

INDENTURE

between

SNC-LAVALIN GROUP INC.

and

COMPUTERSHARE TRUST COMPANY OF CANADA

**In respect of
6.19% Debentures due July 3, 2019**

Bearing formal date of July 3, 2009

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THIS INDENTURE made in Montréal, Quebec, as of July 3, 2009

BETWEEN:

SNC-LAVALIN GROUP INC., a corporation validly existing under the *Canada Business Corporations Act*, having its head office at 455 René-Lévesque Boulevard West, Montreal, Quebec,

(herein called the “**Corporation**”),

AND:

COMPUTERSHARE TRUST COMPANY OF CANADA, a corporation duly authorized to carry on the business of a trust company, having a place of business at 1500 University Street 7th Floor, Montreal Quebec,

(herein called the “**Trustee**”).

WHEREAS the Corporation desires to create and issue Debentures (as hereinafter defined) to be constituted and issued in the manner set forth in this Indenture (as hereinafter defined);

AND WHEREAS all things necessary have been done and performed to make the Debentures, when certified by the Trustee and issued as provided in this Indenture, legal, valid and binding obligations of the Corporation with the benefit and subject to the terms of this Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Trustee;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the acquisition of the Debentures by the Holders thereof, it is mutually covenanted and agreed, for the benefit of all Holders of the Debentures, as follows:

**ARTICLE 1
DEFINITIONS AND OTHER PROVISIONS
OF GENERAL APPLICATION**

1.1 Definitions.

(1) For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

“**This Indenture**” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof.

All references in this instrument to designated “**Articles**”, “**Sections**” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “**herein**”, “**hereof**”, “**hereunder**” and “**herewith**” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

(2) The terms defined in this Article have the meanings assigned to them in this Article, and include the plural as well as the singular.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Associates**” means, an “associate”, within the meaning of the *Canada Business Corporations Act*, of the Corporation or any of the Restricted Subsidiaries and includes any Person who is in a joint venture relationship with the Corporation or any of the Restricted Subsidiaries.

“**Authorized Newspaper**” means a newspaper of general circulation in the relevant area, printed in the English language and, if the relevant area is in the Province of Quebec, also a newspaper of general circulation in the French language, and customarily published on each business day, whether or not published on Saturdays, Sundays or holidays.

“**Beneficial Owner**” means any Person holding a beneficial interest in the Debentures issued in “**Book-Entry Only Form**”.

“**Board of Directors**” means, as applied to the Corporation, either its board of directors or any duly authorized committee or member of such board.

“**Board Resolution**” means, as applied to the Corporation, a copy of a resolution certified by its secretary or an assistant secretary or by another of its officers acceptable to the Trustee as having been duly adopted by its Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Book-Entry System**” means the record entry and debentures transfer and pledge system, which is administered by the Depository in accordance with the operating rules and procedures of its debentures settlement service for book-entry only debentures in force from time to time, or any successor system.

“Book-Entry Only Form”, when used with respect to debentures, means debentures certified and delivered under the Book-Entry System other than Physical Debentures.

“Branch Debenture Register” has the meaning specified in Section 3.5.

“Branch Registrar” has the meaning specified in Section 3.5.

“Business Day”, means each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in Montreal or, when used with respect to any Place of Payment, in that Place of Payment are obligated by law to close for the entire day.

“Canada Yield Price” has the meaning specified in Section 12.1.

“Capital Lease” means, with respect to a Person, any single lease or other arrangement relating to assets which would be required to be accounted for as a capital lease obligation on a balance sheet of the person if such balance sheet were prepared in accordance with GAAP.

“Central Debenture Register” has the meaning specified in Section 3.5.

“Change of Control” shall mean the occurrence of any one of the following: (a) the consummation of a direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation, arrangement or merger), in one or a series of related transactions, of all or substantially all of the property and assets of the Corporation and its Subsidiaries, taken as a whole, to any Person or group of Persons acting jointly or in concert for the purposes of such transaction (other than to the Corporation or one or more of its Subsidiaries); or (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, arrangement, merger or issue of voting shares, the result of which is that any Person or group of Persons acting jointly or in concert for purposes of such transaction (other than the Corporation and its Subsidiaries) becomes the beneficial owner, directly or indirectly, of more than 50% of the Voting Shares of the Corporation following the consummation of such transaction, provided that the creation of a holding company, partnership, limited partnership, trust or other entity or a similar transaction that does not involve a change in the ultimate beneficial ownership of the Corporation shall not constitute a Change of Control.

“Change of Control Offer” has the meaning specified in Section 9.1.

“Change of Control Payment” has the meaning specified in Section 9.1.

“Change of Control Payment Date” has the meaning specified in Section 9.2.

“Change of Control Triggering Event” shall mean the occurrence of both a Change of Control and a Rating Event.

“Civil Code” means the *Civil Code of Quebec*, as amended from time to time.

“**Corporation**” means the Person named as the “Corporation” in the first paragraph of this instrument until a successor corporation shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “**Corporation**” shall mean such successor Corporation.

“**DBRS**” means DBRS Limited.

“**Debenture**” or “**Debentures**” means any Debenture or Debentures, as the case may be, authenticated and delivered pursuant to this Indenture and in the form referred to in Section 2.1.

“**Debentureholder**” when used with respect to any Debenture means the Person in whose name such Debenture is registered in the Central Debenture Register.

“**Debenture Registers**” have the meaning specified in Section 3.5.

“**Defaulted Interest**” means any interest on any Debenture which is payable, but which has not been punctually paid or duly provided for, on any Interest Payment Date.

“**Depository**” means CDS Clearing and Depository Services Inc. or a successor depository or any other depository offering a similar Book-Entry System which the Corporation, with the consent of the Trustee, acting reasonably, may designate.

“**Event of Default**” has the meaning specified in Section 5.1.

“**Extraordinary Resolution**” means any Resolution by the Holders of Debentures which has been (a) signed by or for the Holders of not less than 66 2/3% in principal amount of the Outstanding Debentures; or (b) adopted by the Holders of not less than 66 2/3% in principal amount of the Outstanding Debentures voting thereon in person or by proxy at a meeting of the Holders of Debentures duly called and held pursuant to the provisions of Article 10.

“**GAAP**” means generally accepted accounting principles in effect on the date hereof in Canada and applied in a consistent manner from period to period.

“**Global Certificates**” has the meaning specified in Section 3.11.

“**Hedge Agreement**” means any swap agreement, option, cap agreement, floor agreement, collar agreement, futures contract, forward contract or similar agreement or arrangement entered into by the Corporation or any of the Restricted Subsidiaries in the normal course of business and designed to protect against or mitigate the effect of inflation or the effect of fluctuations in interest rates, currency exchange rates or the prices of commodities.

“**Holder**” when used with respect to any Debenture means a Debentureholder.

“**Indebtedness for Borrowed Money**” of a Person means any indebtedness of such person in respect of money borrowed or raised by such person by whatever means; it

being acknowledged that Operating Leases and reimbursement obligation in respect of advanced payments made by clients are not “Indebtedness for Borrowed Money”.

“**Interest Payment Date**” means the Stated Maturity of an instalment of interest on the Debentures.

“**Investment Grade Rating**” shall mean a rating equal to or higher than BBB- (or the equivalent of any successor rating category of S&P’s) by S&P, BBB (low) (or the equivalent of any successor rating category of DBRS) by DBRS, or the equivalent investment grade credit rating from any other Specified Rating Agency.

“**Lien**” means a mortgage, hypothec, security interest, lien, charge or other encumbrance, whether fixed or floating.

“**Maturity**” when used with respect to any Debenture means the date on which the principal of such Debenture becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or call for redemption or otherwise.

“**Moody’s**” means Moody’s Investor Service, Inc. and its successors.

“**Non-recourse Indebtedness**” means Indebtedness for Borrowed Money (including the refinancing or increase thereof) incurred or assumed by the Corporation or any of the Restricted Subsidiaries where:

- (i) the proceeds of such Indebtedness for Borrowed Money are ultimately used (a) for one or more Specific Contracts or the financing or additional financing thereof, or for one or more Projects, or (b) to reduce Indebtedness for Borrowed Money incurred for one or more Projects or for one or more Specific Contracts (or the financing thereof) or reduce the equity (including the stated capital account(s) and retained earnings) of one or more Non-Recourse Vehicles or (c) for any purposes where the recourses of the creditor(s) of such Indebtedness for Borrowed Money are limited to the shares and/or other forms of ownership or participating interest referred to in clause (ii)(c) or the rights referred to in clause (ii)(d) below; and
- (ii) the recourses of the creditor(s) of such Indebtedness for Borrowed Money are limited to (a) the assets acquired or obtained for or associated solely with one or more Specific Contracts (including amounts due by clients to the Corporation or any of the Restricted Subsidiaries pursuant to any Specific Contract) and/or (b) the assets of one or more Projects, whether such assets are owned by the Corporation or any of the Restricted Subsidiaries or a Non-Recourse Vehicle and/or (c) the shares and/or other forms of ownership or participating interests held directly or indirectly by the Corporation or any of the Restricted Subsidiaries in one or more Non-Recourse Vehicles, which in turn own assets relating to one or more Projects or Specific Contracts and/or (d) the rights of the Corporation or any of the Restricted Subsidiaries against one or more Non-Recourse Vehicles (including Indebtedness for Borrowed

Money owed by such Non-Recourse Vehicle(s) to the Corporation or any of the Restricted Subsidiaries).

“Non-Recourse Vehicle” means a corporate entity or an unincorporated entity, whether or not having a legal personality (including a joint-venture, a partnership, a trust, a co-ownership scheme or other business combination or risk-sharing scheme) in which the Corporation or any of the Restricted Subsidiaries owns shares or any other form of ownership or participating interest and which meets all of the following conditions:

- (i) it was formed to carry out one or more Projects or Specific Contracts; and
- (ii) its only assets consist of assets relating to one or more Projects or Specific Contracts.

“Officers' Certificate” means, as applied to the Corporation, a certificate signed by the chairman, the president or a vice-president and by the secretary, an assistant secretary, the treasurer, an assistant treasurer, the controller or an assistant controller of the Corporation.

“Operating Lease” means, with respect to a Person, any single lease or other arrangement relating to assets which would be required to be accounted for as an operating lease obligation on a balance sheet of the Person, if such balance sheet were prepared in accordance with GAAP.

“Opinion of Counsel” means a written opinion of counsel, who may be counsel for the Corporation (whether or not in the employ of the Corporation), and shall be appointed by the Corporation and acceptable to the Trustee.

“Outstanding”, when used with respect to Debentures, means, as of the date of determination, all Debentures therefore authenticated and delivered under this Indenture, except:

- (i) Debentures theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;
- (ii) Debentures for whose payment or redemption money in the necessary amount has been theretofore deposited with the Trustee or any Paying Agent (other than the Corporation) in trust or set aside and segregated in trust by the Corporation (if the Corporation shall act as a Paying Agent) for the Holders of such Debentures; provided that, if such Debentures are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made;
- (iii) Debentures which pursuant to Section 3.6 have been paid or in exchange for or in lieu of which other Debentures have been authenticated and delivered, other than any such Debentures in respect of which there shall have been presented to the Trustee proof satisfactory to it that such Debentures are held by a bona fide purchaser in whose hands such Debentures are valid obligations of the Corporation; and

- (iv) Debentures which have been partially redeemed, in which case such Debentures shall be deemed to be outstanding only to the extent of the unredeemed portion of the principal amount thereof;

provided, however, that for the purpose of determining a) if the Holders of the requisite principal amount of Outstanding Debentures have given or taken, or constitute a quorum for any meeting of Holders of Debentures authorizing the giving or taking of, any request, demand, authorization, direction, notice, consent, waiver or other action hereunder or b) if a Holder of Outstanding Debentures is entitled to vote at such meeting, Debentures owned by the Corporation or any Affiliate of the Corporation shall be deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such determination, only Debentures which the Trustee knows to be so owned shall be so disregarded. Debentures so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Debentures and that the pledgee is not the Corporation or any Affiliate of the Corporation.

“Participant” means a participant in the Book-Entry System.

“Paying Agent” means any Person, which may be the Corporation, authorized by the Corporation to pay the principal of or interest on any Debentures on behalf of the Corporation.

“Permitted Liens” means

- (i) Purchase Money Security;
- (ii) over and above all other Permitted Liens, any Lien granted on assets of the Corporation or of any of the Restricted Subsidiaries provided that the financial obligations of the Corporation and of the Restricted Subsidiaries in respect of such Liens do not exceed, at any time, in the aggregate an amount equal to 5% of the consolidated Shareholders' Equity of the Corporation as established on the basis of the last audited consolidated financial statements of the Corporation;
- (iii) any Lien to secure obligations under any Hedge Agreement entered into in the normal course of business;
- (iv) any Lien (including the renewal and extension thereof) over any assets of any Person, which exists at the time such Person is merged into or acquired by the Corporation or any of the Restricted Subsidiaries provided that such Lien was not created in anticipation of such merger or acquisition;
- (v) any Lien to secure Non-recourse Indebtedness;
- (vi) any Capital Lease entered into by the Corporation or any of the Restricted Subsidiaries in the normal course of business;

- (vii) any Lien granted to the Corporation by any of the Restricted Subsidiaries and any Lien granted to any Restricted Subsidiary by another Restricted Subsidiary;
- (viii) any Lien granted to clients of the Corporation or any of the Restricted Subsidiaries in the normal course of business in relation to contracts made by the Corporation or such Restricted Subsidiary with such clients; and
- (ix) any Lien (including the renewal and extension thereof) in existence at the date of issuance (or arising thereafter pursuant to contractual commitments entered into by the Corporation or any of the Restricted Subsidiaries prior to such issuance) of the Debentures.

“**Person**” shall mean and include any individual, firm, joint venture, corporation, association, partnership, joint stock company, unincorporated organization, limited liability company, trust or other enterprise or any government or political subdivision or agency, department or instrumentality thereof.

“**Physical Debentures**” means Debentures in the form of individual certificates in definitive fully registered form issued pursuant to Section 2.1 and in the form of Exhibit B.

“**Place of Payment**” has the meaning specified in Section 3.7.

