Series 5 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Quarter and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 5 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

ARTICLE 5
ELECTION UNDER THE *INCOME TAX ACT*

The Corporation shall make an election in respect of the Series 5 Preferred Shares under subsection 191.2(1) *Income Tax Act* (Canada) (the "Tax Act"), in the manner and within the time period prescribed by section 191.2 of the Tax Act, and take any other necessary action thereunder, to pay tax under section 191.1 of the Tax Act (or any successor provision thereof) at a rate such that holders of the Series 5 Preferred Shares will not be required to pay tax on dividends received on the Series 5 Preferred Shares under section 187.2 of Part IV.1 of the Tax Act.

ARTICLE 6
NOTICE AND INTERPRETATION

6.1 Notices

(a) Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 5 Preferred Shares at their respective addresses appearing on the books of the Corporation or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation.

Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 5 Preferred Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tenders or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

(b) If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 5 Preferred Shares pursuant to paragraph (a) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of the holder's new address.

(c) Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

6.2 Interpretation

(a) In the event that any day on which any dividend on the Series 5 Preferred Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable on or such other action shall be required to be taken on or before the immediately succeeding day that is a business day. A "business day" means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office.

(b) All references herein to a holder of Series 5 Preferred Shares shall be interpreted as referring to a registered holder of Series 5 Preferred Shares.

ARTICLE 7
ISSUE OF ADDITIONAL SHARES

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 5 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 5 Preferred Shares without the prior approval of the holders of the Series 5 Preferred Shares given as specified in Article 9.

ARTICLE 8
MODIFICATION

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 5 Preferred Shares given as specified in Article 9 and with any required approvals of any stock exchanges on which the Series 5

Preferred Shares may be listed, delete, amend or vary any of these Series 5 Preferred Shares Provisions.

ARTICLE 9
APPROVAL OF HOLDERS OF SERIES 5 PREFERRED SHARES

Any approval given by the holders of Series 5 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 5 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 5 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 5 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3$% of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 5 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 5 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3$% of the votes cast at the meeting will constitute the approval of the holders of Series 5 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 5 Preferred Shares will be entitled to one vote in respect of each Series 5 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

ARTICLE 10
RIGHTS ON LIQUIDATION

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 5 Preferred Shares will be entitled to receive $25.00 for each Series 5 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 5 Preferred Shares. After payment of those amounts, the holders of Series 5 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

ARTICLE 11
WITHHOLDING TAXES

For greater certainty, and notwithstanding any other provision of these Series 5 Preferred Shares Provisions, the Corporation shall be entitled to deduct and withhold any amounts required by law to be deducted or withheld on account of any taxes from any amounts payable or

otherwise deliverable in respect of the Series 5 Preferred Shares, including on the redemption or purchase for cancellation of the Series 5 Preferred Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such withholding was made.

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Virginie Ethier

Director / Directeur

2017-08-16

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Louis Marcotte

Louis Marcotte
514-282-7379 X87406

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended to create a new series of Class A Shares, to be designated as "Non-Cumulative Class A Shares, Series 6" and limited in number to 6,000,000 shares, each such Non-Cumulative Class A Share, Series 6 having attached thereto the following rights, privileges, restrictions and conditions:

Series 6 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "Series 6 Preferred Shares Provisions") attaching to the Non-Cumulative Class A Shares, Series 6 (the "Series 6 Preferred Shares") of Intact Financial Corporation (the "Corporation").

ARTICLE 1
DIVIDENDS

1.1 Dividend Payment Dates and Quarters

The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series 6 Preferred Shares shall be the last day of each of the months of March, June, September and December in each year. A "Quarter" means the period from and including the date of initial issue of the Series 6 Preferred Shares to but excluding December 31, 2017, being the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

1.2 Payment of Dividends

The holders of Series 6 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors of the Corporation (the "Board of Directors"), out of moneys of the Corporation properly applicable to the payment of dividends, fixed, non-cumulative, preferential cash dividends (the "Quarterly Dividends") payable, with respect to each Quarter, on the Dividend Payment Date immediately following the end of such Quarter, the first of such dividends to be payable on December 31, 2017, with respect to the period from and including the date of initial issue of the Series 6 Preferred Shares to but excluding December 31, 2017 and to be in an amount per Series 6 Preferred Share determined in accordance with section 1.3. For all subsequent Quarters, dividends (if, as and when declared by the Board of Directors), subject to section 1.3 hereof, shall be in an amount per Series 6 Preferred Share equal to $0.33125.

1.3 Dividend for Other than a Full Quarter

The holders of Series 6 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors out of moneys of the Corporation properly applicable to the payment of dividends, an initial non-cumulative preferential cash dividend in respect of the period from and including the date of initial issue of the Series 6 Preferred Shares to but excluding December 31, 2017 (the "Initial Dividend Payment"), equal to $0.49007 per share if the Series 6 Preferred Shares are issued on August 18,

2017 or, if the Series 6 Preferred Shares are issued on any date after August 18, 2017 and prior to December 31, 2017, equal to the amount obtained (rounded to five decimal places) when $1.325 is multiplied by a fraction of which the numerator is the number of days from and including the date of initial issue of the Series 6 Preferred Shares to but excluding December 31, 2017 and the denominator is 365.

1.4 Payment Procedure

Subject to subsection 2.3(e) hereof, dividends (less any tax required to be deducted and withheld by the Corporation) on the Series 6 Preferred Shares shall be paid by the Corporation to the holders of record thereof by electronic funds transfer or by cheque drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at par at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 6 Preferred Shares will be paid to each holder of record thereof in the aggregate amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing of any cheque to a holder of Series 6 Preferred Shares or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.5 Dividends Non-Cumulative

If in any Quarter the Board of Directors in its discretion shall not declare the said dividends, or any part thereof, on the Series 6 Preferred Shares, then the entitlement of the holders thereof to such dividends or to any part thereof, shall be forever extinguished.

ARTICLE 2
CORPORATION'S REDEMPTION AND PURCHASE RIGHTS

2.1 General

Subject to Article 4 and to the extent permitted by applicable law, the Series 6 Preferred Shares may be redeemed or purchased by the Corporation as provided in this Article 2 but not otherwise.

2.2 Redemption Rights

(a) Series 6 Preferred Shares shall not be redeemable at the option of the Corporation prior to September 30, 2022. The Corporation may, upon giving notice as hereinafter provided, on or after September 30, 2022 at the option of the Corporation redeem the whole or from time to time any part of the then outstanding Series 6 Preferred Shares by the payment of an amount in cash for each Series 6 Preferred Shares so redeemed equal to:

(i) $26.00 if the Series 6 Preferred Shares are redeemed on or after September 30, 2022 and prior to September 30, 2023;

(ii) $25.75 if the Series 6 Preferred Shares are redeemed on or after September 30, 2023 and prior to September 30, 2024;

(iii) $25.50 if the Series 6 Preferred Shares are redeemed on or after September 30, 2024 and prior to September 30, 2025;

(iv) $25.25 if the Series 6 Preferred Shares are redeemed on or after September 30, 2025 and prior to September 30, 2026; and

(v) $25.00 if the Series 6 Preferred Shares are redeemed on or after September 30, 2026;

(the "Cash Redemption Price") and by the payment of all declared and unpaid dividends on such Series 6 Preferred Shares to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation).

(b) If less than all of the outstanding Series 6 Preferred Shares are to be redeemed, the shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or in such other manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine, subject to the consent of the Toronto Stock Exchange.

2.3 Manner of Redemption

(a) Notice of redemption of Series 6 Preferred Shares shall be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption to each holder of Series 6 Preferred Shares to be redeemed. Such notice shall set out:

(i) the date (the "Redemption Date") on which the redemption is to take place;

(ii) unless all the Series 6 Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 6 Preferred Shares so held which are to be redeemed; and

(iii) the Cash Redemption Price and the amount of declared and unpaid dividends to be paid.

