Innovation, Science and
Economic Development Canada
Corporations Canada

Innovation, Sciences et
Développement économique Canada
Corporations Canada

Certificate of Amendment

Canada Business Corporations Act

Certificat de modification

Loi canadienne sur les sociétés par actions

CHORUS AVIATION INC.

Corporate name / Dénomination sociale

766075-8

Corporation number / Numéro de société

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

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

Hantz Prosper

Director / Directeur

2022-12-28

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

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

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

1 Corporate name
Dénomination sociale
CHORUS AVIATION INC.

2 Corporation number
Numéro de la société
766075-8

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

See attached schedule / Voir l'annexe ci-jointe

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

Original signed by / Original signé par
Dennis Lopes

Dennis Lopes
902-873-6777

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 $ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

FILED
DECEMBER 28, 2022

Osler, Hoskin & Harcourt LLP
CALGARY OFFICE

Innovation, Science and Economic Development Canada
Corporations Canada

Innovation, Sciences et Développement économique Canada
Corporations Canada

Canada Business Corporations Act (CBCA)
FORM 4
ARTICLES OF AMENDMENT
(Sections 27 or 177)

1 - Current corporate name

CHORUS AVIATION INC.

2 - Corporation number

0766075 - 8

3 - The articles are amended as follows (note that more than one section can be filled out)

A: The corporation changes its name to:

B: The corporation changes the province or territory in Canada where the registered office is situated to:
To complete the change, a Form 3 - Change of Registered Office Address **must** accompany the Articles of Amendment.

C: The corporation changes the minimum and/or maximum number of directors to: (for a fixed number of directors, indicate the same number in both boxes).

Minimum number

Maximum number

D: Other changes: (for example, to the classes of shares, to the restrictions on share transfers, to restrictions on the businesses of the corporation or to any other provisions that are permitted by the CBCA to be set out in the Articles) **Please specify.**

See attached Schedule.

4 - Declaration

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

Signature: signed "*Dennis Lopes*"

Print name: Dennis Lopes

Telephone number: 902-873-6777

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding $5000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

Canada

ARTICLES
OF AMENDMENT

CHORUS AVIATION INC.
(THE “CORPORATION”)

1. The Articles of the Corporation be amended as follows:

   (a) to remove the rights, privileges, restrictions and conditions attaching to the existing Series 1 Preferred Shares; and

   (b) to provide that the existing Series 1 Preferred Shares shall have the rights, privileges, restrictions and conditions set out in Schedule A attached,

   with the result that upon the issuance of a Certificate of Amendment effecting the foregoing, the Series 1 Preferred Shares shall have their rights, privileges, restrictions and conditions amended.

THIS SCHEDULE A IS INCORPORATED INTO AND FORMS PART OF THE ARTICLES OF

CHORUS AVIATION INC.

(THE "CORPORATION")

<u>TERMS OF SERIES 1 PREFERRED SHARES</u>

1. There shall hereby be created and established the first series of preferred shares of the Corporation designated as "Series 1 Preferred Shares". The authorized number of Series 1 Preferred Shares shall be 300,000. In addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares of the Corporation as a class, the rights, privileges, restrictions and conditions of the Series 1 Preferred Shares shall be as set forth in this Schedule.

2. **<u>Definitions</u>**.

In this Schedule, the following terms shall have the following meanings:

2.1 "**Accrued Dividends**" shall mean, with respect to any Series 1 Preferred Share, as of any date, the amount equal to (a) the amounts that have accrued on such Series 1 Preferred Share pursuant to Section 3.2, less (b) the sum of any such accrued amounts paid pursuant to Section 3.1 on such Series 1 Preferred Share, from the Issue Date up to, but not including, such date; provided that Accrued Dividends shall not include any dividends that have accrued on such Series 1 Preferred Share in respect of any current Payment Period;

2.2 "**Applicable MOIC**" shall mean, with respect to each Series 1 Preferred Share, a multiple of the Liquidation Preference equal to: (a) any time prior to the third anniversary of the Issue Date, 1.4x; (b) starting on the third anniversary of the Issue Date until the sixth anniversary of the Issue Date, 1.6x; and (c) on or after the sixth anniversary of the Issue Date, 0x.