“**Places of Registration**” means and includes the principal office of the Trustee in each of the Cities of Montreal, Toronto, Winnipeg, Calgary and Vancouver and any other office or agency appointed by the Corporation pursuant to Section 11.2.

“**Predecessor Debentures**” of any particular Debenture means every previous Debenture evidencing all or a portion of the same debt as that evidenced by such particular Debenture; and, for the purposes of this definition, any Debenture authenticated and delivered under Section 3.6 in lieu of a lost, destroyed or stolen Debenture shall be deemed to evidence the same debt as the lost, destroyed or stolen Debenture.

“**Project**” means (i) the acquisition of (a) shares of a corporation or other form of ownership or participating interest in any other kind of entity which, in each case, carries on an ongoing business or (b) assets of such corporation or entity, including, in each case, and for greater certainty, any operation carried on with such assets, and/or (ii) the acquisition, construction, development, expansion or operation of assets forming an economic unit capable (on the basis of reasonable initial assumptions) to generate sufficient cash flow to cover the operating costs and debt service required to finance the undertaking relating to such assets over a period of time which is less than the projected economic life of the assets and includes any commercial operation for which such assets were so acquired, constructed, developed or expanded and which is subsequently carried on with such assets by such economic unit.

“**Purchase Money Security**” means

- (i) any Lien created, issued or assumed by the Corporation and/or any of the Restricted Subsidiaries after the date hereof to secure indebtedness assumed as a part of, or issued or incurred to provide funds to pay, the purchase price of any asset, if the indebtedness is incurred within 18 months of acquisition of the asset, provided that such Lien is limited to the asset so acquired and is created, issued or assumed substantially concurrently with the assumption, issue or incurring of the indebtedness so secured; and
- (ii) any refinancing, renewal or extension of any such Lien on such asset securing indebtedness in a principal amount not in excess of the unpaid principal amount of the indebtedness secured thereby immediately prior to such renewal or extension.

“**Rating Event**” shall mean the rating on the Debentures is lowered to below an Investment Grade Rating by both of the Specified Rating Agencies, if there are two Specified Ratings Agencies, or by two out of three of the Specified Ratings Agencies, if there are three Specified Ratings Agencies (the “**Required Threshold**”), on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Debentures is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Ratings Agencies which have already lowered their ratings on the Debentures as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after the earlier of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of the Corporation’s intention or agreement to effect a Change of Control; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will be deemed not to have occurred in respect of a particular Change of Control (and thus will be deemed not to be a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Specified Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at the Corporation’s or the Trustee’s request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the rating event).

“**Redemption Date**” when used with respect to any Debenture to be redeemed means the date fixed for such redemption by or pursuant to this Indenture.

“**Redemption Price**” when used with respect to any Debenture to be redeemed means the price at which it is to be redeemed pursuant to this Indenture (plus accrued and unpaid interest to the Redemption Date).

“**Registrar**” has the meaning specified in Section 3.5.

“**Regular Record Date**” for the interest payable on any Interest Payment Date means the date specified in Section 3.1, whether or not a Business Day.

“**Request**” and “**Order**” mean as applied to the Corporation, a written request or order delivered to the Trustee after having been signed by its Chairman, President or a Vice-President, and by its Secretary, an Assistant Secretary, Treasurer, an Assistant Treasurer, Controller or an Assistant Controller or by any two of its officers or any two of its directors or any of its director acting with any of its officers duly authorized for the purpose by Board Resolution and acceptable to the Trustee.

“**Required Threshold**” has the meaning specified in this Section 1.1.

“**Resolution**” when used with respect to any Debentureholder has the meaning specified in Section 1.3.

“**Responsible Officer**” when used with respect to the Trustee means the chairman or vice-chairman of the board of directors, the chairman or vice-chairman of the executive committee of the board of directors, the president, any vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, a Senior Manager, a Manager, a Senior trust officer or a trust officer or any other officer of the Trustee customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“**Restricted Subsidiary**” means a wholly-owned Subsidiary of the Corporation.

“**Shareholders’ Equity**” in respect of any Person, means the shareholders’ equity of such Person determined in accordance with GAAP except for “Accumulated Other Comprehensive Income or Loss” that is excluded from Shareholders’ Equity for all purposes of this Indenture.

“**S&P**” means Standard & Poor’s, a division of The McGraw-Hill Companies (Canada) Corporation.

“**Special Record Date**” for the payment of any Defaulted Interest (as defined in Section 3.7) means a date fixed by the Trustee pursuant to Section 3.7.

“**Specific Contract**” means a contract undertaken by the Corporation or any of the Restricted Subsidiaries in the normal course of business.

“**Specified Rating Agencies**” shall mean each of S&P and DBRS and, if a rating of the Debentures is obtained from Moody’s shall also include Moody’s, as long as, in each case, such entity has not ceased to rate the Debentures or failed to make a rating of the Debentures publicly available for reasons outside of the Corporation’s control; provided that if one or more of S&P, DBRS or Moody’s, as applicable, ceases to rate the Debentures or fails to make a rating of the Debentures publicly available for reasons outside of the Corporation’s control, the Corporation may select any other “approved rating organization”

within the meaning of National Instrument 41-101 – *General Prospectus Requirements* of the Canadian Securities Administrators as a replacement agency for such one or more of them, as the case may be.

“**Stated Maturity**” when used with respect to any Debenture or any instalment of interest thereon means the date specified herein as the fixed date on which the principal of such Debenture or such instalment of interest is due and payable.

“**Subsidiary**” means, with respect to any Person, any other Person (i) securities of which having ordinary voting power (which can be exercised by such first Person without the concurrence of another Person not controlled by such first Person) to elect a majority of the board of directors (or other persons having similar functions) or (ii) other ownership or participating interests of which ordinarily constituting a majority voting interest (which can be exercised by such first Person without the concurrence of another Person not controlled by such first Person), are at the time, directly or indirectly, owned or controlled by such first Person, or by one or more of its Subsidiaries, or by such first Person and one or more of its Subsidiaries; unless otherwise specified, “**Subsidiary**” means a direct or indirect Subsidiary of the Corporation.

“**Trustee**” means the Person named as the “Trustee” in the first paragraph of this instrument until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “**Trustee**” shall mean such successor Trustee.

“**Voting Shares of the Corporation**” means shares of the Corporation which entitle the holders thereof to vote generally in the election of not less than a majority of the directors of the Corporation.

1.2 Form of Documents Delivered to Trustee.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Corporation, as the case may be, may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or opinion of counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Corporation, as the case may be, stating that the information with respect to such factual matters is in the possession of the Corporation, as the case may be, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument, in which case reference to such applications, requests, consents, certificates, statements, opinions or other instruments shall be indicated on the instrument.

1.3 Resolutions of Holders of Debentures.

(1) Unless otherwise specified herein, any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of Debentures may be embodied in and evidenced by (a) one or more instruments of substantially similar tenor signed by such Holders in person or by agent duly appointed in writing for that purpose or (b) a resolution duly adopted by the Holders of Debentures at a meeting thereof duly called and held in accordance with the provisions of Article 10. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or resolution are delivered to the Trustee and, where it is hereby expressly required, to the Corporation. Such instrument or instruments and resolution (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the "Resolution" of the Holders of Debentures signing such instrument or instruments or so voting on such resolution. Proof of execution of any such instrument or of a writing appointing any such agent shall be sufficient for any purpose of this Indenture and (subject to Section 6.1) conclusive in favour of the Trustee and the Corporation if made in the manner provided in this Section. Proof of the due adoption of any such resolution by the appropriate percentage of Holders of Debentures at a meeting thereof shall be sufficient for any purpose of this Indenture if such resolution forms part of and its due adoption by such appropriate percentage is evident from the record of such meeting prepared, signed and verified in the manner provided in Section 10.6.

(2) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary or other officer authorized by law to take acknowledgements of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such certificate or affidavit shall also constitute sufficient proof of his authority.

(3) The holding of Debentures shall be proved by the Central Debenture Register.

(4) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Debenture shall bind every future Holder of the same Debenture and the Holder of every Debenture issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Corporation in reliance thereon, whether or not notation of such action is made upon such Debenture.

1.4 Notices, etc., to Trustee and Corporation.

Any request, demand, authorization, direction, notice, consent, waiver or Resolution of Debentureholders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with,

(1) the Trustee by any Debentureholder or by the Corporation shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Trustee at its principal office in the City of Montreal in the Province of Quebec or at any other address previously furnished by notice in writing to the Corporation by the Trustee and notified to the Debentureholders in accordance with Section 1.5,

(2) the Corporation by the Trustee or by any Debentureholder shall be sufficient for every purpose hereunder if in writing and either delivered by hand, mailed by registered mail postage prepaid or telecopied and confirmed by registered mail postage prepaid, to the Corporation addressed to it at the address of its principal office specified in the first paragraph of this instrument, to the attention of its Secretary, or at any other address or to the attention of any other Person previously furnished in writing to the Trustee by the Corporation and notified to the Debentureholders in accordance with Section 1.5, or

(3) the Registrar by any Debentureholder or by the Corporation shall be sufficient for every purpose hereunder if delivered or transmitted by facsimile transmission at a Place of Registration.

1.5 Notices to Debentureholders; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Debentureholders of any event, such notice shall be sufficiently given to any Holder of Debentures if in writing and mailed, first-class postage prepaid, to such Holder of such Debentures, at his address as it appears on the Central Debenture Register, not later than the latest date and not earlier than the earliest date prescribed for the giving of such notice.

In any case where notice to Holders of Debentures is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder of a Debenture shall affect the sufficiency of such notice with respect to other Holders of Debentures.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice by first-class postage prepaid mail, then such notification to Holders of Debentures as shall be made with the approval of the Trustee shall constitute sufficient notice to such Holders for every purpose hereunder.

Where this Indenture provides for notice to any Person in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Debentureholders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

1.6 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

1.7 Successors and Assigns.

All covenants and agreements in this Indenture by the Corporation and the Trustee shall bind their respective successors and assigns, whether so expressed or not.

1.8 Separability Clause.

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

1.9 Benefits of Indenture.

Nothing in this Indenture or in the Debentures, express or implied, shall, except as may be required by any applicable law, give to any Person, other than the parties hereto and their successors hereunder and the Holders of Debentures, any benefit or any legal or equitable right, remedy or claim under this Indenture. In the case of Debentures registered in Book-Entry Only Form, any reference in this Indenture to a "Holder" of a Debenture or to a "Debentureholder" shall be construed as a reference to the Depository.

1.10 Governing Law.

This Indenture and each of the Debentures shall be construed in accordance with and governed by the laws of the Province of Quebec and the laws of Canada applicable therein.

1.11 Trust Provisions.

Notwithstanding the references herein or in any Debenture to Computershare Trust Company of Canada (or its successor hereunder, if any) as a "Trustee" or to it acting as Trustee, and except for any trust which may be created or constituted in Quebec for the purposes of Section 3.7, 4.1, 4.2, 5.6, 11.3 or 12.6, (and only to the extent contemplated by such Section), no trust within the meaning of Chapter II of Title Six of Book Four of the Civil Code is intended to be or is created or constituted hereby. In addition, for greater certainty and subject as hereinafter in this Section provided in the case of any trust created or constituted in Quebec for the purposes of Section 3.7, 4.1, 4.2, 5.6, 11.3 or 12.6, the provisions of Title Seven of Book Four of the Civil Code shall not apply to any administration by the Trustee hereunder.

Except as otherwise expressly provided or unless the context otherwise requires, references in this Indenture to "**trust**" or "**in trust**", and other similar wording shall only refer to any trust created or constituted for the purposes of Section 3.7, 4.1, 4.2, 5.6, 11.3 or 12.6, as the case may be, which trust may be created or constituted in Quebec or in any other appropriate jurisdiction and, if created or constituted in Quebec, shall be subject to the provisions of the Civil Code applicable to trusts and, if created or constituted in another

appropriate jurisdiction, shall be subject to the trust laws of such jurisdiction. Any such trust shall automatically be created by the mere fact of the transfer or the taking of possession by the Trustee of the property subject to and for the purposes of such trust. The administration of any such trust shall be governed by and in accordance with the provisions hereof (and, in particular, in the case of the Trustee, Article 6 hereof) which, to the extent permitted by applicable law, shall supersede any provisions relating to the administration of property of others or other similar provisions of any applicable law.

1.12 Legal Holidays.

In any case where any Interest Payment Date or date of Maturity shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Debentures) payment of interest or principal need not be made at such Place of Payment on such day, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on such Interest Payment Date or such date of Maturity, provided that if such payment is duly made on such next succeeding Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date or such date of Maturity, as the case may be, to and including such next succeeding Business Day.

1.13 Language of Notices, Etc.

Any request, demand, authorization, direction, notice, consent, election or waiver required or permitted under this Indenture shall be in the English or French language.

1.14 Generally Accepted Accounting Principles.

All accounting terms not specifically defined herein shall be construed in accordance with GAAP consistently applied (except for any deviation from GAAP with which the auditors or certifying accountants of the Corporation agree).

1.15 Other depositories, Paying Agents, Registrars or Branch Registrars.

In connection with any issue(s) of Debentures to purchasers in or of the United States of America or any other foreign jurisdictions, the Corporation may by such written instrument deemed appropriate by the Corporation, appoint from time to time directly or through the Depository or Trustee:

(1) a depository incorporated or organized under the laws of a foreign jurisdiction in addition to or in lieu of the Depository;

(2) a paying agent incorporated or organized under the laws of a foreign jurisdiction in addition to or in lieu of the Paying Agent;

(3) a registrar for the purposes of registering Debentures and transfers of Debentures, incorporated or organized under the laws of a foreign jurisdiction in addition to or in lieu of any registrar appointed pursuant to the terms of this Indenture; and

(4) a branch security registrar incorporated or organized under the laws of a foreign jurisdiction in addition to or in lieu of the Branch Registrar;

and, in addition, the Trustee may also appoint, with the prior consent of the Corporation, one or more co-certifying agent(s) incorporated or organized under the laws of a foreign jurisdiction(s).