(b) On and after the Redemption Date the Corporation shall pay or cause to be paid to the holders of the Series 6 Preferred Shares so called for redemption the Cash Redemption Price therefor and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) on presentation and delivery by the holder at the registered office of the Corporation, the principal

transfer office of the transfer agent and registrar for the Series 6 Preferred Shares in the City of Toronto or such other place or places in Canada designated in the notice referred to in subsection 2.3(a), of the certificate or certificates representing the Series 6 Preferred Shares so called for redemption. Such payment shall be made by electronic funds transfer or by cheque or in such other manner, not contrary to applicable laws, as the Corporation may determine and shall be a full and complete discharge of the Corporation's obligation to pay the Cash Redemption Price and declared and unpaid dividends owed to the holders of Series 6 Preferred Shares so called for redemption unless such cheque is not honoured when presented for payment or payment by such other means is not received. From and after the Redemption Date, the holders of Series 6 Preferred Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 6 Preferred Shares in respect of such shares, except the right to receive therefor the Cash Redemption Price and declared and unpaid dividends thereon as at the Redemption Date, provided that if payment of such Cash Redemption Price and such declared and unpaid dividends (less any tax required to be deducted and withheld) is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired.

(c) The Corporation shall have the right at any time after mailing a notice of redemption to deposit the aggregate Cash Redemption Price of the Series 6 Preferred Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld) in a special account with the Corporation for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 6 Preferred Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof shall be limited to receiving, without interest, such holder's proportionate part of the Cash Redemption Price and declared and unpaid dividends (less any tax required to be deducted and withheld) so deposited upon presentation and surrender of the certificate or certificates representing such holder's Series 6 Preferred Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Redemption moneys and dividends which remain unclaimed for a period of six years from the applicable Redemption Date may be reclaimed and used by the Corporation for its own purposes.

(d) If less than all the Series 6 Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder.

(e) The provisions of section 1.4 hereof shall not apply to any declared and unpaid dividend which is required to be paid under subsection 2.2(a).

2.4 Purchase

Subject to Article 4, the Corporation may purchase for cancellation at any time the whole or from time to time any part of the then outstanding Series 6 Preferred Shares by private contract or in the open market (including purchases through or from an investment dealer or firm holding membership on a stock exchange) or pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of the Series 6 Preferred Shares, at any price at which, in the opinion of the Board of Directors, such shares are obtainable at the time of purchase, plus costs of purchase. If, upon any invitation for tenders, the Corporation receives tenders for Series 6 Preferred Shares at the same price in an aggregate number greater than the number for which the Corporation is prepared to accept tenders, the shares to be purchased shall be selected from the shares tendered at such price as nearly as may be pro rata according to the number of Series 6 Preferred Shares tendered in each such tender, or in such manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine. If only part of the Series 6 Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued without cost to the holder.

ARTICLE 3
VOTING RIGHTS

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 6 Preferred Shares as a series, holders of Series 6 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 6 Preferred Shares in any Quarter. In that event, the holders of Series 6 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 6 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 6 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "Voting Rights"). The Voting Rights of the holders of the Series 6 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 6 Preferred Shares to which the holders are entitled under these Series 6 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 6 Preferred Shares in any Quarter, in which event the Voting Rights will become effective again and so on from time to time.

ARTICLE 4
RESTRICTIONS ON DIVIDENDS AND RETIREMENT OF SHARES

As long as any Series 6 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 6 Preferred Shares given as provided in Article 9:

(a) declare, pay or set apart for payment any dividend on its common shares or any other shares ranking junior to the Series 6 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 6 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its common shares or any other shares ranking junior to the Series 6 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 6 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 6 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 6 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 6 Preferred Shares;

unless, in each case, all dividends on the Series 6 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Quarter and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 6 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

ARTICLE 5
ELECTION UNDER THE *INCOME TAX ACT*

The Corporation shall make an election in respect of the Series 6 Preferred Shares under subsection 191.2(1) *Income Tax Act* (Canada) (the "Tax Act"), in the manner and within the time period prescribed by section 191.2 of the Tax Act, and take any other necessary action thereunder, to pay tax under section 191.1 of the Tax Act (or any successor provision thereof) at a rate such that holders of the Series 6 Preferred Shares will not be required to pay tax on dividends received on the Series 6 Preferred Shares under section 187.2 of Part IV.1 of the Tax Act.

ARTICLE 6
NOTICE AND INTERPRETATION

6.1 Notices

(a) Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 6 Preferred Shares at their respective addresses appearing on the books of the Corporation or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation.

Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 6 Preferred Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tenders or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

(b) If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 6 Preferred Shares pursuant to paragraph (a) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of the holder's new address.

(c) Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

6.2 Interpretation

(a) In the event that any day on which any dividend on the Series 6 Preferred Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the immediately succeeding day that is a business day. A "business day" means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office.

(b) All references herein to a holder of Series 6 Preferred Shares shall be interpreted as referring to a registered holder of Series 6 Preferred Shares.

ARTICLE 7
ISSUE OF ADDITIONAL SHARES

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 6 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 6 Preferred Shares without the prior approval of the holders of the Series 6 Preferred Shares given as specified in Article 9.

ARTICLE 8
MODIFICATION

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 6 Preferred Shares given as specified in Article 9 and with any required approvals of any stock exchanges on which the Series 6

Preferred Shares may be listed, delete, amend or vary any of these Series 6 Preferred Shares Provisions.

ARTICLE 9
APPROVAL OF HOLDERS OF SERIES 6 PREFERRED SHARES

Any approval given by the holders of Series 6 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 6 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 6 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 6 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3$% of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 6 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 6 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3$% of the votes cast at the meeting will constitute the approval of the holders of Series 6 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 6 Preferred Shares will be entitled to one vote in respect of each Series 6 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

ARTICLE 10
RIGHTS ON LIQUIDATION

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 6 Preferred Shares will be entitled to receive $25.00 for each Series 6 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 6 Preferred Shares. After payment of those amounts, the holders of Series 6 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

ARTICLE 11
WITHHOLDING TAXES

For greater certainty, and notwithstanding any other provision of these Series 6 Preferred Shares Provisions, the Corporation shall be entitled to deduct and withhold any amounts required by law to be deducted or withheld on account of any taxes from any amounts payable or

otherwise deliverable in respect of the Series 6 Preferred Shares, including on the redemption or purchase for cancellation of the Series 6 Preferred Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such withholding was made.

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

Virginie Ethier

Director / Directeur

2018-05-23

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Louis Marcotte

Louis Marcotte
514-282-7379 x87406

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended:

(a) to create a new series of Class A Shares, to be designated as "Non-cumulative Rate Reset Class A Shares Series 7" and limited in number to 10,000,000 shares, each such Non-cumulative Rate Reset Class A Share Series 7 having attached thereto the following rights, privileges, restrictions and conditions:

Series 7 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "**Series 7 Preferred Shares Provisions**") attaching to the Non-cumulative Rate Reset Class A Shares Series 7 (the "**Series 7 Preferred Shares**") of Intact Financial Corporation (the "**Corporation**").

1. Consideration for Issue

The consideration for the issue of each Series 7 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. Dividends

(1) **Payment of Dividends.** The holders of Series 7 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 7 Preferred Shares, as and when declared by the Board of Directors, fixed quarterly non-cumulative preferential cash dividends at the rates and times herein provided.

(a) During the Initial Fixed Rate Period, dividends on the Series 7 Preferred Shares will, if declared, be in the amount per annum equal to $1.225 per share, determined by multiplying the Initial Fixed Dividend Rate by $25.00, payable quarterly on each Dividend Payment Date. Accordingly, on each Dividend Payment Date during the Initial Fixed Rate Period, other than September 30, 2018, the dividend payable, if declared, will be equal to $0.30625 per share. The initial dividend amount payable, if declared, will be paid on September 28, 2018 and will be in the amount per share determined by multiplying $1.225 by the number of days in the period from and including the Issue Date to but excluding September 30, 2018, and dividing that product by 365.

(b) During each Subsequent Fixed Rate Period, dividends on the Series 7 Preferred Shares will, if declared, be in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by $25.00, payable quarterly on each Dividend Payment Date.

(c) The Corporation will, in respect of each Subsequent Fixed Rate Period, calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the then holders of Series 7 Preferred Shares. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 7 Preferred Shares.