2.3 "**Articles of Incorporation**" means the Restated Articles of Incorporation and Articles of Amendment of the Corporation, as they may be amended or restated from time to time.

2.4 "**Bankruptcy**" means, with respect to any Person, the occurrence of any of the following events: (i) the filing by such Person of a voluntary petition in bankruptcy or the seeking of relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies′ Creditors Arrangement Act* (Canada) or any other similar bankruptcy, insolvency or analogous applicable laws, as now constituted or hereafter amended; (ii) the making by such Person of a general assignment for the benefit of creditors; (iii) the filing by such Person of an answer admitting the material allegations of, or such Person's consenting to, or defaulting in answering, a bankruptcy petition filed against it in any bankruptcy proceeding or petition seeking relief under the *Bankruptcy and Insolvency Act* (Canada), the *Companies′ Creditors*

Arrangement Act (Canada) or any other similar bankruptcy, insolvency or analogous applicable laws, as now constituted or as hereafter amended; or (iv) the entry of an order, judgment or decree by any court of competent jurisdiction adjudicating such Person a bankrupt or insolvent or for relief in respect of such Person or appointing a trustee or custodian of such Person's assets and the continuance of such order, judgment or decree unstayed and in effect for a period of 60 consecutive calendar days;

2.5 "**Board of Directors**" shall mean the board of directors of the Corporation or, with respect to any action to be taken by the Board of Directors, any committee of the Board of Directors duly authorized to take such action;

2.6 "**Business Day**" means any day, other than: (a) a Saturday, Sunday or statutory holiday in the Provinces of Ontario or Nova Scotia; or (b) a day on which banks are generally closed in the Provinces of Ontario or Nova Scotia;

2.7 "**CBCA**" means the *Canada Business Corporations Act*;

2.8 "**Change of Control**" shall mean the occurrence of any of the following:

(a) (i) the direct or indirect sale, lease, transfer, conveyance or other disposition, in one or a series of related transactions, of all or substantially all of the properties or assets of the Corporation and its Subsidiaries, taken as a whole, to any Person (other than to the Corporation or to any wholly-owned Subsidiary of the Corporation), or (ii) a plan or scheme of arrangement, merger, amalgamation, consolidation, share sale or other transaction or series of related transactions, in which all of the Common Shares are exchanged for, converted into, acquired for, or constitute solely the right to receive, other securities, cash or other property, in each case of (i) or (ii), that would result in the Persons who beneficially own, directly or indirectly, the Common Shares (or other voting shares of the Corporation, on an as- converted basis) as of immediately prior to such transaction ceasing to beneficially own, directly or indirectly, a majority of the outstanding Common Shares (or other voting shares of the Corporation or outstanding common equity securities of the surviving entity, in each case, on an as-converted basis) immediately following the completion of such transaction;

(b) the consummation of any transaction or series of related transactions (including, without limitation, pursuant to a merger, amalgamation or consolidation), the result of which is that any Person, including any Persons acting jointly or in concert with such Person, becomes the beneficial owner, directly or indirectly, of shares of the Corporation's common equity representing more than 50% of the voting power of all of the Corporation's then-outstanding common equity, on an as-converted basis;

(c) the individuals who were nominated by management of the Corporation or the Board of Directors for election to the Board of Directors at a meeting of the shareholders of the Corporation involving a contest for, or an item of business relating to, the election of directors, shall not constitute a majority of the board of directors following such election; or

(d) the Corporation voluntarily causes the Common Shares to cease to be listed or quoted on a Stock Exchange, other than in connection with any event in clause (a) or (b) above.

2.9 "**Common Shares**" means, collectively, the Class A Variable Voting Shares and the Class B Voting Shares;

2.10 "**Corporation**" means Chorus Aviation Inc.;

2.11 "**Class A Variable Voting Shares**" shall mean the Class A Variable Voting Shares in the capital of the Corporation;

2.12 "**Class B Voting Shares**" shall mean the Class B Voting Shares in the capital of the Corporation;

2.13 "**close of business**" shall mean 5:00 p.m. (Toronto time);

2.14 "**Dividend Payment Date**" shall mean the date that is fifteen (15) days after the end of each applicable Payment Period of the Corporation, unless the Board of Directors designates an earlier date;

2.15 "**Dividend Rate**" for a Payment Period shall mean:

(a) for the period from the Issue Date through to, but excluding, May 3, 2028 (the "**First Dividend Change Date**"), the rate of 8.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 9.5% per annum to the extent accrued as Accrued Dividends,

(b) for the period from the First Dividend Change Date to, but excluding, May 3, 2029 (the "**Second Dividend Change Date**"), the rate of 9.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 11.0% per annum to the extent accrued as Accrued Dividends,

(c) for the period from the Second Dividend Change Date to, but excluding, May 3, 2030 (the "**Third Dividend Change Date**"), the rate of 10.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 12.5% per annum to the extent accrued as Accrued Dividends,

(d) for the period from the Third Dividend Change Date to, but excluding, May 3, 2031 (the "**Fourth Dividend Change Date**"), the rate of 11.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 14.0% per annum to the extent accrued as Accrued Dividends,

(e) for the period from the Fourth Dividend Change Date to, but excluding, May 3, 2032 (the "**Fifth Dividend Change Date**"), the rate of 12.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 15.5% per annum to the extent accrued as Accrued Dividends,

(f) for the period from the Fifth Dividend Change Date to, but excluding, May 3, 2033 (the "**Sixth Dividend Change Date**"), the rate of 13.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 15.5% per annum to the extent accrued as Accrued Dividends, and

(g) for the period from and after the Sixth Dividend Change Date, the rate of 14.75% per annum to the extent the dividend for such period is paid in cash on the applicable Dividend Payment Date immediately following the end of such period or 15.5% per annum to the extent accrued as Accrued Dividends,

provided, however, that in the event the Corporation defaults on any of its obligations under the terms of the Series 1 Preferred Shares or an Event of Default occurs under the Investor Rights Agreement, the Dividend Rate shall be the rate then in effect plus 2.0% per annum for so long as such default or Event of Default is continuing;

2.16 "**Dividend Record Date**" shall mean, with respect to any Payment Period and applicable Dividend Payment Date, the record date (which shall be a Business Day) fixed by the Board of Directors for holders eligible to receive any dividend declared for such Payment Period, which shall not be more than thirty (30) days nor less than fifteen (15) days preceding the applicable Dividend Payment Date;

2.17 "**Fundamental Change**" shall mean any of the following:

(a) a Change of Control; or

(b) the disposition by the Corporation of a material business or the acquisition by the Corporation and/or entry into of a new unrelated business line that fundamentally changes the nature of the business of the Corporation.

2.18 "**Fundamental Change Put Closing Notice**" shall have the meaning set forth in Section 8.2;

2.19 “**Fundamental Change Put Exercise Period**” shall have the meaning set forth in Section 8.2;

2.20 “**Fundamental Change Put Date**” shall have the meaning set forth in Section 8.2;

2.21 “**Fundamental Change Put Notice**” shall have the meaning set forth in Section 8.2;

2.22 “**Fundamental Change Put Price**” shall have the meaning set forth in Section 8.2;

2.23 “**Fundamental Change Put Right**” shall have the meaning set forth in Section 8.2;

2.24 “**Fundamental Change Put Right Holder**” shall have the meaning set forth in Section 8.2;

2.25 “**Holder**” and, unless the context requires otherwise, “**holder**” shall each mean a holder of record of a Series 1 Preferred Share;

2.26 “**Investor Rights Agreement**” means the investor rights agreement, dated as of May 3, 2022, entered into among BSI Dragonfly Holdings LP and the Corporation, as amended, supplemented, restated, exchanged or replaced from time to time;

2.27 “**Issue Date**” shall mean the original date of issuance of the Series 1 Preferred Shares;

2.28 “**Junior Shares**” shall mean the Common Shares and each other class of shares in the capital of the Corporation or series of preferred shares of the Corporation established after the Issue Date, by the Board of Directors, the terms of which do not expressly provide that such class or series ranks senior to or on a parity with the Series 1 Preferred Shares as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation;

2.29 “**Liquidation Preference**” shall mean, with respect to each Series 1 Preferred Share, $1,000;

2.30 “**material business**” shall mean at any time any business of the Corporation if, at the end of the most recent fiscal quarter for which the Corporation has filed its financial statements, the total revenues or assets of such business exceeded 30% of the consolidated revenues or assets of the Corporation, determined in accordance with International Financial Reporting Standards consistently applied;