1.16 Currency.

All dollar amounts referred to in this Indenture and in any indenture supplemental hereto are in Canadian funds unless otherwise expressly stated.

ARTICLE 2 DEBENTURE FORMS

2.1 Forms Generally.

The Debentures issued hereunder shall be, at the sole discretion of the Corporation, in Book-Entry Form or in the form of individual certificates in definitive fully registered form. The Debentures and the Trustee's certificate of authentication shall be in substantially the form set forth in Schedule A in the case of Debentures in Book-Entry Form, as provided for in Section 3.11, or, if in the form of individual certificates in definitive form, Schedule B attached hereto, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may, consistently herewith, be determined by the officers executing such Debentures, as evidenced by their signing of the Debentures. Any portion of the text of any Debenture may be set forth on the reverse thereof.

ARTICLE 3 THE DEBENTURES

3.1 Title and Terms.

The aggregate principal amount of Debentures which may be authenticated and delivered under this Indenture is limited to \$350,000,000 except for Debentures authenticated and delivered upon transfer of, or in exchange for, or in lieu of other Debentures pursuant to Section 3.4, 3.5, 3.6 or 8.5.

The Debentures shall be known and designated as the “**6.19% Debentures due 2019**” of the Corporation. Their Stated Maturity shall be July 3, 2019 and they shall bear interest from the later of July 3, 2009 and the most recent Interest Payment Date to which interest has been paid or duly provided for, payable semi-annually in arrears on January 3 and July 3 in each year commencing on January 3, 2010, at the rate of 6.19% per annum until the principal thereof is paid or made available for payment.

The Regular Record Date for the payment of the interest payable and punctually paid or duly provided for on any Interest Payment Date in respect of Debentures shall be the eleventh (11th) day preceding such Interest Payment Date.

The Debentures may be redeemed or purchased prior to Stated Maturity as provided in Article 12.

The Debentures will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Corporation.

3.2 Denominations.

The Debentures may be issued only as fully registered Debentures in denominations of \$1,000 and integral multiples thereof.

3.3 Execution, Authentication, Delivery and Dating.

The Debentures shall be executed on behalf of the Corporation by its chairman, its president or one of its vice-presidents and by its treasurer or one of its assistant-treasurers or by its secretary or one of its assistant secretaries. Any such signature may be manual or printed or otherwise mechanically reproduced and may, but need not be, under or accompanied by the corporate seal of the Corporation or a reproduction thereof.

Debentures bearing the printed or otherwise mechanically reproduced signatures of any Person who was at any time the proper officer of the Corporation shall bind the Corporation, notwithstanding that such Person has ceased to hold such office prior to the authentication and delivery of such Debentures.

At any time and from time to time after the execution and delivery of this Indenture, the Corporation may deliver Debentures executed by the Corporation to the Trustee, together with an Order of the Corporation for the authentication and delivery of such Debentures, and the Trustee in accordance with such Order shall authenticate and deliver such Debentures as in this Indenture provided and not otherwise.

Each Debenture shall be dated the date of its authentication.

No Debenture shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose, unless there appears on such Debenture a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of one of its authorized officers, and such certificate upon any Debenture shall be conclusive evidence, and the only evidence, that such Debenture has been duly authenticated and delivered hereunder.

The definitive Debentures shall be typewritten, printed, lithographed or engraved or produced by any combination of these methods or may be produced in any other manner not contrary to the rules of any securities exchange on which the Debentures may at the time be listed, all as determined by the officers executing such Debentures, as evidenced by their signing of such Debentures.

3.4 Temporary Debentures.

Pending the preparation of definitive Debentures, the Corporation may execute, and upon an Order of the Corporation the Trustee shall authenticate and deliver, temporary Debentures which are printed, lithographed, typewritten, mimeographed or otherwise

produced, in any denomination, substantially of the tenor of the definitive Debentures in lieu of which they are issued, in fully registered form and with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Debentures may determine, as evidenced by their signing of such Debentures.

If temporary Debentures are issued, the Corporation will cause definitive Debentures to be prepared without unreasonable delay. After the preparation of definitive Debentures, the temporary Debentures shall be exchangeable for definitive Debentures upon surrender of the temporary Debentures at any Place of Registration, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Debentures the Corporation shall execute and the Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Debentures of authorized denominations. Until so exchanged the temporary Debentures shall in all respects be entitled to the same benefits under this Indenture as definitive Debentures.

3.5 Registration, Registration of Transfer and Exchange.

The Corporation shall cause to be kept by the Trustee at its principal office in the City of Montreal (or at such other Place of Registration in Canada maintained by the Trustee as may be requested by the Corporation with the approval of the Trustee) a central Debenture register (herein referred to as the “**Central Debenture Register**”) and at each other Place of Registration, a branch Debenture register (herein collectively referred to as the “**Branch Debenture Registers**”) and the Branch Debenture Registers together with the Central Debenture Register are herein sometimes collectively referred to as the “**Debenture Registers**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation shall provide for the registration of Debentures (including Global Certificates) and the registration of transfers of Debentures as herein provided. A Branch Debenture Register shall at least contain particulars of the registration of Debentures and the registration of transfers of Debentures made at the Place of Registration where such Branch Debenture Register is being maintained and the Central Debenture Register shall contain particulars of registrations of Debentures and registrations of transfers of Debentures made at all Places of Registration.

Subject to Section 11.2, the Trustee is hereby appointed “**Registrar**” for the purpose of registering Debentures and transfers of Debentures as herein provided on the Central Debenture Register and a “**Branch Registrar**” for the purpose of registering Debentures and transfers of Debentures as herein provided on the Branch Debenture Registers expressly provided for on the date hereof. Each Branch Registrar (if other than the Trustee) shall provide the Trustee with the particulars of each registration of Debentures and of transfers of Debentures made on the Branch Debenture Register for which it has been appointed Branch Registrar immediately following any such registration.

Any office or agency appointed pursuant to Section 11.2 after the date hereof shall, by its appointment as such, also be deemed to have been appointed a “Branch Registrar” for the purpose of registering Debentures and transfers of Debentures as herein provided on the Branch Debenture Register for which it has been appointed Branch Registrar.

Each of the Trustee or the Branch Registrar(s) (if other than the Trustee) is sometimes referred to in this Indenture as the “**Registrar**”.

Upon surrender for transfer of any Debenture at any Place of Registration, the Corporation shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Debentures of a like aggregate principal amount, all as requested by the transferor provided, however, that no transfer of a Debenture will be required to be registered during the ten days immediately preceding any Interest Payment Date relating thereto.

At the option of the Holder, Debentures may be exchanged for Debentures of any authorized denominations, of a like aggregate principal amount, upon surrender of the Debentures to be exchanged at any Place of Registration and upon payment, if the Corporation shall so require, of the charges hereinafter provided.

Whenever any Debentures are so surrendered for exchange, the Corporation shall execute, and the Registrar shall authenticate and deliver, the Debentures which the Debentureholder making the exchange is entitled to receive as in this Section provided.

Every Debenture presented or surrendered for registration of transfer shall (if so required by the Corporation or the Registrar) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Corporation and the Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

All Debentures issued upon any registration of transfer or exchange of Debentures shall be the valid obligations of the Corporation, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Debentures surrendered upon such registration of transfer or exchange.

The Corporation may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Debentures and in addition a reasonable service charge for the services rendered and expenses incurred on any such transfer or exchange.

The Corporation shall not be required (i) to issue, register the transfer of or exchange any Debenture during a period beginning at the opening of business 15 days before the date of any selection of Debentures to be redeemed and ending at the close of business on the day of the mailing of the relevant notice of redemption, or (ii) to register the transfer of or exchange any Debenture so selected for redemption in whole or in part.

3.6 Mutilated, Destroyed, Lost and Stolen Debentures.

If any mutilated Debenture is surrendered to the Registrar, the Corporation shall execute and the Registrar shall thereupon authenticate and deliver in exchange therefor a new Debenture of like principal amount, bearing a number not contemporaneously outstanding.

If there be delivered to the Corporation and to the Registrar:

(1) evidence to their satisfaction of the destruction, loss or theft of any Debenture,
and

(2) such security or indemnity as may be required by them to save each of them and any agent of each of them harmless,

then, in the absence of notice to the Corporation or the Registrar that such Debenture has been acquired by a bona fide purchaser, the Corporation shall execute and upon its request (in the form of a Request) the Registrar shall authenticate and deliver in lieu of any such destroyed, lost or stolen Debenture, a new Debenture of like principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost or stolen Debenture has become or is about to become due and payable, the Corporation in its discretion may, instead of issuing a new Debenture, pay such Debenture.

Upon the issuance of any new Debenture under this Section, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Registrar) connected therewith.

Every new Debenture issued pursuant to this Section in lieu of any destroyed, lost or stolen Debenture shall constitute an original additional contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Debenture shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Debentures duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Debentures.

3.7 Payment of Principal and Interest; Interest Rights Preserved.

Interest on any Debenture which is payable, and is punctually paid or duly provided for, on any date of Stated Maturity thereof, shall be paid (less any applicable withholding tax) to the Person in whose name that Debenture (or one or more Predecessor Debentures) is registered at the close of business on the Regular Record Date for such interest.

Payment of interest, if any, on any Debenture may be made at the option of the Corporation by way of transfer of funds or by cheque mailed to the address of the Person entitled thereto as such address shall appear on the Central Debenture Register (a **"Place of Payment"**).

Payment of principal on a Debenture at Maturity and interest due thereon will be made against surrender of the Debenture to the Trustee at any Place of Registration, or against surrender of the Debenture to such other Person(s) at such other place(s) as may be notified by the Corporation to the Debentureholders in accordance with Section 1.5.

Where interest is payable on any Debenture, such Debenture shall bear interest from the later of its date of issuance and the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debenture.

Interest shall be payable on all overdue amounts of interest or principal in respect of any Debenture at an annual rate of 6.19%, and shall be computed in the same manner as interest on the original principal from the due date until actual payment (the “**Defaulted Interest**”).

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been paid to such Holder, and such Defaulted Interest may be paid by the Corporation, at its election in each case, either as provided in Clause (A) or in Clause (B) below:

- (A) The Corporation may elect to make payment of any Defaulted Interest to the Persons in whose names the Debentures (or their respective one or more Predecessor Debentures) are registered at the close of business on a special record date (“**Special Record Date**”) for the payment of such Defaulted Interest, which shall be fixed in the following manner: the Corporation shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Debenture and the date of the proposed payment, and at the same time the Corporation shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this Clause (A) provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given to each Holder of Debentures not less than 10 days nor more than 15 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose names the Debentures (or their respective one or more Predecessor Debentures) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following Clause (B).
- (B) The Corporation may make payment of any Defaulted Interest in any other lawful manner and upon such notice to the Debentureholders if, after notice given by the Corporation to the Trustee of the proposed payment and the manner and notice thereof, such manner of payment and such notice shall be deemed appropriate by the Trustee.

Subject to the foregoing provisions of this Section, each Debenture delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Debenture shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Debenture.

3.8 Persons Deemed Owners.

Prior to due presentment of a Debenture for registration of transfer, the Corporation, the Trustee, the Registrar and any agent thereof may treat the Person in whose name such Debenture is registered as the owner of such Debenture for the purpose of receiving payment of principal of, and interest on, such Debenture and for all other purposes whatsoever whether or not such Debenture be overdue.

3.9 Cancellation and Disposal of Debentures.

All Debentures surrendered for payment, exchange, purchase or redemption shall, if surrendered to the Corporation or any agent of the Corporation, be delivered to the Registrar and, if not already cancelled, shall be promptly cancelled by it. The Corporation may at any time deliver to the Registrar for cancellation any Debentures previously authenticated and delivered hereunder, which the Corporation may have acquired in any manner whatsoever, and all Debentures so delivered shall be promptly cancelled by the Registrar. No Debentures shall be authenticated in lieu of or in exchange for any Debentures cancelled as provided in this Section, except as expressly permitted by this Indenture. All cancelled Debentures held by the Registrar shall be disposed of as directed by an Order of the Corporation.

3.10 Authentication and Delivery of Debentures.

Forthwith upon the execution and delivery of this Indenture, or from time to time thereafter, Debentures up to the aggregate principal amount provided for in Section 3.1 may be executed by the Corporation and delivered to the Registrar for authentication, and shall thereupon be authenticated and delivered by the Registrar upon an Order of the Corporation, without any further action by the Corporation.

3.11 Book-Entry System.

(1) Notwithstanding any other provision of this Indenture, the Corporation may elect to have the Debentures issued hereunder represented in the form of typewritten, English language, fully registered global security certificate(s) (the “**Global Certificates**” or “**Global Debentures**”) held by, or on behalf of, the Depository (for its Participants) and registered on the register maintained by the Trustee pursuant to Section 3.5 in the name of the Depository or its nominee, and it is expressly acknowledged that any such registrations of ownership and transfers of such Global Debenture(s), or interests of Participants therein, will be made by the Depository only through the Book-Entry System. Subject to this Section 3.11, the rights of a Beneficial Owner in the Debentures represented by a Global Debenture (including the right to receive a certificate or other instrument evidencing an ownership interest in such Debenture) shall be limited to those established by any agreement (including a Book Entry Only Securities Services Agreement) between the Corporation and the Depository, by applicable law and agreements between the Depository and its Participants and between such Participants and the Beneficial Owner. Accordingly, except as provided in Section 3.13, neither the Corporation nor the Trustee shall be under any obligation to deliver, nor shall the Beneficial Owner have any right to require the delivery of, a Physical Debenture evidencing a Debenture to the Beneficial Owner of such Debenture, and the responsibility and liability of the Corporation in respect of notices or

payments on the Debentures will be limited to giving notice or making payment of any principal, redemption price, if any, and interest due on the Debentures to the Depository or its nominee. The Corporation and the Trustee hereby further acknowledge and agree that neither the Corporation nor the Trustee shall have any liability or responsibility for (i) records maintained by the Depository relating to beneficial ownership interests in the Debentures held by the Depository or the book-entry accounts maintained by the Depository, (ii) maintaining, supervising or reviewing any records relating to any such beneficial ownership interests, or (iii) any advice or representation made by or with respect to the Depository and contained herein with respect to the rules and regulations of the Depository or any action to be taken by the Depository or at the direction of the Participants. In the event of any conflict between this Indenture and any such agreement between the Corporation and the Depository, the terms of any such agreement shall prevail;

(2) The Global Certificates shall bear a legend in substantially the following form, subject to modification as required by the Depository:

“THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE INDENTURE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO THE CORPORATION OR THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO., OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE. THIS CERTIFICATE IS ISSUED PURSUANT TO A BOOK ENTRY ONLY SECURITIES SERVICES AGREEMENT BETWEEN THE CORPORATION AND CDS, AS SUCH AGREEMENT MAY BE REPLACED OR AMENDED FROM TIME TO TIME.”