(d) In respect of any period other than the initial Dividend Period that is less than a full Dividend Period, dividends on the Series 7 Preferred Shares will, if declared, be in the amount per share determined by multiplying the applicable Annual Fixed Dividend Rate by $25.00, and multiplying such product by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365 or 366, depending upon the actual number of days in the applicable year.

(2) **Method of Payment.** Dividends on the Series 7 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 7 Preferred Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 7 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative.** If the Board of Directors does not declare the dividends, or any part thereof, on the Series 7 Preferred Shares on or before the Dividend Payment Date for a particular Dividend Period, the entitlement of the holders of the Series 7 Preferred Shares to such dividends, or to any part thereof, for the particular Dividend Period will be forever extinguished.

3. **Redemption**

(1) **No Redemption Before June 30, 2023.** The Corporation may not redeem any of the Series 7 Preferred Shares prior to June 30, 2023.

(2) **Redemption On and After June 30, 2023.** On June 30, 2023 and on June 30 every fifth year thereafter, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 7 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (4) below, by the payment of an amount in cash for each Series 7 Preferred Share so redeemed equal to $25.00 (the "**Redemption Price**") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(3) **Partial Redemptions.** In the case of partial redemptions, Series 7 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any

other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 7 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(4) **Notice of Redemption.** The Corporation will give to each holder of Series 7 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the "**Redemption Notice**"). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 7 Preferred Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the "**Redemption Date**"). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 7 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(5) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 7 Preferred Shares to be redeemed, in respect of each Series 7 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 7 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 7 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Series 7 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (6) below, from and after the date specified in any Redemption Notice, the Series 7 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 7 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 7 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 7 Preferred Shares.

(6) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 7 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 7 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 7 Preferred Shares. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 7 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 7 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 7 Preferred Shares**

(1) **Conversion at the Option of the Holder**.

(a) Holders of Series 7 Preferred Shares will have the right, at their option, on June 30, 2023 and on June 30 in every fifth year thereafter (a "**Series 7 Conversion Date**"), to convert, subject to the terms and provisions hereof, all or any Series 7 Preferred Shares registered in their name into Series 8 Preferred Shares on the basis of one (1) Series 8 Preferred Share for each Series 7 Preferred Share. The Corporation will give written notice to the then holders of the Series 7 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 7 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 7 Conversion Date. On the 30th day prior to each Series 7 Conversion Date, the Corporation will give written notice to the then holders of the Series 7 Preferred Shares of the Annual Fixed Dividend Rate for the succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series 8 Preferred Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(4) to the holders of the Series 7 Preferred Shares of the redemption of all the Series 7 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 7 Preferred Shares of the Annual Fixed Dividend Rate, Floating Quarterly Dividend Rate or Conversion Privilege and the right of any holder of Series 7 Preferred Shares to convert such Series 7 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 7 Preferred Shares will not be entitled to convert the Series 7 Preferred Shares registered in their name into Series 8 Preferred Shares on a Series 7 Conversion Date if the Corporation determines that there would remain outstanding on the Series 7 Conversion Date less than 1,000,000 Series 8 Preferred Shares after taking into account all Series 7 Preferred Shares tendered for conversion into Series 8 Preferred Shares and all Series 8 Preferred Shares tendered for conversion into Series 7 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to all affected holders of Series 7 Preferred Shares at least seven (7) days prior to the applicable Series 7 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 7 Conversion Date, at the expense of the Corporation, to such holders of Series 7 Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 7 Preferred Shares, new certificates representing the Series 7 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 7 Conversion Date less than 1,000,000 Series 7 Preferred Shares after taking into account all Series 7 Preferred Shares tendered for conversion into Series 8 Preferred

Shares and all Series 8 Preferred Shares tendered for conversion into Series 7 Preferred Shares, then, all, but not part, of the remaining outstanding Series 7 Preferred Shares will automatically be converted into Series 8 Preferred Shares on the basis of one (1) Series 8 Preferred Share for each Series 7 Preferred Share on the applicable Series 7 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 7 Preferred Shares at least seven (7) days prior to the Series 7 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege**.

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 7 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 7 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 7 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing; in which Conversion Notice such holder may also elect to convert only part of the Series 7 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 7 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the duly completed Conversion Notice from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 7 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 7 Preferred Shares into Series 8 Preferred Shares on the applicable Series 7 Conversion Date as provided for in section 4(2), the Series 7 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 7 Conversion Date into Series 8 Preferred Shares and the holders thereof will be deemed to be holders of Series 8 Preferred Shares at 5:00 p.m. (Toronto time) on the Series 7 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series 7 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 8 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 7 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to or upon the written order of the holder of the Series 7 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 8 Preferred Shares and the number of remaining Series 7 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 7 Conversion Date, so that the rights of the holder of such Series 7 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 8 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 8 Preferred Shares at such time.

(d) The holder of any Series 7 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 8 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 8 Preferred Shares upon the conversion of Series 7 Preferred Shares will be made without charge to the converting holders of Series 7 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 8 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 8 Preferred Shares are issued in respect of the issuance of such Series 8 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 7 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such issuance or security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 7 Preferred Shares converted into Series 8 Preferred Shares on a Series 7 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 7 Conversion Date and available for issuance on the conversion of the Series 8 Preferred Shares.

(4) **Right Not to Deliver Series 8 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 7 Preferred Shares, or upon an automatic conversion, pursuant to section 4(2), of Series 7 Preferred Shares, the Corporation reserves the right not to deliver Series 8 Preferred Shares to any Ineligible Person.

5. **Restrictions on Dividends and Retirement and Issue of Shares**

As long as any Series 7 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 7 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 7 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 7 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 7 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 7 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 7 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 7 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 7 Preferred Shares;

unless, in each case, all dividends on the Series 7 Preferred Shares and the Series 8 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Dividend Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 7 Preferred Shares and the Series 8 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. **Issue of Additional Shares**

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 7 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 7 Preferred Shares without the prior approval of the holders of the Series 7 Preferred Shares given as specified in section 11.

7. **Amendments to Series 7 Preferred Shares**

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 7 Preferred Shares given as specified in section 11 and with any required approvals of any stock exchanges on which the Series 7 Preferred Shares may be listed, delete, amend or vary any of these Series 7 Preferred Shares Provisions.

8. **Purchase for Cancellation**

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 7 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 7 Preferred Shares will be entitled to receive $25.00 for each Series 7 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 7 Preferred Shares. After payment of those amounts, the holders of Series 7 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. **Voting Rights**

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 7 Preferred Shares as a series, holders of Series 7 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 7 Preferred Shares in any Dividend Period. In that event, the holders of Series 7 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 7 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 7 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 7 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 7 Preferred Shares to which the holders are entitled under these Series 7 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 7 Preferred Shares in any Dividend Period, in which event the Voting Rights will become effective again and so on from time to time.

11. **Approval of Holders of Series 7 Preferred Shares**

Any approval given by the holders of Series 7 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 7 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 7 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 7 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3\%$ of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 7 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 7 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3\%$ of the votes cast at the meeting will constitute the approval of the holders of Series 7 Preferred Shares. On every poll taken at any meeting or

adjourned meeting, every holder of Series 7 Preferred Shares will be entitled to one vote in respect of each Series 7 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. **Tax Election**

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 7 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 7 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. **Notices**

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 7 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 7 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 7 Preferred Shares in connection with the redemption or conversion of Series 7 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 7 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 7 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 7 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any

action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. **Number of Series 7 Preferred Shares**

The Corporation is authorized to issue 10,000,000 Series 7 Preferred Shares designated as Non-cumulative Rate Reset Class A Shares Series 7.

15. **Interpretation**

(1) **Defined Terms.** In these Series 7 Preferred Shares Provisions:

"**Accrued Amount**" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Dividend Periods preceding the date fixed for redemption.

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.55%.

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

"**Board of Directors**" means the board of directors of the Corporation.

"**Book-Entry System**" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"**Business Day**" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"**Common Shares**" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"**Conversion Notice**" has the meaning attributed to it in section 4(1)(a). "**Conversion Privilege**" has the meaning attributed to it in section 4(1)(a).

"**Depository**" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"**Dividend Payment Date**" means the last day of the months of March, June, September and December in each year.