2.31 “**opening of business**” shall mean 9:00 a.m. (Toronto time);

2.32 “**Optional Redemption Date**” shall have the meaning set forth in Section

6.1;

2.33 "**Optional Redemption Notice**" shall have the meaning set forth in Section 6.4;

2.34 "**Optional Redemption Price**" shall have the meaning set forth in Section 6.3;

2.35 "**Parity Shares**" shall mean any class of shares in the capital of the Corporation or series of preferred shares of the Corporation established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank on a parity with the Series 1 Preferred Shares as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation;

2.36 "**Paying Agent**" shall mean the Transfer Agent, acting in its capacity as paying agent for the Series 1 Preferred Shares, and its successors and assigns, or any other Person appointed to serve as paying agent by the Corporation;

2.37 "**Payment Period**" shall mean (a) the period commencing on the Issue Date and ending on the last day of the fiscal quarter in which the Issue Date occurs, and (b) each fiscal quarter thereafter; provided that in the event the Corporation is declaring and paying dividends on the Common Shares in cash on a monthly basis, the Payment Period shall mean a calendar month; provided further that, in the event

Series 1 Preferred Shares are being redeemed by or put to the Corporation pursuant to Section 6 or Section 8, a Payment Period shall be deemed to have ended in respect of such Series 1 Preferred Shares on the day immediately prior to the Optional Redemption Date, or the Fundamental Change Put Date, as applicable.

2.38 "**Person**" shall include any individual, corporation, general partnership, limited partnership, limited liability partnership, association, trust, limited liability company, unincorporated organization or government or any agency or political subdivision thereof;

2.39 "**Senior Shares**" shall mean each class of shares in the capital of the Corporation or series of preferred shares of the Corporation established after the Issue Date by the Board of Directors, the terms of which expressly provide that such class or series will rank senior to the Series 1 Preferred Shares as to dividend rights or rights upon the liquidation, winding-up or dissolution of the Corporation;

2.40 "**Series 1 Preferred Shares**" shall mean the Series 1 Preferred Shares of the Corporation authorized pursuant to this Schedule;

2.41 "**Stock Exchange**" shall mean the Toronto Stock Exchange or, if the Common Shares are not listed on the Toronto Stock Exchange, such other major securities exchange or market on which the Common Shares are then listed and posted for trading;

2.42 "**Subsidiary**" shall mean, as to any Person, any corporation or other entity of which: (a) such Person or a Subsidiary of such Person is a general partner or, in the case of a limited liability company, the managing member or manager thereof; (b) at least a majority of the outstanding equity interest having by the terms thereof ordinary voting power to elect a majority of the board of directors or similar governing body of such corporation or other entity (irrespective of whether or not at the time any equity interest of any other class or classes of such corporation or other entity shall have or might have voting power by reason of the happening of any contingency) is at the time directly or indirectly owned or controlled by such Person or one or more of its Subsidiaries; or (c) any corporation or other entity as to which such Person consolidates for accounting purposes;

2.43 "**Transfer Agent**" shall mean the Corporation's duly appointed transfer agent, registrar, conversion agent and dividend disbursing agent for the Series 1 Preferred Shares, if any, or if none, an officer of the Corporation, and in each case their successors and assigns, or any other person appointed to serve as transfer agent, registrar, conversion agent and dividend disbursing agent by the Corporation;

3. <u>Dividends</u>

3.1 Holders shall be entitled to receive for a Payment Period, and the Corporation shall pay thereon, if, as and when declared by the Board of Directors, with respect to each Series 1 Preferred Share prior to any distributions made in respect of any Junior Shares in respect of the same Payment Period, cash dividends out of funds legally available for payment, in an amount equal to (a) the sum of (i) the Liquidation Preference plus (ii) any Accrued Dividends as of immediately after the last day of the immediately prior Payment Period, multiplied by (b) the applicable Dividend Rate for such Payment Period, such amount computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding the foregoing, to the extent there exists any Accrued Dividends for any Payment Period, the Board of Directors may declare and pay cash dividends, out of funds legally available for payment, an amount in excess of the aforementioned amount, but only up to the amount of such Accrued Dividends. To the extent the Board of Directors so declares, dividends shall be payable in arrears on the Dividend Payment Date for each Payment Period to the Holders as they appear on the Corporation's share register at the close of business on the relevant Dividend Record Date. Dividends on the Series 1 Preferred Shares shall accrue on a day-to-day basis from the first day of the current Payment Period through to, and including, the last day of such Payment Period.