(3) Any notice required or permitted to be given to Debentureholders while the Debentures are represented by a Global Debenture held by, or on behalf of, the Depository or its nominee as part of the Book-Entry System, shall be provided to the Depository.

3.12 Transfer of Debentures held in Book-Entry System.

(1) Subject to Section 3.13, transfers and registrations of ownership of the Debentures will only be made to another nominee of the Depository or to a successor Depository or a nominee of such successor Depository.

(2) It is expressly acknowledged that transfers of beneficial ownership in any Debenture represented by a Global Certificate will be effected only (i) with respect to the interest of Participants, through records maintained by the Depository or its nominee for the Global Certificate, and (ii) with respect to interests of persons other than Participants, through records maintained by Participants. Beneficial Owners who are not Participants

but who desire to purchase, sell or otherwise transfer ownership of or other interest in Debentures represented by a Global Certificate may do so only through a Participant.

(3) The rights of Beneficial Owners shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and Beneficial Owners, and must be exercised through a Participant in accordance with the rules and procedures of the Depository.

(4) Subject to Section 3.13, neither the Corporation nor the Trustee shall be under any obligation to deliver to Participants or Beneficial Owners, nor shall the Participants or the Beneficial Owners have any right to require the delivery of a certificate or other instrument evidencing an interest in the Debenture.

3.13 Termination of Book-Entry System.

(1) Upon the occurrence of any of the following events:

- (a) if required by applicable law;
- (b) if the Book-Entry System ceases to exist;
- (c) if the Corporation or the Depository advises the Trustee that the Depository is no longer willing or able or qualified to discharge properly its responsibilities as Holder of the Global Certificate and the Corporation is unable to locate a qualified successor;
- (d) if the Corporation at its option elects to terminate its present arrangements with the Depository for any reason (including, without limitation, in circumstances where the Corporation considers it impracticable or inefficient to effect any distribution or conversion in respect of the Debentures through the facilities of the Depository); or
- (e) if after the occurrence of an Event of Default of this Indenture, the Depository advises the Trustee that it received written notification from Participants, acting on behalf of Beneficial Owners representing, in the aggregate, more than 50% of the aggregate principal amount of Debentures issued in Book-Entry Form then Outstanding, that the continuance of the Book-Entry System is no longer in their best interest;

the Trustee shall notify the Depository, for and on behalf of Participants and Beneficial Owners, of the termination of the Book-Entry System and that the Debentures will be represented by Physical Debentures in respect of the Debentures; the Depository will then be required to surrender the Global Certificate along with written instructions to the Trustee as to the Participants in whose names the Physical Debentures are to be registered and delivered and the authorized denominations of the Physical Debentures to be registered in the name of each such Participant whereupon Physical Debentures shall be issued by the Corporation and registered and delivered in accordance with the written instructions of the Depository upon surrender of the Global Certificate.

(2) Transfers and exchanges of the foregoing Physical Debentures will thereafter be effected in accordance with Section 3.5 of this Indenture, and a register for the Physical Debentures shall be kept at the principal office of the Trustee in Montreal, Toronto, Winnipeg, Calgary and Vancouver.

3.14 Dealings with the Depository.

(1) The Corporation and the Trustee acknowledge that subject to and in accordance with the rules and procedures of the Depository as at the date of this Trust Indenture, each Participant must look solely to the Depository through its paying agent service, for so long as the Depository is the registered holder of Global Debentures, for its share of each payment made by the Trustee or the Corporation, as the case may be, to the registered holder of the Global Debentures, and each Beneficial Owner must look solely to Participants for its share of such payments. Provided that the Corporation has made payments to the Trustee or Depository, as the case may be, in respect of the Global Debentures as required by this Indenture and except as otherwise provided in Section 11.3 of this Indenture, no person, including any Participant, shall have any claim against the Corporation in respect of payments due on such Global Debentures and the obligations of the Corporation shall be discharged by payment to the Trustee, or Depository, as the case may be, in respect of each amount so paid.

(2) The Corporation and the Trustee understand that, if so requested by the Trustee or the Corporation, the Depository will deliver to such requesting party a certified list of Participants (the “**Participants List**”) as at the date requested by such party showing the name and address of each Participant together with the aggregate principal amount of such Participant's interest in the Debentures and that for so long as interests in the Debentures are represented by the Global Debentures, the Depository shall, upon the reasonable request of the Trustee or the Corporation from time to time, deliver to such requesting party a copy of the then current Participants List and such additional information as the Trustee or Corporation may reasonably request. The Corporation and the Trustee shall be entitled to rely upon all such information provided by the Depository to the Corporation and the Trustee.

(3) The Corporation and the Trustee understand that the Depository acts as the agent and depository for the Participants and neither the Corporation nor the Trustee assume any liability or responsibility for:

- (a) any aspect of the records relating to the beneficial ownership of the Debentures held by the Depository or the payments relating to such Debentures;
- (b) maintaining, supervising or reviewing any records relating to the beneficial ownership of Debentures held by the Depository; or
- (c) any advice or representation made by or with respect to the Depository and contained in this Indenture or any indenture supplemental to this Indenture and relating to the rules governing the Depository or any action to be taken by the Depository or at the direction of the Participants.

3.15 Payments of Principal and Interest During Book-Entry System.

(1) As payments in respect of principal and interest, if any, on the Debentures represented by the Global Certificate(s) become due, the Corporation shall (except in cases of payments at Maturity which may, at the option of the Corporation be made only upon presentation and surrender of Global Certificate(s)), no later than on the applicable Interest Payment Date or at Maturity, as the case may be, at the option of the Corporation:

- (a) deliver or cause to be delivered to the principal office of the Trustee in the City of Montreal, a cheque for the amount of such payment (less any tax required to be deducted, if any) payable on such Interest Payment Date or at Maturity, as the case may be, to the order of the Trustee and negotiable at par; or
- (b) provide to the Trustee such payment by electronic funds transfer to an account designated by the Trustee (less any tax required to be deducted, if any), on or before 10:00 a.m. on the applicable Interest Payment Date or at Maturity, as the case may be; or
- (c) deliver or cause to be delivered to the principal office of the Depository in the City of Montreal, a cheque for the amount of such payment (less any tax required to be deducted, if any) payable on such Interest Payment Date or at Maturity, as the case may be, to the order of the Depository and negotiable at par; or
- (d) provide to the Depository such payment by electronic funds transfer to an account designated by the Depository (less any tax required to be deducted, if any), on or before 11:00 a.m. on the applicable Interest Payment Date or at Maturity, as the case may be;

provided that the Corporation and the Trustee or Depository, as the case may be, may agree to an alternate method of payment by the Corporation to the Trustee or to the Depository, as the case may be.

(2) For so long as the Depository is the registered holder of the Global Certificate(s), the Trustee shall, provided that the Trustee shall have received the appropriate payment from the Corporation no later than on the applicable Interest Payment Date or at Maturity, as the case may be, pursuant to Subsection 3.15(1);

- (a) deliver to the Depository, as the registered holder of Global Debentures on or before 11:00 a.m., a cheque payable on such Interest Payment Date or at Maturity, as the case may be, or
- (b) provide payment to the Depository, as the registered holder of Global Debentures, by electronic funds transfer to an account designated by the Depository on or before 11:00 a.m. on such Interest Payment Date or at Maturity, as the case may be;

for all amounts due in respect of such principal and interest on the Debentures represented by the Global Certificate(s) for credit by the Depository to Participants' accounts, provided that the Trustee and the Depository may agree to an alternate method of payment by the Trustee to the Depository (including, without limitation, payment through the facilities of the Depository).

(3) Provided that (i) a cheque for the appropriate amount has been delivered or caused to be delivered to the Trustee or the Depository, as the case may be, or (ii) an electronic funds transfer for the appropriate amount has been made to the Trustee or the Depository, as the case may be, in each case as provided in Subsection 3.15(1), no later than on the applicable Interest Payment Date or at Maturity, as the case may be, then the Debentureholders shall after the date of such delivery of cheque or electronic funds transfer have no rights in or against the Corporation in respect of such payment and such payment shall be deemed to have been properly made to the Debentureholders on the Interest Payment Date or at Maturity, as the case may be;

3.16 Register Open for Inspection.

The Central Debenture Register shall at all reasonable times, and at such reasonable costs as established by the Trustee, be open for inspection by the Corporation or any Debentureholder. The Trustee and every Registrar shall from time to time when requested so to do by the Corporation or by the Trustee furnish the Corporation or the Trustee, as the case may be, with a list of names and addresses of holders of Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder.

ARTICLE 4 SATISFACTION AND DISCHARGE

4.1 Satisfaction and Discharge of Indenture.

Subject as hereinafter in this Section provided, this Indenture shall cease to be of further effect and the Trustee, on demand of and at the expense of the Corporation, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture, when

(1) either

- (a) all Debentures theretofore authenticated and delivered, other than (i) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 3.6 and (ii) Debentures money for whose payment has theretofore been deposited in trust or segregated and held in trust by the Corporation and thereafter repaid to the Corporation or discharged from such trust, as provided in Section 11.3, have been delivered to the Trustee cancelled or for cancellation; or
- (b) the Corporation has deposited, or caused to be deposited, or made due provision as hereinafter provided for the payment of, an amount (in cash or, in the case of due provision, by way of securities or instruments as herein-

after in this Section provided) sufficient to pay the entire indebtedness on the Debentures (other than Debentures referred to in subclauses (i) and (ii) of Clause (a)) not theretofore delivered to the Trustee for cancellation, whether or not the same has become due and payable, for principal and interest to the date of such deposit (in the case of Debentures which have become due and payable), or to the Stated Maturity or Redemption Date, as the case may be, any such amount to be deposited with the Trustee as trust funds in trust for the purpose of such payment and discharge;

(2) the Corporation has paid or caused to be paid, or made due provision as hereinafter provided for the payment of, all other sums payable hereunder by the Corporation; and

(3) the Corporation has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Corporation to the Trustee under Section 6.6 shall survive.

For the purposes of Clause (b) of paragraph (1) and notwithstanding the satisfaction and discharge of this Indenture, the rights of registration, registration of transfer or exchange of Debentures herein expressly provided shall survive the satisfaction and discharge of this Indenture until the earlier of a) all Debentures theretofore authenticated and delivered (other than as referred to in subclauses (i) and (ii) of Clause (a) of paragraph (1)) have been delivered to the Trustee cancelled or for cancellation and b) all such Debentures not theretofore delivered to the Trustee cancelled or for cancellation have become due and payable and for whose payment moneys in the necessary amount have been theretofore deposited with the Trustee as provided in Clause (b) of paragraph (1).

For the purposes of this Section 4.1, the Corporation shall be deemed to have made such due provision for payment if it shall have deposited or caused to be deposited with the Trustee securities issued or guaranteed by the Government of Canada or by any Province of Canada or any other securities or instruments acceptable to the Trustee, the proceeds from which will provide moneys which will be sufficient to pay the indebtedness referred to in Clause (b), and all other moneys, if any, payable hereunder by the Corporation.

4.2 Application of Trust Funds.

All securities, instruments or moneys deposited with the Trustee pursuant to Section 4.1 shall, subject to the provisions of the last paragraph of Section 11.3, be held in trust and applied by it, in accordance with the provisions of the Debentures, to the payment, either directly or through any Paying Agent (including the Corporation acting as its own Paying Agent), as the Trustee may determine, to the Holders of the Debentures for whose payment or redemption such securities, instruments or moneys have been deposited with the Trustee, of all sums due and to become due thereon for principal and interest; but such securities, instruments or moneys need not be segregated from other funds except to the extent required by law or by the Corporation.

ARTICLE 5 REMEDIES

5.1 Events of Default.

“**Event of Default**”, wherever used herein, means any one of the following events:

(1) default in the payment of any instalment of interest upon any Debenture at its Stated Maturity, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of any Debenture at its Maturity, and continuance of such default for a period of five days; or

(3) default in the performance, or breach, of any covenant of the Corporation in this Indenture, and continuance of such default or breach for a period of 30 days after there has been given to the Corporation and the Trustee by the Holders of at least 25% in principal amount of the Outstanding Debentures, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “**Notice of Default**” hereunder; or

(4) the Corporation or any of the Restricted Subsidiaries (a) fails to pay at maturity (or in the event a period of grace is provided, within any such applicable period of grace) any amount in excess of the Cross Default Amount with respect to any Indebtedness for Borrowed Money (other than Non-recourse Indebtedness), or (b) is in default under, or fails to observe or perform any other term, covenant or agreement contained in, any agreement by which it is bound evidencing or securing Indebtedness for Borrowed Money (other than Non-recourse Indebtedness) in excess of the Cross Default Amount, and which, as a result of such failure or default in (a) or (b), has been declared by the creditor(s) of such Indebtedness for Borrowed Money to be immediately due and payable before it would otherwise have been due and payable, provided that no Event of Default shall be deemed to have occurred under this paragraph (4) if the failure or default is waived, rescinded or annulled in writing by the relevant creditor(s); for the purposes of this paragraph (4), the expression “**Cross Default Amount**” means the higher of \$50,000,000 or an amount equal to 5% of the consolidated Shareholders’ Equity (as established on the basis of the last audited consolidated financial statements of the Corporation);

(5) the Corporation shall make an assignment for the general benefit of creditors or shall be adjudicated insolvent or bankrupt, or shall petition or shall apply to any court having jurisdiction for the appointment of a receiver, trustee, liquidator or sequestrator of, or for, the Corporation or any substantial portion of the property of the Corporation; or the Corporation shall commence any proceeding relating to the Corporation or any substantial portion of the property of the Corporation under any insolvency, debt reorganization, debt arrangement, debt adjustment, dissolution, winding-up, composition or liquidation law or statute of any jurisdiction, whether now or hereafter in effect (hereinafter in this Subsection (5) called “**Proceeding**”); or if there shall be commenced against the Corporation any Proceeding and an order approving such Proceeding shall be rendered, or such Proceeding shall remain undischarged for a period of 60 days; or a receiver, trustee, liquidator or sequestrator of, or for, the Corporation or any substantial portion of the property of the Corporation shall be appointed; or the Corporation by any act shall indicate

consent to or approval of or acquiescence in any Proceeding or the appointment of a receiver, trustee, liquidator or sequestrator of, or for, the Corporation or any substantial portion of the property of the Corporation, provided that a resolution or order for winding-up the Corporation with a view to its consolidation, amalgamation or merger with another corporation or the transfer of its assets as a whole, or substantially as a whole, to such other corporation as provided in Section 7.1 shall not make the rights and remedies herein enforceable under this Subsection (5) if such last-mentioned corporation shall, as a part of such consolidation, amalgamation, merger or transfer, and within 60 days from the passing of the resolution or the date of the order, comply with the conditions to that end stated in Section 7.1.