"**Dividend Period**" means the period from and including the Issue Date up to but excluding September 30, 2018 and, thereafter, the three-month period commencing on and including a Dividend Payment Date and ending on the day immediately preceding the next Dividend Payment Date.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.55%.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"**Global Certificate**" has the meaning attributed to it in section 16(1).

"**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 7 Preferred Shares or Series 8 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"**Initial Fixed Dividend Rate**" means 4.90% per annum.

"**Initial Fixed Rate Period**" means the period commencing on the Issue Date and ending on, but excluding, June 30, 2023.

"**Issue Date**" means the date any of the Series 7 Preferred Shares are first issued. "**Participant**" has the meaning attributed to it in section 16(1).

"**Quarterly Commencement Date**" means the last day of each of March, June, September and December in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period from and including June 30, 2023 to but excluding September 30, 2023, and thereafter the period from and including the day immediately

following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Date**" has the meaning attributed to it in section 3(4).

"**Redemption Notice**" has the meaning attributed to it in section 3(4).

"**Redemption Price**" has the meaning attributed to it in section 3(2).

"**Series 7 Conversion Date**" has the meaning attributed to it in section 4(1)(a).

"**Series 7 Preferred Shares**" has the meaning attributed to it in the introductory paragraph to these Series 7 Preferred Shares Provisions.

"**Series 7 Preferred Shares Provisions**" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 7 Preferred Shares.

"**Series 8 Preferred Shares**" means the Non-cumulative Floating Rate Class A Shares Series 8 of the Corporation.

"**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 30, 2023, to but excluding June 30, 2028, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding September 30 in the fifth year thereafter.

"**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Transfer Agent**" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 7 Preferred Shares.

"**Voting Rights**" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding-up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 7 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters**.

(a) If any date on which any dividend on the Series 7 Preferred Shares is payable under these Series 7 Preferred Shares Provisions is not a Business Day, then the dividend will be payable on or before the immediately succeeding day that is a Business Day. If any date on or by which any other action is required to be taken by the Corporation under these Series 7 Preferred Shares Provisions is not a Business Day, then such other action will be required to be taken on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 7 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 7 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 7 Preferred 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 holder of Series 7 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 7 Preferred Shares under these Series 7 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 7 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 7 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. **Registration of Series 7 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System**

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 7 Preferred Shares Provisions, the Series 7 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 7 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will be registered in the name of "**CDS & CO.**" (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 7 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 7 Preferred Shares or to a successor Depository for the Series 7 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 7 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 7 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 7 Preferred Shares.** For purposes of these Series 7 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 7 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 7 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 7 Preferred Shares, including payments of dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 8 Preferred Shares and certificates for those shares on the conversion of the Series 7 Preferred Shares into Series 8 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 7 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 7 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 8 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 7 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is

unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 7 Preferred Shares from the Book-Entry System, subsections (1) and (2) above will no longer be applicable to the Series 7 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 7 Preferred Shares in definitive registered form equal to the aggregate number of Series 7 Preferred Shares represented by the Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 7 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such number of Series 7 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 7 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 7 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

(b) to create a new series of Class A Shares, to be designated as "Non-cumulative Floating Rate Class A Shares Series 8" and limited in number to 10,000,000 shares, each such Non-cumulative Floating Rate Class A Share Series 8 having attached thereto the following rights, privileges, restrictions and conditions:

Series 8 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "Series 8 Preferred Shares Provisions") attaching to the Non-cumulative Floating Rate Class A Shares Series 8 (the "Series 8 Preferred Shares") of Intact Financial Corporation (the "Corporation").

1. **Consideration for Issue**

The consideration for the issue of each Series 8 Preferred Share shall be $25.00 or its equivalent in property or past services.

2. **Dividends**

(1) **Payment of Dividends**.

(a) The holders of Series 8 Preferred Shares will be entitled to receive, and the Corporation will pay on the Series 8 Preferred Shares, as and when declared by the Board of Directors, non-cumulative preferential cash dividends payable quarterly at the Floating Quarterly Dividend Rate as calculated from time to time. Accordingly, on each Dividend Payment Date, the dividend payable on the Series 8 Preferred Shares, if declared, will be in the amount per share determined by multiplying:

(A) the product obtained by multiplying $25.00 by the Floating Quarterly Dividend Rate applicable to the Quarterly Floating Rate Period immediately preceding such Dividend Payment Date; by

(B) a fraction, the numerator of which is the actual number of days elapsed 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) The Corporation will, in respect of each Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Dividend Rate for such Floating Quarterly Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the then holders of Series 8 Preferred Shares. Each such determination by the Corporation of the Floating Quarterly Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 8 Preferred Shares.

(2) **Method of Payment.** Dividends on the Series 8 Preferred Shares will be paid by electronic funds transfer or by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 8 Preferred Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The

delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 8 Preferred Shares to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 15(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

(3) **Dividends Non-Cumulative**. If the Board of Directors does not declare the dividends, or any part thereof, on the Series 8 Preferred Shares on or before the Dividend Payment Date for a Quarterly Floating Rate Period, the entitlement of the holders of the Series 8 Preferred Shares to such dividends, or to any part thereof, for the particular Quarterly Floating Rate Period will be forever extinguished.

3. **Redemption**

(1) **Redemption After June 30, 2028.** After June 30, 2028, but subject to section 5, the Corporation may redeem at any time all or from time to time any part of the Series 8 Preferred Shares then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (3) below, by the payment of an amount in cash for each Series 8 Preferred Share so redeemed equal to:

(a) $25.00 in the case of redemptions on June 30, 2028 and on June 30 in every fifth year thereafter; or

(b) $25.50 in the case of redemptions on any other date after June 30, 2023 that is not a Series 8 Conversion Date;

(the "**Redemption Price**") in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(2) **Partial Redemptions.** In the case of partial redemptions, Series 8 Preferred Shares to be redeemed will be selected on a *pro rata* (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the Toronto Stock Exchange if the Series 8 Preferred Shares are at such time listed on the Toronto Stock Exchange.

(3) **Notice of Redemption.** The Corporation will give to each holder of Series 8 Preferred Shares to be redeemed written notice of the intention of the Corporation to redeem such shares (the "**Redemption Notice**"). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 8 Preferred Shares held by the person to whom it is addressed which

are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the "**Redemption Date**"). In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Series 8 Preferred Shares then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(4) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Series 8 Preferred Shares to be redeemed, in respect of each Series 8 Preferred Share to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 8 Preferred Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 8 Preferred Shares. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Series 8 Preferred Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (5) below, from and after the date specified in any Redemption Notice, the Series 8 Preferred Shares called for redemption will be deemed to be redeemed and the holders of those Series 8 Preferred Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 8 Preferred Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Series 8 Preferred Shares.

(5) **Deposit of Redemption Price and Accrued Amount.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 8 Preferred Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 8 Preferred Shares, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Series 8 Preferred Shares. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 8 Preferred Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 8 Preferred Shares being redeemed. The Corporation will be entitled to any interest on such deposit.

4. **Conversion of Series 8 Preferred Shares**

(1) **Conversion at the Option of the Holder**.

(a) Holders of Series 8 Preferred Shares will have the right, at their option, on June 30, 2028 and on June 30 in every fifth year thereafter (a "**Series 8 Conversion Date**"), to convert, subject to the terms and provisions hereof, all or any Series 8 Preferred Shares registered in their name into Series 7 Preferred Shares on the basis of one (1) Series 7 Preferred Share for each Series 8 Preferred Share. The

Corporation will give written notice to the then holders of the Series 8 Preferred Shares of the conversion privilege provided for herein (the "**Conversion Privilege**") and such notice will (i) set out the Series 8 Conversion Date, (ii) include instructions to such holders as to the method by which such Conversion Privilege may be exercised, as described in section 4(3), including a form of the written conversion notice required by the Corporation (the "**Conversion Notice**"), and (iii) be given at least 30 days and not more than 60 days prior to the applicable Series 8 Conversion Date. On the 30th day prior to each Series 8 Conversion Date, the Corporation will give written notice to the then holders of the Series 8 Preferred Shares of the Floating Quarterly Dividend Rate for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series 7 Preferred Shares for the succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in section 3(3) to the holders of the Series 8 Preferred Shares of the redemption of all the Series 8 Preferred Shares, the Corporation will not be required to give notice as provided in this section 4(1) to the holders of the Series 8 Preferred Shares of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any holder of Series 8 Preferred Shares to convert such Series 8 Preferred Shares as herein provided will cease and terminate in that event.