3.2 If the Board of Directors does not declare and pay a dividend in accordance with Section 3.1 for any Payment Period, there shall be added in respect of

such Payment Period to the amount of the Accrued Dividends an amount equal to (a) the sum of
(i) the Liquidation Preference plus (ii) any Accrued Dividends as of the end of the last day of the immediately prior Payment Period, multiplied by (b) the applicable Dividend Rate for such Payment Period, such amount computed on the basis of a 360-day year consisting of twelve 30-day months.

3.3 Notwithstanding anything herein to the contrary, no dividend shall be paid in respect of any Junior Shares for any Payment Period unless at least 75% of all dividends accrued on the Series 1 Preferred Shares pursuant to Section 3.2 to, and including, the dividend payment date for such Junior Shares, have been paid, or are concurrently paid, in cash.

4. Voting and Protective Provisions.

4.1 The Holders shall not have any rights to notice of, to attend at or to vote at any meetings of the shareholders of the Corporation except as set forth in this Section 4 or as otherwise from time to time specifically required by the CBCA or the Articles of Incorporation.

4.2 So long as any Series 1 Preferred Shares are outstanding, in addition to any other vote or consent of shareholders required by the CBCA or the Articles of Incorporation or otherwise set forth herein, the affirmative vote or consent of the Holders representing at least a two-thirds majority of the outstanding Series 1 Preferred Shares, which may be withheld in their sole discretion, voting together as a separate class, given in person or by proxy, either in writing without a meeting or by vote at any meeting called for the purpose, shall be necessary for effecting or validating the actions set forth below, whether by amendment to the Articles of Incorporation, by merger, consolidation or otherwise:

(a) any issuance, authorization or creation of, or any increase by the Corporation in the issued or authorized amount of, any note, bond, debenture or other debt security that is convertible into or exchangeable for any specific class or series of Parity Shares or Senior Shares; or

(b) any amendment, modification or alteration of, or supplement to, the Articles of Incorporation that would adversely affect the rights, preferences, privileges or voting powers of the Series 1 Preferred Shares or any Holder provided in the Articles of Incorporation.

4.3 In exercising the voting rights set forth in Section 4.2, each Series 1 Preferred Share shall be entitled to one vote.

4.4 The rules and procedures for calling and conducting any meeting of the Holders (including the fixing of a record date in connection therewith), the solicitation and use of proxies at such a meeting, the obtaining of written consents and any other procedural aspect or matter with regard to such a meeting or such consents shall be governed by any rules the Board of Directors, in its discretion, may adopt from time to time, which rules and procedures shall conform to the requirements of the Articles of Incorporation, the bylaws of the Corporation and applicable law.

5. Liquidation Rights.

5.1 In the event of any Bankruptcy, liquidation, winding-up or dissolution of the Corporation, whether voluntary or involuntary, each Holder shall be entitled to receive, in respect of each Series 1 Preferred Share, and to be paid out of the assets of the Corporation available for distribution to its shareholders, in preference to the holders of, and before any payment or distribution is made on, any Junior Shares, an amount equal to the greater of (a) the sum of the Liquidation Preference plus the Accrued Dividends and (b) the Applicable MOIC less the sum of amounts paid pursuant to Section 3.1 on such Series 1 Preferred Share, in each case, as of the date of such Bankruptcy, liquidation, winding-up or dissolution of the Corporation.

5.2 Neither the sale, conveyance, exchange or transfer (for cash, shares, securities or other consideration) of all or substantially all the assets or business of the Corporation (other than in connection with the liquidation, winding-up or dissolution of its business), nor the merger or consolidation of the Corporation into or with any other Person shall be deemed to be a liquidation, winding-up or dissolution, voluntary or involuntary, for the purposes of this Section 5.

5.3 After the payment in full to the Holders of the amounts provided for in Section 5.1, the Holders of Series 1 Preferred Shares as such shall have no right or claim to any of the remaining assets of the Corporation in respect of their ownership of such Series 1 Preferred Shares.