If an Event of Default shall occur and be continuing, the Trustee shall, within 30 days after it becomes aware of the occurrence of such event of default, give notice of such event of default to the Debentureholders in the manner provided herein provided that, notwithstanding the foregoing, the Trustee shall not be required to give such notice if the Trustee in good faith shall have decided that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

5.2 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default occurs and is continuing, then and in every such case the Trustee shall, if so requested by the Holders of not less than 25% in principal amount of the Debentures Outstanding, declare the principal of all the Debentures to be due and payable immediately, by a notice in writing to the Corporation, and upon any such declaration such principal shall become immediately due and payable.

At any time after such a declaration of acceleration has been made and before a judgment or decree for payment of the moneys due has been obtained by the Trustee as hereinafter in this Article provided, the Debentureholders may by an Extraordinary Resolution delivered to the Corporation and the Trustee rescind and annul such declaration and its consequences. No such rescission shall affect any subsequent default or impair any right consequent thereon.

5.3 Collection of Indebtedness and Suits for Enforcement by Trustee.

(1) Subject to the provisions of Section 5.2 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, in case the Corporation shall fail to pay to the Trustee on demand following a declaration made by the Trustee pursuant to Section 5.2, the principal of and interest, if any, on all the Debentures then Outstanding, together with any other amounts due under this Indenture, the Trustee shall, upon the request in writing of the Holders of not less than 25% in principal amount of the Outstanding Debentures and upon being indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed to enforce the rights of the Trustee and the Holders of Debentures by any action, suit, remedy or proceeding authorized or permitted by law or by equity (either by legal proceeding or otherwise).

(2) Upon the exercising or taking by the Trustee of any such remedies, the principal of and interest on, if any, all Debentures then Outstanding and the other moneys payable

under Section 5.2 shall forthwith become due and payable to the Trustee as though such a declaration and a demand therefor had actually been made.

(3) Except as provided by applicable law, no delay or omission of the Trustee or of the Holders of Debentures to exercise any remedy referred to in Subsection 5.3(1) shall impair any such remedy or shall be construed to be a waiver of any default under this Indenture or acquiescence therein.

5.4 Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, debt reorganization, debt arrangement, composition or other judicial proceeding relative to the Corporation or the assets of the Corporation, the Trustee (irrespective of whether the principal of the Debentures shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Corporation for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(1) to file and prove a claim for the whole amount of principal and interest owing and unpaid in respect of the Debentures and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Holders of the Debentures allowed in such judicial proceeding, and

(2) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same to the Debentureholders;

and any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Debentureholder to make such payments to the Trustee, and if the Trustee shall so consent, to the making of such payments directly to the Holders of the Debentures and to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 6.6.

Subject to Article 7 and Section 8.2, nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder of a Debenture any plan of debt reorganization, debt arrangement, debt adjustment or composition affecting the Debentures or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any such Holder in any such proceeding.

5.5 Trustee May Enforce Claims Without Possession of Debentures.

All rights of action and claims under this Indenture or the Debentures may be prosecuted and enforced by the Trustee without the possession of any of the Debentures or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name on behalf of the Holders of Debentures and as the *fondé de pouvoir* (holder of the power of attorney) of the Holders of the Debentures, and any recovery of judgement shall, after provision for the payment of the

reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the rateable benefit of the Holders of the Debentures in respect of which such judgement has been recovered.

5.6 Application of Money Collected.

Any money collected by the Trustee pursuant to this Article shall be held in trust by the Trustee and applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or interest, upon presentation of the Debentures and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

FIRST: To the payment of all amounts due to the Trustee under Section 6.6; and

SECOND: To the payment of the amount then due and unpaid upon the Debentures for principal and interest, in respect of which or for the benefit of which such money has been collected, rateably, without preference or priority of any kind, according to the amounts due and payable on such Debentures, for principal and interest, respectively.

5.7 Limitation on Suits.

No Holder of any Debenture shall have any right to institute against the Corporation any proceeding, judicial or otherwise, with respect to this Indenture or any Debenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

(1) an Event of Default shall have occurred and be continuing and such Holder shall have previously given written notice to the Trustee of such continuing Event of Default;

(2) the Holders of not less than 25% in principal amount of the Outstanding Debentures shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;

(3) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by an Extraordinary Resolution;

it being understood and intended that no one or more Holders of Debentures shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture or any Debenture to affect, disturb or prejudice the rights of any other Holder of Debentures, or to obtain or to seek to obtain priority or preference over any other such Holder or to enforce any right under this Indenture or any Debenture, except in the manner herein provided and for the equal and rateable benefit of all the Holders of the Debentures.

5.8 Restoration of Rights and Remedies.

If the Trustee or any Holder of a Debenture has instituted any proceeding to enforce any right or remedy under this Indenture or under any Debenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case the Corporation, the Trustee and the Holders of such Debentures shall, subject to any determination in such proceeding, be restored severally and respectively to their former positions hereunder, and thereafter all rights and remedies of the Trustee and such Holders shall continue as though no such proceeding had been instituted.

5.9 Rights and Remedies Cumulative.

Except as provided in the last paragraph of Section 3.6, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Debentures is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

5.10 Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder of any Debenture to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Debentures may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders of Debentures, as the case may be.

5.11 Control by Debentureholders.

The Debentureholders, by way of an Extraordinary Resolution, shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any power conferred on the Trustee, provided that

- (1) such direction shall not be in conflict with any rule of law or this Indenture,
- (2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders not taking part in such direction, and,
- (3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

5.12 Waiver of Past Defaults.

The Debentureholders, by way of an Extraordinary Resolution, may on behalf of the Holders of all the Debentures waive any past default hereunder or under the Debentures and its consequences, except a default in respect of a covenant or provision hereof which

under Article 8 cannot be modified or amended without the consent of the Holder of each Outstanding Debenture affected.

Upon any such waiver, such default shall cease to exist, and any Event of Default arising from such default shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

The Trustee, so long as it has not become bound to institute any proceedings hereunder, shall have power to waive the default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Trustee upon such terms and conditions as the Trustee may deem advisable.

5.13 Undertaking for Costs.

All parties to this Indenture agree, and each Holder of any Debenture by his acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or any Debenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defences made by such party litigant.

5.14 Immunity of Shareholders, Etc.

Subject to any applicable provisions of law which constitute provisions of public order, no recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Debenture issued hereunder, or under any judgement obtained against the Corporation or by the enforcement of any assessment, or by any legal or equitable proceeding by virtue of any constitution or statute, or otherwise, shall be had against any shareholder, officer or director of the Corporation, or of any successor corporation either directly or through the Corporation, or otherwise, for the payment for or to the Trustee or any receiver or liquidator, for or to the holder of any Debentures of any sum that may be due and unpaid by the Corporation upon any such Debenture; and any and all personal liability of every name and nature, whether at law or in equity, or by statute or by constitution or otherwise, of any such shareholder, officer or director, by reason of the non-payment of any shares of the share capital of the Corporation or any act of omission or commission on his part or otherwise, for the payment for or to the Trustee or any receiver or liquidator, or for or to the holder of any Debentures of any sum that may remain due and unpaid on the Debentures issued hereunder or any of them, is hereby expressly waived and released as a condition of and consideration for the execution of this Indenture and the issue of such Debentures.

ARTICLE 6 THE TRUSTEE

6.1 Certain Duties and Responsibilities.

(1) The Trustee shall in the exercise of the rights and powers vested in it by, and in the performance of its duties under, this Indenture, act honestly and in good faith with a view to the best interests of the Holders of the Debentures and with prudence and diligence.

(2) The Trustee shall not be liable for any act, or omission or failure in the exercise of such rights or powers or in the performance of such duties if in doing so it has relied in good faith upon statements contained in any Board Resolution, Request, Order, Officers' Certificate, Opinion of Counsel or in any other statutory declaration, certificate, opinion or report that complies with this Indenture or with applicable law.

(3) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own wilful misconduct, except that, subject to any applicable provision of law,

- (a) this Subsection shall not be construed to limit the effect of Subsections (1) and (2) of this Section;
- (b) the Trustee shall not be liable for any error of judgement made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;
- (c) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the directions set forth in an Extraordinary Resolution relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising or refraining from the exercise of any power conferred upon the Trustee, under this Indenture; and
- (d) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers.

(4) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

6.2 Certain Rights of Trustee.

Except as otherwise provided in Section 6.1 or as may be required by applicable law:

(1) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(2) any request or direction of the Corporation mentioned herein shall be sufficiently evidenced by its Request or Order and any resolution of the Board of Directors of the Corporation may be sufficiently evidenced by a Board Resolution;

(3) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officers' Certificate;

(4) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(5) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Debentures pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(6) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled, with reasonable prior notice to the Corporation, to examine the books, records and premises of the Corporation, personally or by agent or attorney;

(7) the Trustee may execute any of the powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder;

(8) the Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms hereof; nor shall the Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notices shall distinctly specify the default desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Trustee to determine whether or not the Trustee shall take action with respect to any default.

6.3 Not Responsible for Recitals or Issuance of Debentures.

The recitals contained herein (other than the description of the Trustee) and in the Debentures (except the Registrar's certificate of authentication, if the Trustee acts as Registrar, and all references to and descriptions of the Depository and the Book-Entry

System) shall be taken as the statements of the Corporation, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Debentures. The Trustee shall not be accountable for the use or application by the Corporation of Debentures or the proceeds thereof.

6.4 May Hold Debentures.

The Trustee, any Paying Agent, any Registrar or any other agent of the Corporation may, in its own right or in any other capacity, become the owner or pledgee of Debentures and may, subject to the provision of any law which may at the time be applicable, otherwise deal with the Corporation with the same rights it would have if it were not Trustee, Paying Agent, Registrar or such other agent.

Subject to the provisions of any law which may at the time be applicable, the Trustee may act as trustee under or as any other party to any indenture or agreement to which the Corporation may be a party or in which the Corporation may have an interest in the same manner as if it were not Trustee hereunder.

6.5 Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent required by law or by the Corporation. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise agreed with the Corporation.

6.6 Compensation and Reimbursement.

The Corporation agrees:

(1) to pay to the Trustee from time to time reasonable compensation agreed to with the Corporation, for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of the holder of a power of attorney or *fondé de pouvoir*);

(2) except as otherwise expressly provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents, consultants and counsel), except any such expense, disbursement or advance as may be attributable to its negligence or bad faith; and

(3) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance of its duties and obligations hereunder or administration of any trust created hereunder, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder.

6.7 Disqualification; Conflicting Interests.

(1) The Trustee represents and warrants that it is not aware of any material conflict of interest between its role as Trustee hereunder and its role in any other capacity.

(2) The Trustee shall, within 90 days after it becomes aware that any material conflict exists between its role as Trustee hereunder and its role in any other capacity, either eliminate such conflict of interest or resign in the manner and with the effect specified in this Article.

6.8 Trust Indenture Legislation.

(1) In this Article 6, the expression “**indenture legislation**” means the provisions, if any, of any statute of Canada or any province thereof, and of any regulations under any such statute, relating to trust indentures and to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are in the opinion of Counsel at the time in force and applicable to this Indenture or the Corporation.

(2) The Corporation and the Trustee agree that each will at all times in relation to this Indenture and in relation to any action to be taken hereunder observe and comply with and be entitled to the benefits of the indenture legislation.

(3) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of indenture legislation, such mandatory requirement shall prevail.

6.9 Corporate Trustee Required Eligibility.

There shall at all times be a Trustee hereunder which shall be a corporation incorporated under the laws of Canada or a Province thereof and authorized to carry on the business of a trust company. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect specified in this Article.

6.10 Resignation and Removal; Appointment of Successor.

(1) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under Section 6.11.

(2) The Trustee may resign at any time by giving written notice thereof to the Corporation. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(3) The Trustee may be removed at any time by an Extraordinary Resolution delivered to the Trustee and to the Corporation.

(4) If at any time:

- (a) the Trustee shall fail to comply with Section (2) after written request therefor by the Corporation (in the form of a Request) or by any Debentureholder who has been a *bona fide* Holder of a Debenture for at least six months, or
- (b) the Trustee shall cease to be eligible under Section 6.9 and shall fail to resign after written request therefor by the Corporation (in the form of a Request) or by any such Debentureholder, or
- (c) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Corporation by a Board Resolution may remove the Trustee, or (ii) subject to Section 5.13, any Debentureholder who has been a *bona fide* Holder of a Debenture for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(5) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Corporation, by Board Resolution, shall promptly appoint a successor Trustee who shall comply with the applicable provisions of Section 6.11. If, within 12 months after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by an Extraordinary Resolution delivered to the Corporation and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable provisions of Section 6.11, become the successor Trustee and supersede any successor Trustee appointed by the Corporation. If no successor Trustee shall have been appointed by the Corporation or the Debentureholders and accepted appointment in the manner required by Section 6.11, any Debentureholder who has been a *bona fide* Holder of a Debenture for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of the successor Trustee.