(c) Holders of Series 8 Preferred Shares will not be entitled to convert the Series 8 Preferred Shares registered in their name into Series 7 Preferred Shares on a Series 8 Conversion Date if the Corporation determines that there would remain outstanding on the Series 8 Conversion Date less than 1,000,000 Series 7 Preferred Shares after taking into account all Series 8 Preferred Shares tendered for conversion into Series 7 Preferred Shares and all Series 7 Preferred Shares tendered for conversion into Series 8 Preferred Shares. The Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to all affected holders of Series 8 Preferred Shares at least seven (7) days prior to the applicable Series 8 Conversion Date and, subject to the provisions of section 16, will issue and deliver, or cause to be delivered, prior to such Series 8 Conversion Date, at the expense of the Corporation, to such holders of Series 8 Preferred Shares, who have surrendered for conversion any certificate or certificates representing Series 8 Preferred Shares, new certificates representing the Series 8 Preferred Shares represented by any certificate or certificates surrendered as aforesaid.

(2) **Automatic Conversion.** If the Corporation determines that there would remain outstanding on a Series 8 Conversion Date less than 1,000,000 Series 8 Preferred Shares after taking into account all Series 8 Preferred Shares tendered for conversion into Series 7 Preferred Shares and all Series 7 Preferred Shares tendered for conversion into Series 8 Preferred Shares, then, all, but not part, of the remaining outstanding Series 8 Preferred Shares will automatically be converted into Series 7 Preferred Shares on the basis of one (1) Series 7 Preferred Share for each Series 8 Preferred Share on the applicable Series 8 Conversion Date and the Corporation will give written notice thereof, in accordance with the provisions of section 4(1)(a), *mutatis mutandis*, to the holders of such remaining Series 8 Preferred Shares at least seven (7) days prior to the Series 8 Conversion Date.

(3) **Manner of Exercise of Conversion Privilege**.

(a) Subject to the provisions of section 16, the Conversion Privilege may be exercised by a duly completed and executed Conversion Notice, substantially in the form of Conversion Notice provided by the Corporation pursuant to section 4(1)(a), given not earlier than 30 days prior to a Series 8 Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15th day preceding a Series 8 Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by: (1) payment or evidence of payment of the tax (if any) payable as provided in this section 4(3); and (2) the certificate or certificates representing the Series 8 Preferred Shares in respect of which the holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the holder, or his or her attorney duly authorized in writing; in which Conversion Notice such holder may also elect to convert only part of the Series 8 Preferred Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such holder, at the expense of the Corporation, a new certificate representing the Series 8 Preferred Shares represented by such certificate or certificates that have not been converted. Once received by the Corporation, the Conversion Notice will be irrevocable. If the Corporation does not receive the duly completed Conversion Notice from the holder exercising the Conversion Privilege during the time fixed therefor, then the Series 8 Preferred Shares shall be deemed not to have been converted except in the case of an automatic conversion described in section 4(2).

(b) Subject to the provisions of section 16, in the event the Corporation is required to convert all remaining outstanding Series 8 Preferred Shares into Series 7 Preferred Shares on the applicable Series 8 Conversion Date as provided for in section 4(2), the Series 8 Preferred Shares in respect of which the holders have not previously elected to convert will be converted on the Series 8 Conversion Date into Series 7 Preferred Shares and the holders thereof will be deemed to be holders of Series 7 Preferred Shares at 5:00 p.m. (Toronto time) on the Series 8 Conversion Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series 8 Preferred Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series 7 Preferred Shares in the manner and subject to the terms and provisions as provided in this section 4(3).

(c) Subject to the provisions of section 16, as promptly as practicable after the Series 8 Conversion Date, the Corporation will issue and deliver, or cause to be delivered to or upon the written order of the holder of the Series 8 Preferred Shares so surrendered, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such holder representing the number of fully-paid and non-assessable Series 7 Preferred Shares and the number of remaining Series 8 Preferred Shares, if any, to which such holder is entitled. Such conversion will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 8 Conversion Date, so that the rights of the holder of

such Series 8 Preferred Shares as the holder thereof will cease at such time and the person or persons entitled to receive Series 7 Preferred Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series 7 Preferred Shares at such time.

(d) The holder of any Series 8 Preferred Shares on the record date for any dividend declared payable on such shares will be entitled to such dividend notwithstanding that such shares are converted into Series 7 Preferred Shares after such record date and on or before the date of the payment of such dividend.

(e) Subject to the provisions of section 16, the issuance of certificates for the Series 7 Preferred Shares upon the conversion of Series 8 Preferred Shares will be made without charge to the converting holders of Series 8 Preferred Shares for any fee or tax in respect of the issuance of such certificates or the Series 7 Preferred Shares represented thereby; provided, however, that the Corporation will not be required to pay any tax that may be imposed upon the person or persons to whom such Series 7 Preferred Shares are issued in respect of the issuance of such Series 7 Preferred Shares or the certificate therefor or any security transfer taxes, and the Corporation will not be required to issue or deliver a certificate or certificates in a name or names other than that of the holder of the Series 8 Preferred Shares converted unless the person or persons requesting the issuance thereof has paid to the Corporation the amount of any such issuance or security transfer tax or has established to the satisfaction of the Corporation that such tax has been paid.

(f) All Series 8 Preferred Shares converted into Series 7 Preferred Shares on a Series 8 Conversion Date shall not be cancelled but shall be restored to the status of authorized but unissued shares of the Corporation as at the close of business on the Series 8 Conversion Date and available for issuance on the conversion of the Series 7 Preferred Shares.

(4) **Right Not to Deliver Series 7 Preferred Shares.** On the exercise of the Conversion Privilege by a holder of Series 8 Preferred Shares, or upon an automatic conversion, pursuant to section 4(2), of Series 8 Preferred Shares, the Corporation reserves the right not to deliver Series 7 Preferred Shares to any Ineligible Person.

5. **Restrictions on Dividends and Retirement and Issue of Shares**

As long as any Series 8 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 8 Preferred Shares given as provided in section 11:

(a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Series 8 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 8 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Series 8 Preferred Shares (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Series 8 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 8 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 8 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 8 Preferred Shares;

unless, in each case, all dividends on the Series 8 Preferred Shares and the Series 7 Preferred Shares then issued and outstanding up to and including those payable on the Dividend Payment Date for the last completed Quarterly Floating Rate Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 8 Preferred Shares and the Series 7 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

6. **Issue of Additional Shares**

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 8 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 8 Preferred Shares without the prior approval of the holders of the Series 8 Preferred Shares given as specified in section 11.

7. **Amendments to Series 8 Preferred Shares**

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 8 Preferred Shares given as specified in section 11 and with any required approvals of any stock exchanges on which the Series 8 Preferred Shares may be listed, delete, amend or vary any of these Series 8 Preferred Shares Provisions.

8. **Purchase for Cancellation**

Subject to section 5, the Corporation may purchase for cancellation at any time all or from time to time any part of the Series 8 Preferred Shares then outstanding in the open market or by private contract or tender at any price.

9. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 8 Preferred Shares will be entitled to receive $25.00 for each Series 8 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 8 Preferred Shares. After payment of

those amounts, the holders of Series 8 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

10. **Voting Rights**

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 8 Preferred Shares as a series, holders of Series 8 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 8 Preferred Shares in any Quarterly Floating Rate Period. In that event, the holders of Series 8 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 8 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 8 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "**Voting Rights**"). The Voting Rights of the holders of the Series 8 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 8 Preferred Shares to which the holders are entitled under these Series 8 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 8 Preferred Shares in any Quarterly Floating Rate Period, in which event the Voting Rights will become effective again and so on from time to time.