5.4 In the event the assets of the Corporation available for distribution to the Holders upon any liquidation, winding-up or dissolution of the Corporation, whether voluntary or involuntary, shall be insufficient to pay in full all amounts to which such Holders are entitled pursuant to Section 5.1, no such distribution shall be made on account of any Parity Shares upon such liquidation, dissolution or winding-up unless proportionate distributable amounts shall be paid on account of the Series 1 Preferred Shares, equally and rateably, in proportion to the full distributable amounts for which Holders of all Series 1 Preferred Shares and of any Parity Shares are entitled upon such liquidation, winding-up or dissolution and, for the avoidance of doubt, no such distribution shall be made on account of any Junior Shares.

6. Redemption.

6.1 At any time after the Issue Date, the Corporation shall have (a) a one time option, subject to applicable law, to redeem 50% of the issued and outstanding Series 1 Preferred Shares, and (b) the option, exercisable at any time, to redeem all, but not less than all, of the Series 1 Preferred Shares. Any such redemption shall occur on a date set by the Corporation on not less than thirty (30) days' prior written notice to the Holders (the "**Optional Redemption Date**").

6.2 Any redemption of 50% of the issued and outstanding Series 1 Preferred Shares pursuant to Section 6.1(a) may be made from any source of funds legally available for such purpose, provided that (a) the annual after tax cost to the Corporation of the interest or dividend payable on the debt incurred or security issued comprising such source of funds would be less than (b) the annual after tax cost to the Corporation of the dividends then payable on Series 1 Preferred Shares.

6.3 Subject to applicable law, the Corporation shall effect any such redemption pursuant to this Section 6 by paying cash for each Series 1 Preferred Share to be redeemed in an amount equal to the greater of (a) the sum of the Liquidation Preference plus the Accrued Dividends and (b) the Applicable MOIC less the sum of amounts paid pursuant to Section 3.1 on such Series 1 Preferred Share, in each case, as of the Optional Redemption Date (such amount, the "**Optional Redemption Price**").

6.4 The Corporation shall give notice of its election to redeem the Series 1 Preferred Shares pursuant to this Section 6 to the Holders of Series 1 Preferred Shares as such Holders' names appear (as of the close of business on the Business Day preceding the day on which notice is given) on the Corporation's share register at the address of such Holders shown therein. Such notice (the "**Optional Redemption Notice**") shall state: (a) the Optional Redemption Date, (b) the number of Series 1 Preferred Shares to be redeemed from such Holder, (c) the Optional Redemption Price, and (d) the place where any Series 1 Preferred Shares are to be redeemed and shall be presented and surrendered for payment of the Optional Redemption Price therefor.

6.5 If the Corporation gives an Optional Redemption Notice, the Corporation shall deposit with or otherwise make available to the Paying Agent funds sufficient to redeem the applicable Series 1 Preferred Shares, no later than the open of business on the Optional Redemption Date, and the Corporation shall give the Paying Agent instructions and authority to pay the Optional Redemption Price to the Holders to be redeemed upon surrender or deemed surrender of the certificates therefor as set forth in the Optional Redemption Notice. If the Optional Redemption Notice shall have been given, then from and after the time immediately prior to the close of business on the Optional Redemption Date, unless the Corporation defaults in providing funds sufficient for such redemption at the time and place specified for payment pursuant to the Optional Redemption Notice, all dividends on such Series 1 Preferred Shares to be redeemed shall cease to accrue and all other rights with respect to the Series 1 Preferred Shares to be redeemed, including the rights, if any, to receive notices, will terminate, except only the rights of

Holders thereof to receive the Optional Redemption Price. Where a part only of the then outstanding Series 1 Preferred Shares is at any time to be redeemed, the Series 1 Preferred Shares to be redeemed will be redeemed pro rata (disregarding fractions). The Corporation shall be entitled to receive from the Paying Agent the interest income, if any, earned on any such funds deposited with the Paying Agent (to the extent that such interest income is not required to pay the Optional Redemption Price of the Series 1 Preferred Shares to be redeemed), and the holders of any Series 1 Preferred Shares so redeemed shall have no claim to any such interest income.