(6) The Corporation shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee to the Debentureholders in accordance with Section 1.5.

6.11 Acceptance of Appointment by Successor.

Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Corporation and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, duties and obligations of the retiring Trustee; but, on request of the Corporation (in the form of a Request) or the successor Trustee, such

retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers, duties and obligations of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder. Upon request of any such successor Trustee, the Corporation shall execute any and all instruments for more fully and certainly vesting in to such successor Trustee all such rights, powers, duties and obligations.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

6.12 Merger or Consolidation.

Any company into which the Trustee may be merged, amalgamated or converted or with which it may be consolidated, or any company resulting from any amalgamation, merger or consolidation to which the Trustee shall be a party, or any company succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Debentures shall have been authenticated, but not delivered, by the Trustee then in office, any successor by amalgamation, merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Debentures so authenticated with the same effect as if such successor Trustee had itself authenticated such Debentures.

6.13 Acceptance of Trust.

The Trustee hereby accepts any and all trusts created or constituted herein (including, without limitation, for the purposes of Sections 3.7, 4.1, 4.2, 5.6, 11.3 and 12.6) and agrees to perform the same upon the terms and conditions herein set forth, and to the extent any such terms and conditions conflict with any provisions of applicable law, such terms and conditions shall prevail to the extent that such provisions of applicable law do not constitute provisions of public order.

6.14 Fondé de Pouvoir.

(1) The Trustee hereby agrees to act as the *fondé de pouvoir* (holder of the power of attorney) of the Holders of the Debentures to the extent necessary or desirable for the purposes of this Indenture and each Debentureholder by receiving and holding the Debentures accepts and confirms the appointment of the Trustee as *fondé de pouvoir* (holder of the power of attorney) of such Holder to the extent necessary for the purposes hereof and in accordance with and subject to the provisions hereof.

(2) To the extent necessary and for greater certainty (but without in any way detracting from custom and usage applicable with regards to the relationship between the Corporation, the Trustee and the Debentureholders hereunder) and subject to any applicable law of public order, the Trustee and the Corporation hereby agree with regard to the Trustee so acting as *fondé de pouvoir* (holder of a power of attorney) of the

Debentureholders hereunder and each Debentureholder by receiving and holding the Debentures agrees with the Corporation and the Trustee that:

- (a) notwithstanding any other provision hereof and except as may be otherwise set forth in an Extraordinary Resolution or other request or direction of any of the Holders of Debentures pursuant to this Indenture, relating thereto, no Debentureholder shall be liable to third parties for acts performed by the Trustee (or any other Person appointed by the Trustee to perform all or any of its rights, powers, trusts or duties hereunder) during the exercise of its rights, powers and trusts and the performance of its duties under this Indenture or for injury caused to such parties by the fault of the Trustee (or any such Person), or for contracts entered into in favour of such parties, during such performance and the Trustee (or any such Person) alone shall be so liable subject to any rights or recourses which the Trustee (or any such Person) may have hereunder or under any applicable law against the Corporation or any other Person (other than a Debentureholder) in connection with any such liability;
- (b) except as otherwise expressly provided herein or in an Extraordinary Resolution or other request or direction of any of the Holders of Debentures pursuant to this Indenture, the Trustee shall not be entitled to receive from the Debentureholders any remuneration or compensation for any services rendered by the Trustee hereunder or reimbursement of any costs, expenses, liabilities, disbursements or advances incurred or made by the Trustee in accordance with any provision of this Indenture or interest thereon;
- (c) notwithstanding any other provision hereof and except as may be otherwise set forth in an Extraordinary Resolution, or other request or direction of any of the Holders of Debentures pursuant to this Indenture, relating thereto, no Debentureholder shall be liable to compensate the Trustee for any injury suffered by it by reason of the performance of its rights, powers, trusts or duties hereunder subject to any rights or recourses which the Trustee may have hereunder or under any applicable law against the Corporation or any other Person (other than a Debentureholder) in connection with such injury;
- (d) neither the death nor bankruptcy of a Debentureholder shall terminate the Trustee's rights, powers, trusts or duties hereunder with respect to the Debentures held by such Debentureholder which shall continue to apply in favour of the Holder or Holders who have acquired such Debentures from such deceased or bankrupt Debentureholder;
- (e) the bankruptcy of the Trustee shall not terminate its rights, powers, trusts and duties hereunder provided that such rights, powers, trusts and duties are assumed by a successor Trustee appointed in accordance with the provisions of Sections 6.10 and 6.11;
- (f) so long as any Debentures remain outstanding, (i) each Debentureholder hereby renounces to its right to revoke any mandate relationship created between such Holder and the Trustee hereunder and (ii) the Trustee hereby

agrees that it will not revoke any such mandate relationship except through a resignation pursuant to and in compliance with the provisions of Section 6.10; and

- (g) except as otherwise expressly provided herein or in an Extraordinary Resolution or other request or direction of any of the Holders of Debentures pursuant to this Indenture, the Trustee shall not be obliged to render any account to the Debentureholders nor return to the Debentureholders any amounts which it has received in the performance of its duties hereunder nor pay any interest to the Debentureholders on such amounts.

ARTICLE 7 CONSOLIDATION, MERGER, CONVEYANCE OR TRANSFER

7.1 Corporation may consolidate, etc., only on certain terms.

The Corporation shall not consolidate with, amalgamate with or merge into any other corporation or convey or transfer its properties and assets substantially as an entirety to any Person, unless:

(1) the corporation formed by such consolidation or amalgamation or into which the Corporation is merged or the Person which acquires by operation of law or by conveyance or transfer the properties and assets of the Corporation, substantially as an entirety shall be a corporation and shall (except in any case where such assumption is deemed to have occurred by the sole operation of law or except where the Corporation is the surviving legal entity), expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and interest on all the Debentures and the performance of every covenant of this Indenture on the part of the Corporation to be performed or observed;

(2) immediately after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing; and

(3) the Corporation shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel each stating that such consolidation, merger, amalgamation, conveyance or transfer and such supplemental indenture, if any, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

7.2 Successor Corporation Substituted.

Upon any consolidation or merger or amalgamation or any conveyance or transfer of the properties and assets of the Corporation, substantially as an entirety in accordance with Section 7.1, the successor corporation formed by such consolidation or amalgamation or into which the Corporation is merged or to which such conveyance or transfer is made shall succeed to, and be substituted for, and may exercise every right and power of the Corporation under this Indenture with the same effect as if such successor corporation had been named as the Corporation herein; provided, however, that no such conveyance or

transfer shall have the effect of releasing the Person named as the “Corporation” in the first paragraph of this instrument or any successor corporation which shall theretofore have become such in the manner prescribed in this Article from its liability as obligor and maker on any of the Debentures unless such conveyance or transfer is followed by the complete liquidation of the Corporation.

ARTICLE 8 SUPPLEMENTAL INDENTURES

8.1 Supplemental Indentures Without Consent of Holders.

Without the consent of the Holders of any Debentures, the Corporation, when authorized by a Board Resolution, and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(1) for the benefit of the Holders of the Debentures to provide for any additional covenant or covenants of the Corporation or any security for or guarantee of the Debentures or to surrender any right or power herein conferred upon the Corporation; or

(2) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein, or to make any other provisions with respect to matters or questions arising under this Indenture which shall not be inconsistent with the provisions of this Indenture, provided such action pursuant to this paragraph (2) shall not, in the Opinion of Counsel, adversely affect the interests of the Holders of the Debentures in any material respect; or

(3) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualification of this Indenture under any applicable law of Canada or of any Province or Territory thereof, heretofore or hereafter enacted; or

(4) as required by the provisions of Section (1); or

(5) to give effect to any Extraordinary Resolution; or

(6) to make any additions to, deletions from or alterations of the provisions of this Indenture (including any of the terms and conditions of the Debentures) which, in the Opinion of Counsel, are not materially prejudicial to the interests of the Debentureholders and which are necessary or advisable in order to incorporate, reflect or comply with the applicable legislation from time to time; or

(7) to add to or to alter the provisions hereof in respect of the registration and transfer of Debentures, including provision for the exchange of Debentures of different denominations, and making any modification in the form of the Debentures which does not affect the substance thereof and which, in the Opinion of Counsel, is not materially prejudicial to the interests of the Debentureholders.

8.2 Supplemental Indentures With Consent of Debentureholders.

When authorized or permitted by an Extraordinary Resolution delivered to the Corporation and the Trustee, the Corporation, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of modifying in any manner the rights of the Holders of the Debentures under this Indenture or under the Debentures; provided, however, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Debenture affected thereby,

(1) reduce the requirements of Section 10.4 for quorum or voting or reduce the percentage in principal amount of the Outstanding Debentures, the consent of whose Holders is required for any Extraordinary Resolution, or

(2) modify any of the provisions of this Section or Section 5.12 or Section 11.7, except to increase any such requirements or percentage or to provide that certain other provisions of this Indenture cannot be modified or waived without the consent of the Holder of each Debenture affected thereby.

It shall not be necessary for any Resolution of Debentureholders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Resolution shall approve the substance thereof.

8.3 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture the Trustee shall be entitled to receive, and (subject to Section 6.1) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

8.4 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Debentures theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

8.5 Reference in Debentures to Supplemental Indentures.

Debentures authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall, if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Corporation shall so determine by Board Resolution, new Debentures so modified as to conform, in the opinion of the Trustee, to any such

supplemental indenture may be prepared and executed by the Corporation and authenticated and delivered by the Trustee in exchange for Outstanding Debentures.

ARTICLE 9

OFFER TO REPURCHASE UPON CHANGE OF CONTROL TRIGGERING EVENT

9.1 Change of Control Offer

If a Change of Control Triggering Event occurs, unless the Corporation has exercised its optional right to redeem all of the Debentures pursuant to Article 12, the Corporation will be required to make an offer to repurchase all or, at the option of each Holder of Debentures, any part (equal to \$1,000 or an integral multiple thereof) of each Debentureholder's Debentures on the terms set forth in this Article 9 (the "**Change of Control Offer**"). In the Change of Control Offer, the Corporation will be required to offer payment in cash equal to 101% of the outstanding principal amount of Debentures together with accrued and unpaid interest, if any, to the date of purchase (the "**Change of Control Payment**").

9.2 Notice of Change of Control Triggering Event

Within 30 days following any Change of Control Triggering Event, the Corporation shall be required to give, or cause the Trustee to give, written notice to each Debentureholder describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Debentures on the payment date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "**Change of Control Payment Date**"). The Corporation must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Debentures as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions of this Article 9, the Corporation shall comply with such laws and regulations and will not be deemed to have breached its obligations under this Article 9 to repurchase the Debentures by virtue of such conflict.

9.3 Deposit of Money and Delivery of Debentures

On the Change of Control Payment Date, the Corporation shall, to the extent lawful:

- 9.3.1.1 accept for payment all Debentures or portions of Debentures properly tendered pursuant to the Change of Control Offer;
- 9.3.1.2 deposit with the Trustee, before 10:00 a.m. (Montréal time), an amount of money equal to the Change of Control Payment in respect of all Debentures or portions of Debentures properly tendered pursuant to the Change of Control Offer, and
- 9.3.1.3 deliver or cause to be delivered to the Trustee the Debentures properly accepted, together with a certificate of the Corporation stating the aggregate principal amount of the Debentures or portions of Debentures being purchased by the Corporation.

9.4 Payment by Trustee

The Trustee will as soon as reasonably practicable pay to each Debentureholder of properly tendered Debentures an amount equal to the Change of Control Payment in respect of such Debentures either, at the Trustee's option, by mailing (first class mail, postage prepaid) a cheque to such Debentureholder or by means of a wire transfer in accordance with the applicable payment procedures of the Depository, and the Trustee will as soon as reasonably practicable certify and mail (first class mail, postage paid) (or cause to be transferred by book-entry) to each such Debentureholder a new Debenture equal in principal amount to any unpurchased portion of any Debenture surrendered; provided that each new Debenture will be in a minimum principal amount of \$1,000 or integral multiples of \$1,000 in excess thereof.

9.5 Third Party Offer

The Corporation will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (for at least the same purchase price payable in cash) and such third party purchases all Debentures properly tendered and not withdrawn under its offer.

ARTICLE 10 MEETINGS OF HOLDERS OF DEBENTURES

10.1 Purposes for Which Meetings May Be Called.

A meeting of Holders of Debentures may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action authorized by this Indenture to be made, given or taken by Holders of Debentures.

10.2 Call, Notice and Place of Meetings.

(1) The Trustee may, and shall at any time, at the request of the Corporation or the Debentureholders pursuant to Subsection 10.2(2), call a meeting of Holders of Debentures for any purpose specified in Section 10.1, to be held at such time and at such place in the City of Montreal as the Trustee or, in case of its failure to act, the Corporation or the Debentureholders calling the meeting, shall determine. Notice of every meeting of Holders of Debentures, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to each Holder of Outstanding Debentures, in the manner provided in this Indenture, not less than 21 nor more than 50 days prior to the date fixed for the meeting.

(2) In case at any time the Corporation, pursuant to a Board Resolution, or the Holders of at least 25% in principal amount of the Outstanding Debentures shall have requested the Trustee to call a meeting of the Holders of Debentures for any purpose specified in Section 10.1, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have either given the notice of such meeting or made the publication of the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as

provided herein, then the Corporation, or the Holders of Outstanding Debentures in the amount above specified, as the case may be, may determine the time and the place in the City of Montreal for such meeting and may call such meeting for such purposes by giving notice thereof as provided in Subsection 10.2(1).

10.3 Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Debentures, a Person shall be (1) a Holder of one or more Outstanding Debentures, or (2) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Debentures by such Holder or Holders. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Corporation and its counsel.