11. **Approval of Holders of Series 8 Preferred Shares**

Any approval given by the holders of Series 8 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 8 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 8 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 25% of the outstanding Series 8 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3\%$ of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 8 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 8 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3\%$ of the votes cast at the meeting will constitute the approval of the holders of Series 8 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 8 Preferred Shares will be entitled to one vote in respect of each Series 8 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

12. **Tax Election**

The Corporation shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 8 Preferred Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 8 Preferred Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

13. **Notices**

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Series 8 Preferred Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary or to the attention of such person specified by the Corporation. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Series 8 Preferred Shares to the Corporation or the Transfer Agent of certificates representing Series 8 Preferred Shares in connection with the redemption or conversion of Series 8 Preferred Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation or to the attention of such person specified by the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Series 8 Preferred Shares.** Subject to applicable law, any notice, request or other communication to be given to a holder of Series 8 Preferred Shares by or on behalf of the Corporation must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 8 Preferred Shares, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

14. **Number of Series 8 Preferred Shares**

The Corporation is authorized to issue 10,000,000 Series 8 Preferred Shares designated as Non-cumulative Floating Rate Class A Shares Series 8.

15. **Interpretation**

(1) **Defined Terms.** In these Series 8 Preferred Shares Provisions:

"**Accrued Amount**" means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Quarterly Floating Rate Periods preceding the date fixed for redemption.

"**Annual Fixed Dividend Rate**" means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.55%.

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

"**Board of Directors**" means the board of directors of the Corporation.

"**Book-Entry System**" means the record entry securities transfer and pledge system administered by the Depository in accordance with its operating rules and procedures in force from time to time or any successor system thereof.

"**Business Day**" means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Toronto, Ontario.

"**Common Shares**" means the Common Shares of the Corporation, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Corporation is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Corporation or comparable transaction affecting the Common Shares of the Corporation.

"**Conversion Notice**" has the meaning attributed to it in section 4(1)(a). "**Conversion Privilege**" has the meaning attributed to it in section 4(1)(a).

"**Depository**" means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 16(1).

"**Dividend Payment Date**" means the last day of the months of March, June, September and December in each year.

"**Fixed Rate Calculation Date**" means, for any Subsequent Fixed Rate Period, the 30th day prior to the first day of such Subsequent Fixed Rate Period.

"**Floating Quarterly Dividend Rate**" means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 2.55%.

"**Floating Rate Calculation Date**" means, for any Quarterly Floating Rate Period, the 30th day prior to the first day of such Quarterly Floating Rate Period.

"**Global Certificate**" has the meaning attributed to it in section 16(1).

"**Government of Canada Yield**" on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the average of the yields determined by two registered Canadian investment dealers selected by the Corporation, as being the yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"**Ineligible Person**" means any person whose address is in, or whom the Corporation or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 8 Preferred Shares or Series 7 Preferred Shares would require the Corporation to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"**Participant**" has the meaning attributed to it in section 16(1).

"**Quarterly Commencement Date**" means the last day of each of March, June, September and December in each year.

"**Quarterly Floating Rate Period**" means, for the initial Quarterly Floating Rate Period, the period from and including June 30, 2023 to but excluding September 30, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

"**Redemption Date**" has the meaning attributed to it in section 3(3).

"**Redemption Notice**" has the meaning attributed to it in section 3(3).

"**Redemption Price**" has the meaning attributed to it in section 3(1).

"**Series 7 Preferred Shares**" means the Non-cumulative Rate Reset Class A Shares Series 7 of the Corporation.

"**Series 8 Conversion Date**" has the meaning attributed to it in section 4(1)(a).

"**Series 8 Preferred Shares**" has the meaning attributed to it in the introductory paragraph to these Series 8 Preferred Shares Provisions.

"**Series 8 Preferred Shares Provisions**" has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Series 8 Preferred Shares.

"**Subsequent Fixed Rate Period**" means, for the initial Subsequent Fixed Rate Period, the period from and including June 30, 2023, to but excluding June 30, 2028, and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding June 30 in the fifth year thereafter.

"**T-Bill Rate**" means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada treasury bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date. Auction results will be displayed on the page designated as "CA3MAY<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the CA3MAY<INDEX>).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Transfer Agent**" means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 8 Preferred Shares.

"**Voting Rights**" has the meaning attributed to it in section 10.

(2) **Ranking of Shares.** The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets 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 for the purpose of winding-up its affairs.

(3) **Holder.** References to a "holder" in relation to Series 8 Preferred Shares means a registered holder of those shares.

(4) **References to Statutes.** Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(5) **Other Payment Matters**.

(a) If any date on which any dividend on the Series 8 Preferred Shares is payable under these Series 8 Preferred Shares Provisions is not a Business Day, then the dividend will be payable on or before the immediately succeeding day that is a Business Day. If any date on or by which any other action is required to be taken by the Corporation under these Series 8 Preferred Shares Provisions is not a Business Day, then such other action will be required to be taken on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Series 8 Preferred Shares entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

(c) 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 holders of Series 8 Preferred Shares at their respective addresses appearing on the books of the Corporation. Such notice shall request that each applicable holder of Series 8 Preferred 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 holder of Series 8 Preferred 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.

(d) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Series 8 Preferred Shares under these Series 8 Preferred Shares Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 8 Preferred Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act 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 Series 8 Preferred Share provisions.

(6) **Currency Conversion.** If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.

16. **Registration of Series 8 Preferred Shares and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System**

(1) **Global Certificate.** Subject to subsections (2) and (3) below and notwithstanding any other provision of these Series 8 Preferred Shares Provisions, the Series 8 Preferred Shares will be represented in the form of a single fully-registered global certificate in the aggregate number of Series 8 Preferred Shares issued by the Corporation and outstanding from time to time (the "**Global Certificate**") held by, or on behalf of, the Depository as custodian of the Global Certificate for the participants in the depository services of CDS (each, a "**Participant**"), and will be registered in the name of "**CDS & CO.**" (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 8 Preferred Shares will be made only through the Book-Entry System to another nominee of the Depository for the Series 8 Preferred Shares or to a successor Depository for the Series 8 Preferred Shares approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Series 8 Preferred Shares will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Series 8 Preferred Shares, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Series 8 Preferred Shares.** For purposes of these Series 8 Preferred Shares Provisions, as long as the Depository, or its nominee, is the registered holder of the Series 8 Preferred Shares:

(a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Series 8 Preferred Shares for the purpose of receiving notices or payments on or in respect of the Series 8 Preferred Shares, including payments of dividends, the Redemption Price or the Accrued Amount, and the delivery of Series 7 Preferred Shares and certificates for those shares on the conversion of the Series 8 Preferred Shares into Series 7 Preferred Shares; and

(b) the Corporation, pursuant to the exercise by it of its right to redeem Series 8 Preferred Shares, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Series 8 Preferred Shares, the Accrued Amount and the Redemption Price and certificates for the Series 7 Preferred Shares, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Series 8 Preferred Shares.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to withdraw the Series 8 Preferred Shares from the Book-Entry System, subsections (1) and (2) above will no longer be applicable to the Series 8 Preferred Shares. In that case, the Corporation will execute and deliver certificates for the Series 8 Preferred Shares in definitive registered form equal to the aggregate number of Series 8 Preferred Shares represented by the Global Certificate in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate. Certificates for Series 8 Preferred Shares in definitive registered form issued in exchange for the Global Certificate will be registered in such names and in such

number of Series 8 Preferred Shares as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

17. **Return of Unclaimed Funds to Corporation**

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Series 8 Preferred Shares, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Series 8 Preferred Shares and such unclaimed funds may be used by the Corporation for its own purposes.

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

Intact Financial Corporation
Intact Corporation financière

Corporate name / Dénomination sociale

427397-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.

R Edwards

Raymond Edwards

Director / Directeur

2020-02-13

Date of amendment (YYYY-MM-DD)
Date de modification (AAAA-MM-JJ)

Canada

Form 4
Articles of Amendment
Canada Business Corporations Act (CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par actions (LCSA) (art. 27 ou 177)

1 Corporate name
Dénomination sociale
Intact Financial Corporation
Intact Corporation financière

2 Corporation number
Numéro de la société
427397-4

3 The articles are amended as follows
Les statuts sont modifiés de la façon suivante

See attached schedule / Voir l'annexe ci-jointe

4 Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société.