7. Repurchase for Cancellation.

7.1 The Corporation may at any time or from time to time purchase for cancellation the whole or any part of the outstanding Series 1 Preferred Shares in the open market at the lowest price or prices at which in the opinion of the Board of Directors such shares are obtainable, provided that (a) the annual after tax cost to the Corporation of the interest or dividend payable on any debt incurred or security issued to fund such purchases would be less than (b) the annual after tax cost to the Corporation of the dividends then payable on Series 1 Preferred Shares.

7.2 In the case of purchase of Series 1 Preferred Shares by tender, the Corporation shall give notice to the then registered holders of Series 1 Preferred Shares of its intention to invite tenders to holders of the Series 1 Preferred Shares and, if two or more tenders of Series 1 Preferred Shares at the same price are received, which Series 1 Preferred Shares when added to any Series 1 Preferred Shares already tendered at a lower price or prices aggregate more than the number of Series 1 Preferred Shares to be purchased at such time, the Corporation shall prorate as nearly as may be possible (disregarding fractions) among the Holders submitting such tenders at the same price the number of Series 1 Preferred Shares necessary to complete the number of Series 1 Preferred Shares to be purchased at such time.

8. Fundamental Changes.

8.1 The Corporation shall give notice to the Holders of any proposed Fundamental Change no later than fifteen (15) Business Days prior to the anticipated effective date (as determined in good faith by the Corporation) of such Fundamental Change or, if not practicable, as soon as reasonably practicable but in any event no later than five (5) Business Days after the Corporation becomes aware of such proposed Fundamental Change.

8.2 In the event of a Fundamental Change, each Holder (such party, as applicable, the "**Fundamental Change Put Right Holder**") shall have the right (the "**Fundamental Change Put Right**"), but not the obligation, to cause the Corporation to purchase all or a portion of such Fundamental Change Put Right Holder's outstanding Series 1 Preferred Shares. The Fundamental Change Put Right shall be exercisable by each Holder for a period of ten (10) Business Days following the effective date of any such Fundamental Change (the "**Fundamental Change Put Exercise Period**") by providing written notice to the Corporation (the "**Fundamental Change Put Notice**"). Any such purchase of Series 1 Preferred Shares by the Corporation pursuant to a Fundamental Change Put Right Holder's exercise of a Fundamental Change Put Right shall occur on such date set by the Corporation in its sole discretion, but in any event no later than thirty (30) days after receipt of the Fundamental Change Put Notice (the "**Fundamental Change Put Date**"). Notwithstanding anything to the contrary herein, the Fundamental Change Put Date may be on the date of such Fundamental Change, and any purchase of Series 1 Preferred Shares pursuant to this Section 8 may be made simultaneously with such Fundamental Change.

8.3 Subject to applicable law, the Corporation shall effect any such purchase of Series 1 Preferred Shares pursuant to a Fundamental Change Put Right under this Section 8 by depositing with or otherwise making available to the Paying Agent, in accordance with Section 8.4, cash for each Series 1 Preferred Share to be purchased in an amount equal to the greater of (a) the sum of the Liquidation Preference plus the Accrued Dividends and (b) the Applicable MOIC less the sum of amounts paid pursuant to Section 3.1 on such Series 1 Preferred Share, in each case, as of the Fundamental Change Put Date (the "**Fundamental Change Put Price**").

8.4 If a Fundamental Change Put Right Holder gives a Fundamental Change Put Notice, the Corporation shall deposit with or otherwise make available to the Paying Agent funds sufficient to satisfy the Fundamental Change Put Price, no later than the open of business on the Fundamental Change Put Date, and the Corporation shall give the Paying Agent instructions and authority to pay the Fundamental Change Put Price to the applicable Fundamental Change Put Right Holder. From and after the time immediately prior to the close of business on the Fundamental Change Put Date, unless the Corporation defaults in providing funds sufficient for the purchase of Series 1 Preferred Shares in full in accordance with this Section 8.4 or otherwise at the time and place specified for payment by the Corporation, all dividends on such Series 1 Preferred Shares to be redeemed shall cease to accrue and all other rights with respect to the Series 1 Preferred Shares to be purchased, including the rights, if any, to receive notices, will terminate, except only the rights of Holders thereof to receive the Fundamental Change Redemption Price. The Corporation shall be entitled to receive from the Paying Agent the interest income, if any, earned on any such funds deposited with the Paying Agent (to the extent that such interest income is not required to pay the Fundamental Change Put Price of the Series 1 Preferred Shares to be purchased), and the holders of any Series 1 Preferred Shares so purchased shall have no claim to any such interest income.

8.5 If a Fundamental Change Put Exercise Period has expired and the applicable Fundamental Change Put Right Holder has not exercised the applicable Fundamental Change Put Right, such Fundamental Change Put

Right Holder shall be entitled to Fundamental Change Put Rights in respect of any subsequent Fundamental Change in accordance with this Section 8, without limitation.

9. Miscellaneous.

9.1 With respect to any notice to a Holder required to be provided hereunder, neither failure to mail such notice, nor any defect therein or in the mailing thereof, to any particular Holder shall affect the sufficiency of the notice or the validity of the proceedings referred to in such notice with respect to the other Holders or affect the legality or validity of any vote upon any such action (assuming due and proper notice to such other Holders). Any notice which was mailed in the manner herein provided shall be conclusively presumed to have been duly given whether or not the Holder receives the notice.

9.2 Series 1 Preferred Shares that have been issued and reacquired by the Corporation in any manner (upon compliance with any applicable provisions of the CBCA or other applicable laws) shall upon such reacquisition be automatically cancelled by the Corporation and shall not be reissued.

9.3 The Series 1 Preferred Shares shall be issuable only in whole shares.

9.4 The Corporation shall elect, in the manner and within the time provided, under subsection 191.2(1) of the *Income Tax Act* (Canada) and shall take any other necessary action thereunder, to pay or cause the payment of tax under Part VI.1 of the *Income Tax Act* (Canada) at a rate such that no holder of Series 1 Preferred Shares would be required to pay tax on dividends received on the Series 1 Preferred Shares under Part IV.1 of the *Income Tax Act* (Canada).

9.5 All notice periods referred to herein shall commence (a) on the day on which notice was delivered or transmitted by email or personally by hand (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (Toronto time) at the place of receipt, then on the next following Business Day) or, (b) if mailed by internationally recognized overnight courier, on the Business Day following the date of mailing; provided, however, that if at the time of mailing or within two Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid. Notice to any Holder shall be given to the registered address set forth in the Corporation's records for such Holder.

9.6 Unless otherwise stated, all references herein to dollar amounts, "dollars" or "$" are references to United States dollars.

9.7 Any payments required to be made hereunder on any day that is not a Business Day shall be made on the next succeeding Business Day without interest or additional payment for such delay. All payments required hereunder shall be made by wire transfer of immediately available funds or cheque to the Holders in accordance with the payment instructions as such Holders may deliver by written notice to the Corporation or the Paying Agent from time to time. The making of a payment by way of wire transfer or cheque or, in the case where a Holder has not provided the Corporation or the Paying Agent with account particulars for a wire transfer or cheque, the deposit by the Corporation of the funds otherwise payable to such Holder in a special account or accounts in trust for such Holder, shall be deemed to constitute payment by the Corporation on the date thereof and shall satisfy and discharge all liabilities of the Corporation for such payment to the extent of the amount represented by such transfer. Any funds deposited with the Paying Agent hereunder by the Corporation for any reason, including redemption or purchase of Series 1 Preferred Shares, that remain unclaimed or unpaid after two years after the Optional Redemption Date, Fundamental Change Put Date or other payment date, shall be, to the extent permitted by applicable law, repaid to the Corporation upon its written request, after which repayment the Holders entitled to such redemption, purchase or other payment shall have recourse only to the Corporation.

9.8 Notwithstanding any other provision hereof, the Corporation may deduct or withhold from any payment, distribution, issuance or delivery to be made pursuant to these share provisions any amounts required or permitted by law to be deducted or withheld from any such payment, distribution, issuance or delivery and shall remit any such amounts to the relevant tax authority as required. Notwithstanding the foregoing, the amount of any payment, distribution, issuance or delivery made to a Holder pursuant to this Schedule shall be considered to be the amount of the payment, distribution, issuance or delivery received by such Holder plus any amount deducted or withheld pursuant to this Section 9.8.

9.9 Any amendment, modification or alteration of the rights, preferences, privileges or voting powers of the Series 1 Preferred Shares shall, solely to the extent required by the applicable rules and regulations of the Stock Exchange, be subject to the approval of the Stock Exchange for as long as the Common Shares are listed for trading thereon.