10.4 Quorum; Action.

The Persons entitled to vote a majority in principal amount of the Outstanding Debentures shall constitute a quorum. In the absence of a quorum within 30 minutes of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Debentures, be dissolved. In any other case the meeting may be adjourned for a period of not less than 10 days as determined by the chairman of the meeting prior to the adjournment of such meeting. Notice of the reconvening of such adjourned meeting shall be given as provided in Subsection (1), except that such notice may be given not less than five days prior to the date on which the meeting is scheduled to be reconvened. The quorum at such adjourned meeting shall be the Persons then present and entitled to vote thereat and such quorum shall be expressly stated in such Notice of the reconvening of such adjourned meeting.

At a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid, any resolution and all matters (except as provided in Section 8.2 and except where, pursuant to this Indenture, an Extraordinary Resolution is required) shall be effectively passed and decided if passed or decided by the Persons entitled to vote a majority in principal amount of Outstanding Debentures represented and voting at such meeting.

Any resolution passed or decision taken at any meeting of Holders of Debentures duly held in accordance with this Section shall (except as provided in Section 8.2) be binding on all the Holders of Debentures, whether or not present or represented at the meeting.

10.5 Determination of Voting Rights; Conduct and Adjournment of Meetings.

(1) Notwithstanding any other provisions of this Indenture, the Trustee and the Person nominated by the Trustee to act as chairman of the meeting, or either of them, may make such reasonable regulations as it or he may deem advisable for any meeting or adjourned meeting of Holders of Debentures in regard to proof of the holding of Debentures and of the appointment of proxies and in regard to the appointment and duties of scrutineers, the submission and examination of proxies, certificates and other evidence of

the right to vote, and such other matters concerning the conduct of the meeting as it or he shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of any Debentures shall be proved in the manner specified in Section 1.3 and the appointment of any proxy shall be proved in the manner specified in said Section 1.3 or by having the signature of the Person executing the proxy witnessed or guaranteed by any trust company, bank, banker or other Person, wherever situated, acceptable to the Trustee. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in said Section 1.3 or other proof.

(2) The Trustee shall, by an instrument in writing, nominate a chairman of the meeting unless the meeting shall have been called by the Corporation or by Holders of Debentures as provided in Subsection (2), in which case the Corporation or the Holders of Debentures calling the meeting, as the case may be, shall in like manner nominate a chairman.

(3) At any meeting each Holder of a Debenture, whether present in person or represented by proxy, shall be entitled to one vote for each \$1,000 principal amount of Debentures held by him; provided, however, that no vote shall be cast or counted at any meeting in respect of any Debenture challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Debenture or as the proxy of a Holder of a Debenture.

(4) Any meeting of Holders of Debentures duly called pursuant to Section 10.2 at which a quorum is present may be adjourned from time to time by a resolution passed at such meeting and the meeting may be held as so adjourned without further notice.

10.6 Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders of Debentures shall be by written ballots on which shall be subscribed the signatures of the Holders of Debentures or of their representatives by proxy and such other information as may be required by the regulations made for the meeting, provided however that the vote upon any resolution involving matters of a purely procedural nature shall be by way of show of hands. The chairman of the meeting shall appoint a secretary and may appoint a scrutineer or scrutineers to act at the meeting. A record, at least in triplicate, of the proceedings of each meeting of Holders of Debentures shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the scrutineers and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 10.2 and, if applicable, Section 10.4. Each copy shall be signed and verified by the affidavits of the chairman and secretary of the meeting and one such copy shall be delivered to the Corporation and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

10.7 Distribution of Proxy Material to Participants.

(1) For purposes of holding a meeting of Debentureholders where the Book-Entry System is in effect, the Trustee shall promptly notify the Depository and obtain therefrom a current Participants List.

(2) Within five business days of receipt of such information by the Trustee, or within any shorter delay which might be imposed by a competent regulatory authority, the Trustee shall contact each Participant on the Participants List by mail to confirm the required number of copies (the “**Required Number**”) of proxy material or other documents relating to the meeting (the “**Proxy Material**”) which the Participant requires for the benefit of Beneficial Owners. Within ten (10) business days of confirmation by the Participant of the Required Number, the Trustee shall arrange to have delivered to such Participant the Required Number of copies of the Proxy Material. It shall be the responsibility of each Participant on the Participants List to arrange for distribution of the Proxy Material to the Beneficial Owners. Neither the Corporation nor the Trustee shall assume any liability for failure by a Participant to distribute the Proxy Material.

(3) The Corporation and the Trustee understand that the Proxy Material will be sent to the Beneficial Owners not less than twenty-one (21) nor more than fifty (50) days, or such other permitted delay under applicable corporate and securities regulation, before the date of the meeting.

(4) Failure by a Participant to distribute the Proxy Material to Beneficial Owners shall not affect the validity of the proceedings to be held at the meeting if notice of the meeting has been published by the Trustee at least twenty-one (21) days before the holding of such meeting in an Authorized Newspaper in each of the City of Montreal and the City of Toronto or if not less than 50% in the aggregate principal amount of Outstanding Debentures is represented at the meeting by Holders of Debentures or their proxies.

(5) To the extent that an omnibus proxy in form satisfactory to the Corporation has been delivered by the Depository to the Corporation with respect to the matters to be voted on at a meeting of Debentureholders delegating to Beneficial Owners the right of the Depository as sole registered holder of the Global Certificate(s) to vote on the matters before the meeting, the Corporation will recognize as votes of the registered Holder, votes expressed in person at the meeting by identified Beneficial Owners and votes expressed by proxy by identified Beneficial Owners.

ARTICLE 11 COVENANTS

11.1 Payment of Principal and Interest

The Corporation will duly and punctually pay the principal of, premium (if any), and interest on the Debentures in accordance with the Terms of the Debentures and this Indenture.

11.2 Maintenance of Places of Registration

The Corporation will cause the Central Debenture Register to be maintained by the Registrar at its principal office in the City of Montréal (or at such other Place of Registration in Canada maintained by the Registrar as may be requested by the Corporation with the approval of the Trustee) and, subject as hereinafter in this Section provided, will cause Branch Debenture Registers to be maintained by one or more Branch Registrar(s) at each of the other Places of Registration.

The Corporation may at any time and from time to time vary or terminate the appointment of the Registrar and of any Branch Registrar or appoint other offices or agencies as Branch Debenture Registers where Debentures may be presented or surrendered for registration, registration of transfer or exchange; provided however that the Corporation will maintain an office or agency for all such purposes in each of the Cities of Montréal and Toronto. The Corporation will give prompt written notice to the Trustee of the location of, or of any change in the location of, any such office or agency.

For the purposes of registering Debentures and transfers of Debentures, the Corporation may appoint a registrar and branch registrars incorporated or organized under the laws of a foreign jurisdiction, in addition to or in lieu of the Registrar and Branch Registrars appointed pursuant to this Indenture.

11.3 Money for Payments to be Held in Trust

If the Corporation shall at any time act as its own Paying Agent, it will hold in trust, as of each Maturity Date in respect of any Debentures, for the benefit of the Holders of such Debentures a sum sufficient to pay the principal or interest so becoming due until such sums shall be paid to such Holders or otherwise disposed of as herein provided, and will promptly notify the Trustee of its action or failure so to act.

Whenever the Corporation shall have one or more Paying Agents, it will, on or prior to each due date of the principal or interest on any Debentures, deposit with a Paying Agent a sum sufficient to pay the principal or interest, so becoming due, such sum to be held in trust for the benefit of the Holders of such Debentures, and (unless such Paying Agent is the Trustee) the Corporation will promptly notify the Trustee of its action or failure so to act.

The Corporation will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent will:

(1) hold all sums held by it for the payment of the principal or interest on Debentures in trust for the benefit of the Holders of such Debentures until such sums shall be paid to such Holders or otherwise disposed of as herein provided;

(2) give the Trustee notice of any default by the Corporation in the making of any payment of principal or interest; and

(3) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent.

The Corporation may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Corporation Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Corporation or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Corporation or such Paying Agent; and, upon such payment by the Corporation or any Paying Agent to the Trustee, the Corporation and/or such Paying Agent shall be released from all further liability with respect to such moneys.

Subject to any applicable law with respect to the deposit of unclaimed moneys with any public authority, any moneys deposited with the Trustee or any Paying Agent or then held by the Corporation, in trust for the payment of the principal of or interest on any Debenture, and remaining unclaimed for three years after the date when such principal or interest has become due and payable, shall be paid to the Corporation on Corporation Request, or (if then held by the Corporation) shall be discharged from such trust; and the Holder of such Debenture shall thereafter, as an unsecured general creditor, look only to the Corporation for payment thereof, and all liability of the Trustee or such Paying Agent with respect to such trust moneys, and all liability of the Corporation as trustee thereof, shall thereupon cease.

11.4 Corporate Existence

Subject to Article 7, the Corporation will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence.

11.5 Negative Pledge

The Corporation will not, and will not permit any of the Restricted Subsidiaries to, issue, assume or guarantee any future Indebtedness for Borrowed Money secured by, and will not after the date of this Indenture secure any Indebtedness for Borrowed Money by, a Lien (other than a Permitted Lien) upon any asset of the Corporation or any of the Restricted Subsidiaries (whether now owned or hereafter acquired), without in any such case effectively providing concurrently therewith that the Debentures (together with any other Indebtedness for Borrowed Money of the Corporation which may then be outstanding and entitled to the benefit of a covenant similar in effect to this covenant) shall be secured equally and rateably with such Indebtedness for Borrowed Money.

11.6 Credit Facilities of Restricted Subsidiaries

The Corporation will not permit any of the Restricted Subsidiaries to incur Indebtedness for Borrowed Money (other than Non-recourse Indebtedness) with any Person other than the Corporation or any of its Associates, if the total of all outstanding Indebtedness for Borrowed Money (other than Non-recourse Indebtedness) of all such Restricted Subsidiaries of the Corporation exceed 15% of the Corporation's consolidated Shareholder's Equity, as established on the basis of the last audited consolidated financial statements of the Corporation.

11.7 Waiver of Certain Covenants

The Corporation may omit in any particular instance to comply with any covenant or condition set forth in this Article 10, if before or after the time for such compliance the Debentureholders shall, by Extraordinary Resolution, either waive such compliance in such instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Corporation and the duties of the Trustee in respect of any such covenant or condition shall remain in full force and effect.

11.8 Annual Certificate of Compliance

Within 120 days after the end of each fiscal year of the Corporation, and at any other time if requested by the Trustee, acting reasonably, the Corporation shall furnish the Trustee with an Officers' Certificate stating that, in the course of the performance by the signers of their duties as officer of the Corporation, they would normally have knowledge of any default by the Corporation in the performance of its covenants under this Indenture or of any Event of Default hereunder and certifying that the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture non-compliance with which would, with notification or with the lapse of time or otherwise, constitute an Event of Default hereunder, or, if such is not the case, setting forth with reasonable particulars the circumstances of any failure to comply.

In addition, on becoming aware at any time of any Event of Default of the nature specified in Subsection (4), the Corporation will promptly notify the Trustee.

11.9 Foreign Issuer Status

While the Corporation does not currently file with the United States Securities and Exchange Commission as a "Foreign Issuer" (as such term is defined in the *Securities Exchange Act of 1934*), should the Corporation's filing status change, it will promptly notify Trustee of the effective date of the change and, if applicable, the "Central Index Key" that has been assigned for filing purposes.

ARTICLE 12 REDEMPTION AND PURCHASE OF DEBENTURES

12.1 Right of Redemption.

The Debentures may be redeemed prior to maturity at the Corporation's option, in whole at any time or in part from time to time, on not more than 60 and not less than 30 days' prior notice, at the higher of the Canada Yield Price (as defined below) and the principal amount thereof, together in each case with accrued and unpaid interest to the Redemption Date.

The "Canada Yield Price" shall be the price equal to the net present value of all scheduled payments of interest and principal on the Debentures, using as a discount rate the Canada Yield plus 69 basis points, on the business day preceding the date of the Board

Resolution authorizing the redemption. “**Canada Yield**” on any day shall mean, in effect, the yield to maturity on such day compounded semi-annually which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such day with a term to maturity approximately equal to the remaining term to maturity of the Debentures. The Canada Yield will be provided by two major Canadian investment dealers as the Corporation may determine from time to time and as may be acceptable to the Trustee.

12.2 Applicability of Article.

Redemption of Debentures at the election of the Corporation or otherwise, as permitted or required by any provision of this Indenture or of the Debentures, shall be made in accordance with such provision and this Article. From and after the date of redemption, the Debentures thus redeemed will no longer be Outstanding and shall not be reissued.

12.3 Election to Redeem; Notice to Trustee.

The election of the Corporation to redeem any Debentures shall be evidenced by a Board Resolution. In case of any redemption at the election of the Corporation of less than all of the Debentures, the Corporation shall, at least 45 days prior to the Redemption Date fixed by the Corporation (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee of such Redemption Date and of the principal amount of Debentures to be redeemed.

12.4 Selection by Trustee of Debentures to be Redeemed.

If less than all the Debentures are to be redeemed, the particular Debentures to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustee from the Outstanding Debentures on a pro rata basis.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Debentures shall relate, in the case of any Debenture which has been or is to be redeemed only in part, to the portion of the principal of such Debenture which has been or is to be redeemed.

12.5 Notice of Redemption.

Notice of the proposed redemption shall be given in the manner provided in this Indenture to each Holder of Debentures to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall state:

(1) the Redemption Date,

(2) the Redemption Price,

(3) if less than all Outstanding Debentures are to be redeemed, the principal amount of the Debentures to be redeemed,

(4) that on the Redemption Date the Redemption Price will become due and payable upon each such Debenture, and that interest thereon shall cease to accrue on and after said date unless the Redemption Price is not paid on such date, and

(5) the place where such Debentures are to be surrendered for payment of the Redemption Price.

Notice of redemption of Debentures to be redeemed at the election of the Corporation shall be given by the Corporation, or at the Corporation's request, by the Trustee in the name of and at the expense of the Corporation.

12.6 Deposit of Redemption Price.

At least one business day prior to any Redemption Date, the Corporation shall deposit with the Trustee or with a Paying Agent (or, if the Corporation is acting as its own Paying Agent, segregate and hold in trust as provided in Section 11.3) an amount of money sufficient to pay the Redemption Price of all the Debentures which are to be redeemed on such Redemption Date.