Original signed by / Original signé par
Frédéric Cotnoir

Frédéric Cotnoir
514-985-7111 X83131

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Pursuant to subsection 27(4) of the *Canada Business Corporations Act*, the articles of the Corporation are hereby amended to create a new series of Class A Shares, to be designated as "Non-Cumulative Class A Shares, Series 9" and limited in number to 6,000,000 shares, each such Non-Cumulative Class A Share, Series 9 having attached thereto the following rights, privileges, restrictions and conditions:

Series 9 Preferred Shares

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares, the following are the rights, privileges, restrictions and conditions (the "Series 9 Preferred Shares Provisions") attaching to the Non-Cumulative Class A Shares, Series 9 (the "Series 9 Preferred Shares") of Intact Financial Corporation (the "Corporation").

ARTICLE 1
DIVIDENDS

1.1 Dividend Payment Dates and Quarters

The dividend payment dates (the "Dividend Payment Dates") in respect of the dividends payable on the Series 9 Preferred Shares shall be the last day of each of the months of March, June, September and December in each year. A "Quarter" means the period from and including the date of initial issue of the Series 9 Preferred Shares to but excluding June 30, 2020, being the first Dividend Payment Date and, thereafter, the period from and including each Dividend Payment Date to but excluding the next succeeding Dividend Payment Date.

1.2 Payment of Dividends

The holders of Series 9 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors of the Corporation (the "Board of Directors"), out of moneys of the Corporation properly applicable to the payment of dividends, fixed, non-cumulative, preferential cash dividends (the "Quarterly Dividends") payable, with respect to each Quarter, on the Dividend Payment Date immediately following the end of such Quarter, the first of such dividends to be payable on June 30, 2020, with respect to the period from and including the date of initial issue of the Series 9 Preferred Shares to but excluding June 30, 2020 and to be in an amount per Series 9 Preferred Share determined in accordance with section 1.3. For all subsequent Quarters, dividends (if, as and when declared by the Board of Directors), subject to section 1.3 hereof, shall be in an amount per Series 9 Preferred Share equal to $0.3375.

1.3 Dividend for Other than a Full Quarter

The holders of Series 9 Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors out of moneys of the Corporation properly applicable to the payment of dividends, an initial non-cumulative preferential cash dividend in respect of the period from and including the date of initial issue of the Series 9 Preferred Shares to but excluding June 30, 2020 (the "Initial Dividend Payment"), equal to $0.4906 per share if the Series 9 Preferred Shares are issued on February 18, 2020 or, if the Series 9

Preferred Shares are issued on any date after February 18, 2020 and prior to June 30, 2020, equal to the amount obtained (rounded to four decimal places) when $1.35 is multiplied by a fraction of which the numerator is the number of days from and including the date of initial issue of the Series 9 Preferred Shares to but excluding June 30, 2020 and the denominator is 366.

1.4 Payment Procedure

Subject to subsection 2.3(e) hereof, dividends (less any tax required to be deducted and withheld by the Corporation) on the Series 9 Preferred Shares shall be paid by the Corporation to the holders of record thereof by electronic funds transfer or by cheque drawn on a Canadian chartered bank or trust company and payable in lawful money of Canada at par at any branch of such bank or trust company in Canada or in such other manner, not contrary to applicable law, as the Corporation shall determine. Dividends on the Series 9 Preferred Shares will be paid to each holder of record thereof in the aggregate amount of the applicable dividend, rounded to the nearest whole cent ($0.01), less any tax required to be deducted and withheld by the Corporation. The delivery or mailing of any cheque to a holder of Series 9 Preferred Shares or the electronic transfer of funds to an account specified by such holder shall be a full and complete discharge of the Corporation's obligation to pay the dividends to such holder (plus any tax required to be and in fact deducted and withheld therefrom and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable may be reclaimed and used by the Corporation for its own purposes.

1.5 Dividends Non-Cumulative

If in any Quarter the Board of Directors in its discretion shall not declare the said dividends, or any part thereof, on the Series 9 Preferred Shares, then the entitlement of the holders thereof to such dividends or to any part thereof, shall be forever extinguished.

ARTICLE 2
CORPORATION'S REDEMPTION AND PURCHASE RIGHTS

2.1 General

Subject to Article 4 and to the extent permitted by applicable law, the Series 9 Preferred Shares may be redeemed or purchased by the Corporation as provided in this Article 2 but not otherwise.

2.2 Redemption Rights

(a) Series 9 Preferred Shares shall not be redeemable at the option of the Corporation prior to March 31, 2025. The Corporation may, upon giving notice as hereinafter provided, on or after March 31, 2025 at the option of the Corporation redeem the whole or from time to time any part of the then outstanding Series 9 Preferred Shares by the payment of an amount in cash for each Series 9 Preferred Shares so redeemed equal to:

(i) $26.00 if the Series 9 Preferred Shares are redeemed on or after March 31, 2025 and prior to March 31, 2026;

(ii) $25.75 if the Series 9 Preferred Shares are redeemed on or after March 31, 2026 and prior to March 31, 2027;

(iii) $25.50 if the Series 9 Preferred Shares are redeemed on or after March 31, 2027 and prior to March 31, 2028;

(iv) $25.25 if the Series 9 Preferred Shares are redeemed on or after March 31, 2028 and prior to March 31, 2029; and

(v) $25.00 if the Series 9 Preferred Shares are redeemed on or after March 31, 2029;

(the "Cash Redemption Price") and by the payment of all declared and unpaid dividends on such Series 9 Preferred Shares to but excluding the date fixed for redemption (less any tax required to be deducted and withheld by the Corporation).

(b) If less than all of the outstanding Series 9 Preferred Shares are to be redeemed, the shares to be redeemed shall be selected on a pro rata basis (disregarding fractions) or in such other manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine, subject to the consent of the Toronto Stock Exchange.

2.3 Manner of Redemption

(a) Notice of redemption of Series 9 Preferred Shares shall be given by the Corporation not more than 60 days and not less than 30 days prior to the date fixed for redemption to each holder of Series 9 Preferred Shares to be redeemed. Such notice shall set out:

(i) the date (the "Redemption Date") on which the redemption is to take place;

(ii) unless all the Series 9 Preferred Shares held by the holder to whom it is addressed are to be redeemed, the number of Series 9 Preferred Shares so held which are to be redeemed; and

(iii) the Cash Redemption Price and the amount of declared and unpaid dividends to be paid.

(b) On and after the Redemption Date the Corporation shall pay or cause to be paid to the holders of the Series 9 Preferred Shares so called for redemption the Cash Redemption Price therefor and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld by the Corporation) on presentation and delivery by the holder at the registered office of the Corporation, the principal transfer office of the transfer agent and registrar for the Series 9 Preferred Shares in the City of Toronto or such other place or places in Canada designated in the

notice referred to in subsection 2.3(a), of the certificate or certificates representing the Series 9 Preferred Shares so called for redemption. Such payment shall be made by electronic funds transfer or by cheque or in such other manner, not contrary to applicable laws, as the Corporation may determine and shall be a full and complete discharge of the Corporation's obligation to pay the Cash Redemption Price and declared and unpaid dividends owed to the holders of Series 9 Preferred Shares so called for redemption unless such cheque is not honoured when presented for payment or payment by such other means is not received. From and after the Redemption Date, the holders of Series 9 Preferred Shares called for redemption shall cease to be entitled to dividends or to exercise any of the rights of holders of Series 9 Preferred Shares in respect of such shares, except the right to receive therefor the Cash Redemption Price and declared and unpaid dividends thereon as at the Redemption Date, provided that if payment of such Cash Redemption Price and such declared and unpaid dividends (less any tax required to be deducted and withheld) is not duly made in accordance with the provisions hereof, then the rights of such holders shall remain unimpaired.

(c) The Corporation shall have the right at any time after mailing a notice of redemption to deposit the aggregate Cash Redemption Price of the Series 9 Preferred Shares thereby called for redemption, or such part thereof as at the time of deposit has not been claimed by the holders entitled thereto, and all declared and unpaid dividends thereon (less any tax required to be deducted and withheld) in a special account with the Corporation for the holders of such shares, and upon such deposit being made or upon the Redemption Date, whichever is the later, the Series 9 Preferred Shares in respect of which such deposit shall have been made shall be deemed to be redeemed and the rights of each holder thereof shall be limited to receiving, without interest, such holder's proportionate part of the Cash Redemption Price and declared and unpaid dividends (less any tax required to be deducted and withheld) so deposited upon presentation and surrender of the certificate or certificates representing such holder's Series 9 Preferred Shares so redeemed. Any interest on any such deposit shall belong to the Corporation. Redemption moneys and dividends which remain unclaimed for a period of six years from the applicable Redemption Date may be reclaimed and used by the Corporation for its own purposes.

(d) If less than all the Series 9 Preferred Shares represented by any certificate shall be redeemed, a new certificate for the balance shall be issued without cost to the holder.

(e) The provisions of section 1.4 hereof shall not apply to any declared and unpaid dividend which is required to be paid under subsection 2.2(a).

2.4 <u>Purchase</u>

Subject to Article 4, the Corporation may purchase for cancellation at any time the whole or from time to time any part of the then outstanding Series 9 Preferred Shares by private contract or in the open market (including purchases through or from an investment dealer or firm holding

membership on a stock exchange) or pursuant to tenders received by the Corporation upon an invitation for tenders addressed to all holders of the Series 9 Preferred Shares, at any price at which, in the opinion of the Board of Directors, such shares are obtainable at the time of purchase, plus costs of purchase. If, upon any invitation for tenders, the Corporation receives tenders for Series 9 Preferred Shares at the same price in an aggregate number greater than the number for which the Corporation is prepared to accept tenders, the shares to be purchased shall be selected from the shares tendered at such price as nearly as may be pro rata according to the number of Series 9 Preferred Shares tendered in each such tender, or in such manner as the Board of Directors or a committee thereof in its sole discretion shall by resolution determine. If only part of the Series 9 Preferred Shares represented by any certificate shall be purchased, a new certificate for the balance of such shares shall be issued without cost to the holder.

ARTICLE 3
VOTING RIGHTS

Except as hereinafter referred to or as required by law or for meetings of the holders of the Class A Shares as a class and meetings of the holders of Series 9 Preferred Shares as a series, holders of Series 9 Preferred Shares will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 9 Preferred Shares in any Quarter. In that event, the holders of Series 9 Preferred Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Series 9 Preferred Share held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Series 9 Preferred Shares will not be entitled to vote in respect of any other business conducted at such meetings (the "Voting Rights"). The Voting Rights of the holders of the Series 9 Preferred Shares will cease on payment by the Corporation of the whole amount of any dividends on the Series 9 Preferred Shares to which the holders are entitled under these Series 9 Preferred Shares Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Series 9 Preferred Shares in any Quarter, in which event the Voting Rights will become effective again and so on from time to time.

ARTICLE 4
RESTRICTIONS ON DIVIDENDS AND RETIREMENT OF SHARES

As long as any Series 9 Preferred Shares are outstanding, the Corporation will not at any time, without the approval of the holders of the Series 9 Preferred Shares given as provided in Article 9:

(a) declare, pay or set apart for payment any dividend on its common shares or any other shares ranking junior to the Series 9 Preferred Shares (other than stock dividends on any shares ranking junior to the Series 9 Preferred Shares);

(b) redeem, purchase or otherwise retire any of its common shares or any other shares ranking junior to the Series 9 Preferred Shares (except out of the net cash proceeds

of a substantially concurrent issue of shares ranking junior to the Series 9 Preferred Shares);

(c) redeem, purchase or otherwise retire less than all the Series 9 Preferred Shares then outstanding; or

(d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of shares of the Corporation ranking *pari passu* with the Series 9 Preferred Shares, redeem, purchase or otherwise retire any other shares ranking *pari passu* with the Series 9 Preferred Shares;

unless, in each case, all dividends on the Series 9 Preferred Shares then issued and outstanding, up to and including those payable on the Dividend Payment Date for the last completed Quarter and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Series 9 Preferred Shares up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

ARTICLE 5
ELECTION UNDER THE *INCOME TAX ACT*

The Corporation shall make an election in respect of the Series 9 Preferred Shares under subsection 191.2(1) *Income Tax Act* (Canada) (the "Tax Act"), in the manner and within the time period prescribed by section 191.2 of the Tax Act, and take any other necessary action thereunder, to pay tax under section 191.1 of the Tax Act (or any successor provision thereof) at a rate such that holders of the Series 9 Preferred Shares will not be required to pay tax on dividends received on the Series 9 Preferred Shares under section 187.2 of Part IV.1 of the Tax Act.

ARTICLE 6
NOTICE AND INTERPRETATION

6.1 Notices

(a) Any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given if delivered or if sent by first class unregistered mail, postage prepaid, to the holders of the Series 9 Preferred Shares at their respective addresses appearing on the books of the Corporation or, in the event of the address of any of such holders not so appearing, then at the last address of such holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more holders of the Series 9 Preferred Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tenders or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

(b) If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series 9 Preferred Shares pursuant to paragraph (a) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of the holder's new address.

(c) Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

6.2 Interpretation

(a) In the event that any day on which any dividend on the Series 9 Preferred Shares is payable or on or by which any other action is required to be taken hereunder is not a business day, then such dividend shall be payable or such other action shall be required to be taken on or before the immediately succeeding day that is a business day. A "business day" means a day other than a Saturday, a Sunday or any other day that is a statutory or civic holiday in the place where the Corporation has its head office.

(b) All references herein to a holder of Series 9 Preferred Shares shall be interpreted as referring to a registered holder of Series 9 Preferred Shares.

ARTICLE 7
ISSUE OF ADDITIONAL SHARES

The Corporation may issue shares of any other series of Class A Shares or shares of any other class or series of the Corporation without authorization of the holders of the Series 9 Preferred Shares, provided that no series or class of shares may be created or issued ranking as to repayment of capital or payment of dividends prior to the Series 9 Preferred Shares without the prior approval of the holders of the Series 9 Preferred Shares given as specified in Article 9.

ARTICLE 8
MODIFICATION

The Corporation may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 9 Preferred Shares given as specified in Article 9 and with any required approvals of any stock exchanges on which the Series 9 Preferred Shares may be listed, delete, amend or vary any of these Series 9 Preferred Shares Provisions.

ARTICLE 9
APPROVAL OF HOLDERS OF SERIES 9 PREFERRED SHARES

Any approval given by the holders of Series 9 Preferred Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 9 Preferred Shares outstanding or by a resolution passed at a meeting of the holders of Series 9 Preferred Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at

least 25% of the outstanding Series 9 Preferred Shares are present or are represented by proxy and carried by the affirmative vote of not less than $66^2/_3$% of the votes cast by the holders who voted in respect of that resolution at the meeting duly called for that purpose. If at the meeting the holders of at least 25% of the outstanding Series 9 Preferred Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 9 Preferred Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66^2/_3$% of the votes cast at the meeting will constitute the approval of the holders of Series 9 Preferred Shares. On every poll taken at any meeting or adjourned meeting, every holder of Series 9 Preferred Shares will be entitled to one vote in respect of each Series 9 Preferred Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders.

ARTICLE 10
RIGHTS ON LIQUIDATION

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Series 9 Preferred Shares will be entitled to receive $25.00 for each Series 9 Preferred Share held by them, plus any dividends declared and unpaid to but excluding the date of payment (less any tax required to be deducted and withheld by the Corporation), before any amounts are paid or any assets of the Corporation are distributed to the holders of any shares ranking junior to the Series 9 Preferred Shares. After payment of those amounts, the holders of Series 9 Preferred Shares will not be entitled to share in any further distribution of the property or assets of the Corporation.

ARTICLE 11
WITHHOLDING TAXES

For greater certainty, and notwithstanding any other provision of these Series 9 Preferred Shares Provisions, the Corporation shall be entitled to deduct and withhold any amounts required by law to be deducted or withheld on account of any taxes from any amounts payable or otherwise deliverable in respect of the Series 9 Preferred Shares, including on the redemption or purchase for cancellation of the Series 9 Preferred Shares. To the extent that any amounts are withheld, such withheld amounts shall be treated for all purposes hereof as having been paid or delivered to the person in respect of which such withholding was made.