12.7 Debentures Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Debentures so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified and on and after such date (unless the Corporation shall default in the payment of the Redemption Price) such Debentures shall cease to bear interest. Upon surrender of any such Debenture for redemption in accordance with such notice, such Debenture shall be paid by the Corporation at the Redemption Price, provided, however, that instalments of interest on Debentures whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Debentures, or one or more Predecessor Debentures, registered as such on the relevant Record Date according to their terms and the provisions of Section 3.7. Interest maturing on or prior to the Redemption Date shall continue to be payable (but without interest thereon, unless the Corporation shall default in the due payment or provision for payment thereof) to the Holders thereof according to their terms in the customary manner.

If any Debenture called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the Redemption Date at the rate borne by such Debenture.

12.8 Debentures Redeemed in Part.

Any Debenture which is to be redeemed only in part may, at the option of the Holder,

(1) be presented to the Trustee or Paying Agent for notation thereon of the payment as of the Redemption Date of the redeemed portion of the principal thereof, or

(2) be surrendered (with, if the Corporation or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Corporation and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in

writing) and the Corporation shall execute and the Trustee shall authenticate and deliver to the Holder of such Debenture, without service charge, a new Debenture or Debentures, of any authorized denomination or denominations as requested by such Holder in aggregate principal amount equal to the unredeemed portion of the principal of the Debenture so surrendered.

12.9 Purchase of Debentures.

At any time and from time to time, the Corporation may, at its option, purchase Debentures (or, while the Book-Entry System is in effect, beneficial interests therein) in the market or by tender or by private contract at such price or prices and upon such terms and conditions as the Corporation in its absolute discretion may determine. From and after the date of purchase, the Debentures thus purchased will no longer be Outstanding and shall not be reissued.

In the event of a purchase of beneficial interests in Debentures while the Book-Entry System is in effect, the amount of the decrease in value of the Global Certificate(s), and the new principal amount of the Global Certificate(s) shall be evidenced in one of the manners set forth in Section 12.7, which such adaptations as are necessary, or in such other manner as may be agreed upon by the Corporation and the Depository.

ARTICLE 13 COUNTERPARTS AND LANGUAGE

13.1 Counterparts.

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

13.2 Language.

The parties hereto have expressly requested and agreed that this Indenture be in the English language. Les parties aux présentes ont expressément requis et convenu que la présente convention soit rédigée en anglais.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

SNC-LAVALIN GROUP INC.

**COMPUTERSHARE TRUST
COMPANY OF CANADA**

(signed)

(signed)

By: Yves Laverdière
Title: Corporate Secretary

By: Benjamin van de Werve
Title: Professional, Corporate Trust

(signed)

(signed)

By: Michael Ioffredi
Title: Vice-President and Treasurer

By: Nelia Andrade
Title: Manager, Corporate Trust

SCHEDULE A

FORM OF DEBENTURE

This certificate is a global certificate within the meaning of the indenture hereinafter referred to and is registered in the name of a depository or a nominee thereof. Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to the Corporation (as defined herein) or the Trustee (as defined herein) for registration of transfer, exchange or payment, and any certificate issued in respect thereof is registered in the name of CDS & CO., or in such other name as is requested by an authorized representative of CDS (and any payment is made to CDS & CO., or to such other entity as is requested by an authorized representative of CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered holder hereof, CDS & CO., has a property interest in the securities represented by this certificate herein and it is a violation of its rights for another person to hold, transfer or deal with this certificate. This certificate is issued pursuant to a Book Entry Only Securities Services Agreement between the Corporation and CDS, as such agreement may be replaced or amended from time to time.

Certificate No. 1

CUSIP No. 78460TAB1

SNC-LAVALIN GROUP INC.

(incorporated under the laws of Canada)

Issue Date:
July 3, 2009

Principal amount:
350,000,000

Maturity Date:
July 3, 2019

6.19% DEBENTURES DUE JULY 3, 2019

SNC-LAVALIN GROUP INC. (the “**Corporation**”), for value received, promises to pay to the registered holder hereof at Maturity (or on such earlier date as the principal sum of this Debenture may become payable in accordance with the terms of the Indenture) the principal sum of \$350,000,000 or such lesser amount as, at the time, shall represent the principal amount hereof, upon presentation and surrender of this Debenture at the principal office of the Trustee (as hereinafter referred to) in Montreal and, to pay interest (less any tax required to be deducted) on the principal amount of this Debenture, both before and after maturity, from the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on January 3 and July 3 in each year commencing on January 3, 2010 at the rate of 6.19% per annum. Interest hereon shall be payable (except at maturity when interest hereon will be paid on surrender hereof) by cheque mailed to the registered holder hereof or by such other means as may be approved by the Trustee or as may become customary for the payment of interest on unsecured indebtedness of corporations governed by the *Canada Business Corporations Act* as provided in the Indenture, and, subject to the provisions of the Indenture, the mailing of such cheque or the making of such other payment shall satisfy and discharge the liability for interest on this Debenture to the extent of the sum represented thereby plus the amount of any tax that the Corporation is required to and does withhold therefrom.

This Debenture is subject to an indenture dated as of July 3, 2009 (the “**Indenture**”) made between the Corporation and Computershare Trust Company of Canada, as Trustee (herein called the “**Trustee**”), to which Indenture and all indentures supplemental thereto reference is expressly made for a statement of the respective rights thereunder of Debentureholders, the Trustee and the Corporation and of the terms and conditions upon which the Debentures are, and are to be, authenticated and delivered, all to the same effect as if the provisions of the Indenture were herein set forth, to all of which provisions the Debentureholder by acceptance hereof assents. The Indenture includes negative pledge and default provisions, certain covenants of the Corporation, provisions which preclude suits by Debentureholders in certain circumstances, and provisions which create procedures for meetings of Debentureholders. Terms defined in the Indenture are used in this Debenture with the same meaning.

The Corporation may, at any time, purchase for cancellation all or any Debentures in the market, by tender or by private contract, at any price. All Debentures so purchased shall be cancelled and no Debentures shall be issued in substitution therefor.

The Indenture provides for making binding upon all Holders of Debentures resolutions passed at meetings of Holders of Debentures, and instruments in writing signed by the Holders of a specified majority of the Debentures.

The Corporation, the Trustee and any agent of the Corporation or the Trustee may treat the Person in whose name this Debenture is registered as the owner hereof for all purposes whether or not this Debenture be overdue.

This Debenture shall not become valid or obligatory for any purpose until it shall have been authenticated by the manual signature of an authorized officer of the Trustee.

The Indenture and this Debenture shall be construed in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein and shall be treated in all respects as Québec contracts.

IN WITNESS WHEREOF the Corporation has caused this Debenture to be executed by its duly authorized officers.

Date: July 3, 2009

SNC-LAVALIN GROUP INC.

[Authorized officer]

[Authorized officer]

REGISTRAR'S AUTHENTICATION

Authenticated for and on behalf of SNC-Lavalin Group Inc.

COMPUTERSHARE TRUST COMPANY OF CANADA

TRUSTEE

By.....

Authorized Officer

NO WRITING HEREON EXCEPT BY THE REGISTRAR

REGISTRATION PANEL

DATE OF REGISTRY	IN WHOSE NAME REGISTERED	SIGNATURE OF REGISTRAR

FORM OF TRANSFER

FOR VALUE RECEIVED,

..... hereby assign(s) and transfer(s) unto the within Debenture, together with the principal thereof and all accrued interest thereon, if any, by irrevocably constituting and appointingto transfer such Debenture on the books of SNC-Lavalin Group Inc., with full power of substitution on the premises.

Dated

In the presence of
Signature

Transferee's social insurance number (if applicable):

PARTIAL REDEMPTION OF THE DEBENTURE

<u>Portion of principal amount paid</u>	<u>Date</u>	<u>Outstanding Balance</u>
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SCHEDULE B

FORM OF PHYSICAL DEBENTURE

Certificate No. ●

CUSIP No. ●

SNC-LAVALIN GROUP INC.

(incorporated under the laws of Canada)

Issue Date:

●

Principal amount:

●

Maturity Date:

July 3, 2019

SNC-LAVALIN GROUP INC., a company incorporated under the *Canada Business Corporations Act* (hereinafter called the “**Corporation**”, which term includes any successor company under the Indenture hereinafter referred to), for value received, hereby promises to pay to or registered assigns, on July 3, 2019, the principal sum of DOLLARS and to pay interest thereon both before and after maturity from the later of July 3, 2009 and the most recent Interest Payment Date to which interest has been paid or duly provided for, semi-annually in arrears on January 3 and July 3 in each year commencing on January 3, 2010 (each such date being an “**Interest Payment Date**”), at the rate of 6.19% per annum. The interest so payable and punctually paid or duly provided for, on any Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Debenture (or one or more Predecessor Debentures, as defined in the Indenture) is registered at the close of business on the Regular Record Date for such interest, which shall be the eleventh (11th) day (whether or not a business day) preceding such Interest Payment Date. Except as otherwise provided in the Indenture, any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and may either be paid to the Person in whose name this Debenture (or one or more Predecessor Debentures) is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Holders of Debentures not less than 10 days prior to such Special Record Date, or be paid at any time in any other lawful manner deemed practicable by the Trustee, all as more fully provided in the Indenture. Payment of the principal of and interest on this Debenture will be made in lawful money of Canada. Payment of interest on this Debenture may be made at the option of the Corporation by transfer of funds or cheque mailed to the address of the Person or Persons entitled thereto as such address shall appear on the Central Debenture Register.

This Debenture is one of a duly authorized issue of Debentures of the Corporation designated as its 6.19% Debentures due 2019 (herein called the “**Debentures**”), limited in aggregate principal amount to \$350,000,000, issued under an indenture bearing formal date of July 3, 2009 (herein called the “**Indenture**”), between the Corporation and Computershare Trust Company of Canada, as holder of a power of attorney or *fondé de pouvoir* of the Holders of the Debentures (herein called the “**Trustee**”, which term includes

any successor trustee under the Indenture), to which Indenture and all indentures supplemental thereto reference is hereby made for a statement of the respective rights thereunder of the Corporation, the Trustee and the Holders of the Debentures, and the terms upon which the Debentures are, and are to be, authenticated and delivered.

All terms used in this Debenture which are defined in the Indenture shall have the respective meanings assigned to them in the Indenture except as otherwise expressly provided or unless the context otherwise requires.

The Debentures may be redeemed prior to maturity at the Corporation's option, in whole at any time or in part from time to time, on not more than 60 and not less than 30 days' prior notice, at the higher of the Canada Yield Price (as defined below) and the principal amount thereof, together in each case with accrued and unpaid interest to the Redemption Date.

The "**Canada Yield Price**" shall be the price equal to the net present value of all scheduled payments of interest and principal on the Debentures, using as a discount rate the sum of the Canada Yield plus 69 basis points. "**Canada Yield**" on any day shall mean, in effect, the yield to maturity on such day compounded semi-annually which a non-callable Government of Canada Bond would carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such day with a term to maturity approximately equal to the remaining term to maturity of the Debentures. The Canada Yield will be provided by two major Canadian investment dealers as the Corporation may determine from time to time and as may be acceptable to the Trustee.

The Corporation may, at any time, purchase for cancellation all or any Debentures in the market, by tender or private contract, at any price. All Debentures so purchased shall be cancelled and no Debentures be reissued in substitution therefor.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all the Debentures may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Corporation and the rights of the Holders of the Debentures thereunder at any time by the Corporation (i) by instrument in writing signed by the Holders of not less than 66 2/3% in aggregate principal amount of the Debentures at the time Outstanding, (ii) by the passing of a resolution by Holders of not less than 66 2/3% of the aggregate principal amount of Debentures at the time Outstanding present or represented at a meeting of the Holders of the Debentures duly held pursuant to the provisions of the Indenture. The Indenture also contains provisions permitting the Holders of specified percentages in aggregate principal amount of the Debentures at the time Outstanding, on behalf of the Holders of all the Debentures, to waive compliance by the Corporation with certain covenants or conditions contained in the Indenture and certain past defaults under the Indenture and under this Debenture and their consequences. Any such consent or waiver by the Holder of this Debenture shall be conclusive and binding upon such Holder and upon all future Holders of this Debenture and of any Debenture issued upon the transfer hereof or in exchange herefor or in lieu hereof

whether or not notation of such consent or waiver is made upon this Debenture or such other Debenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Debenture is transferable by the Holder hereof on the Debenture Registers of the Corporation, upon surrender of this Debenture for transfer at the principal office of the Registrar in the Cities of Montreal, Toronto, Winnipeg, Calgary or Vancouver, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Corporation and the Registrar, duly executed by, the Holder hereof or his attorney duly authorized in writing, and thereupon one or more new Debentures, of authorized denominations and for the same aggregate principal amount, will be issued to the designated transferee or transferees. The Corporation may require payment of a sum sufficient to cover any tax or governmental charge or other reasonable charge payable in connection with any such transfer.

Unless the certificate of authentication hereon has been executed by the Registrar by the manual signature of one of its authorized officers, this Debenture shall not be entitled to any benefit under the Indenture, or be valid or obligatory for any purpose.

The Holder of this Debenture, by receiving and holding same, hereby accepts and agrees to be bound by the terms, and to be entitled to the benefits, of this Debenture and of the Indenture and confirms the appointment of the Trustee as *fondé de pouvoir* (holder of a power of attorney) of the Holder of this Debenture to the extent necessary for the purposes hereof and of the Indenture, the whole in accordance with and subject to the respective provisions thereof.

IN WITNESS WHEREOF, the Corporation has caused this Debenture to be executed by its duly authorized officers.

Dated

SNC-LAVALIN GROUP INC.

.....
●

.....
●

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This is one of the Debentures referred to in the within-mentioned Indenture.

● **[NAME OF REGISTRAR]**

Registrar

By
Authorized Officer

FORM OF TRANSFER

FOR VALUE RECEIVED,

.....hereby assign(s) and transfer(s) unto the within Debenture, hereby irrevocably constituting and appointing, Attorney, to transfer the said Debenture on the books of the Corporation, with full power of substitution in the premises.

Dated

In the presence of
Signature

Please insert transferee's social insurance number: