

Class 1 Shares Series 28

The following are the rights, privileges, restrictions and conditions (the “Class 1 Shares Series 28 Provisions”) attaching to the Class 1 Shares Series 28 (the “Class 1 Shares Series 28”) of Manulife Financial Corporation (the “**Corporation**”).

1. **Consideration for Issue**

The consideration for the issue of each Class 1 Share Series 28 shall be \$1,000.00.

2. **Dividends**

(1) **Payment of Dividends.** The holders of Class 1 Shares Series 28 will be entitled to receive, and the Corporation will pay on the Class 1 Shares Series 28, as and when declared by the Board of Directors, but subject to the provisions of the Insurance Act, semi-annual fixed rate non-cumulative preferential cash dividends at the rates and times herein provided.

- (a) During the Initial Fixed Rate Period, dividends on the Class 1 Shares Series 28 will be payable semi-annually in an amount per share per annum determined by multiplying the Initial Annual Fixed Dividend Rate by \$1,000.00. Accordingly, on each Dividend Payment Date during the Initial Fixed Rate Period, other than March 19, 2022, the dividend payable, if declared, will be equal to \$20.50 per share. The amount payable from and including the Issue Date up to but excluding March 19, 2022, will be an amount in cash equal to \$14.4904109589041 per share.
- (b) During each Subsequent Fixed Rate Period, dividends on the Class 1 Shares Series 28 will, if declared, be in the amount per share per annum determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$1,000.00, payable semi-annually on each Dividend Payment Date.
- (c) The Corporation will, in respect of each Subsequent Fixed Rate Period, calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the then holders of Class 1 Shares Series 28. Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Class 1 Shares Series 28.
- (d) Whenever it is necessary to compute any dividend amount in respect of the Class 1 Shares Series 28 for a period less than one full semi-annual period, such dividend amount shall be calculated on the basis of the actual number of days in the period and a year of 365 days.
- (e) If the Board of Directors does not declare the dividends, or any part thereof, on the Class 1 Shares Series 28 on or before the Dividend Payment Date for a particular Dividend Period, the entitlement of the holders of the Class 1 Shares Series 28 to

such dividends, or to any part thereof, for the Dividend Period will be forever extinguished.

(2) **Method of Payment.** Dividends on the Class 1 Shares Series 28 will be paid by cheque of the Corporation, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company, in the amount of the applicable dividend, rounded to the nearest whole cent (\$0.01), less any tax required to be deducted and withheld by the Corporation. The mailing by ordinary unregistered first class prepaid mail of such a cheque to a holder of Class 1 Shares Series 28 to the address of the holder as it appears on the register of holders, or if the address of any such holder does not so appear, then to the last known address of such holder, on or before the fifth Business Day before the Dividend Payment Date will be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within two years after it was issued or that otherwise remains unclaimed for a period of two years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Corporation. The Corporation may pay dividends in any other manner as it may agree with any particular holder.

3. **Redemption**

(1) **No Redemption Before February 19, 2027.** Except as provided in this section 3, the Corporation may not redeem any of the Class 1 Shares Series 28 prior to February 19, 2027.

(2) **Redemption On and After February 19, 2027.** During the period from February 19, 2027 to and including March 19, 2027 and during the period from February 19 to and including March 19 every fifth year thereafter, but subject to section 4 and to the provisions of the Insurance Act, the regulations thereto and the applicable guidelines established by OSFI, including the requirement for the prior written approval of the Superintendent, the Corporation may redeem all or from time to time any part of the Class 1 Shares Series 28 then outstanding without the consent of the holders. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described below, by the payment of an amount in cash for each Class 1 Share Series 28 so redeemed equal to \$1,000.00 (the "Redemption Price") in each case, together with all declared and unpaid dividends on such Class 1 Share Series 28 up to but excluding the date on which the redemption is to occur (the "Redemption Date").

(3) **Redemption Upon the Occurrence of a Special Event Date.** Upon the occurrence of a Special Event Date, but subject to section 4 and to the provisions of the Insurance Act, the regulations thereto and the applicable guidelines established by OSFI, including the requirement for the prior written approval of the Superintendent, the Corporation may redeem in whole but not in part the Class 1 Shares Series 28 then outstanding without the consent of the holders at any time on or following a Special Event Date. The Corporation may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described below, by the payment of an amount in cash for each Class 1 Share Series 28 so redeemed equal to the Redemption Price in each case, together with all declared and unpaid dividends on such Class 1 Share Series 28 up to but excluding the Redemption Date.

(4) **Redemption Upon the Redemption, Purchase or Maturity of the Notes.**

- (a) If at any time the Corporation, with the prior written approval of the Superintendent, redeems Notes in accordance with their terms or purchases Notes, in whole or in part, in the market or by tender or by private contract, for cancellation, then the Corporation shall, subject to section 4 and to the provisions of the Insurance Act, the regulations thereto and the applicable guidelines established by OSFI, including the requirement for the prior written approval of the Superintendent, redeem such number of Class 1 Shares Series 28 with an aggregate face amount equal to the aggregate principal amount of Notes redeemed or purchased for cancellation by the Corporation, by the payment of an amount in cash for each Class 1 Share Series 28 so redeemed equal to the Redemption Price, together with all declared and unpaid dividends on such Class 1 Share Series 28 up to but excluding the Redemption Date.
- (b) Concurrently with or upon the maturity of the Notes, subject to section 4 and to the provisions of the Insurance Act, the regulations thereto and the applicable guidelines established by OSFI, including the requirement for the prior written approval of the Superintendent, the Corporation shall redeem all of the outstanding Class 1 Shares Series 28 by the payment of an amount in cash for each Class 1 Share Series 28 so redeemed equal to the Redemption Price, together with all declared and unpaid dividends on such Class 1 Share Series 28 up to but excluding the Redemption Date, and apply, or cause the trustee of the Limited Recourse Trust to apply, the proceeds of such redemption towards the repayment of the aggregate principal amount of and any accrued and unpaid interest on the Notes, unless otherwise satisfied by the Corporation.
- (5) **Partial Redemptions.** In the case of partial redemptions, Class 1 Shares Series 28 to be redeemed will be selected on a proportionate basis or in any other manner that the Board of Directors may determine.
- (6) **Notice of Redemption.** The Corporation will give to each holder of Class 1 Shares Series 28 to be redeemed a notice in writing of the intention of the Corporation to redeem such shares (the “Redemption Notice”). The Redemption Notice must be given (i) at least 30 days but not more than 60 days before the Redemption Date in the case of a redemption of Class 1 Shares Series 28 in connection with the occurrence of a Special Event Date, and (ii) at least 15 days but not more than 60 days before the Redemption Date in all other cases. The Redemption Notice must set out the number of Class 1 Shares Series 28 held by the person to whom it is addressed which are to be redeemed, the Redemption Price, the amount of declared and unpaid dividends to be paid and the Redemption Date. In addition to the Redemption Notice, if the Corporation proposes to redeem less than all of the Class 1 Shares Series 28 then outstanding, the Corporation will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.
- (7) **Method of Payment.** The Corporation will either pay or cause to be paid to the holders of the Class 1 Shares Series 28 to be redeemed, in respect of each Class 1 Share Series 28 to be redeemed, the Redemption Price and all declared and unpaid dividends on such Class 1 Share Series 28 on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate

or certificates for the Class 1 Shares Series 28 so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Class 1 Shares Series 28. Payment by cash will be made by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Class 1 Shares Series 28 represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Corporation. Subject to subsection (8) below, from and after the date specified in any Redemption Notice, the Class 1 Shares Series 28 called for redemption will be deemed to be redeemed and the holders of those Class 1 Shares Series 28 will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Class 1 Shares Series 28 unless payment of the Redemption Price and all declared and unpaid dividends on those Class 1 Shares Series 28 is not duly made by the Corporation on presentation and surrender of the certificate or certificates representing the Class 1 Shares Series 28.

(8) **Deposit of Redemption Price and Declared and Unpaid Dividends.** At any time after the Redemption Notice is given, the Corporation will have the right to deposit the Redemption Price and all declared and unpaid dividends of any or all Class 1 Shares Series 28 called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Class 1 Shares Series 28, to be paid on surrender to the Corporation or that chartered bank or trust company of the certificate or certificates representing those Class 1 Shares Series 28. Any such deposit will constitute payment and satisfaction of the Redemption Price and all declared and unpaid dividends of the Class 1 Shares Series 28 for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion of the Redemption Price and all declared and unpaid dividends (less any tax required to be deducted and withheld by the person holding such deposit) so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Class 1 Shares Series 28 being redeemed. The Corporation will be entitled to any interest on such deposit.

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

As long as any Class 1 Shares Series 28 are outstanding, the Corporation will not at any time, without the approval of the holders of the Class 1 Shares Series 28 given as provided in section 9:

- (a) declare, pay or set apart for payment any dividend on its Common Shares or any other shares ranking junior to the Class 1 Shares Series 28 (other than stock dividends in any shares ranking junior to the Class 1 Shares Series 28);
- (b) redeem, purchase or otherwise retire any of its Common Shares or any other shares ranking junior to the Class 1 Shares Series 28 (except out of the net cash proceeds of a substantially concurrent issue of shares ranking junior to the Class 1 Shares Series 28);
- (c) redeem, purchase or otherwise retire less than all the Class 1 Shares Series 28; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching to any series of preferred shares of the

Corporation, redeem, purchase or otherwise retire any other shares ranking on a parity with the Class 1 Shares Series 28;

unless, in each case, all dividends on the Class 1 Shares Series 28 up to and including those payable on the Dividend Payment Date for the last completed Dividend Period and in respect of which the rights of holders have not been extinguished, and all dividends then accrued on all other shares ranking senior to or on a parity with the Class 1 Shares Series 28 up to the immediately preceding respective date or dates for payment and in respect of which the rights of holders of those shares have not been extinguished, have been declared and paid or set apart for payment.

Notwithstanding the provisions attaching to the Class 1 Shares, the Corporation will not create any class of shares superior to the Class 1 Shares without the approval of the holders of the series of Class 1 Shares voting together as a class.

5. **Issue of Additional Shares and Amendments to Class 1 Shares Series 28**

(1) **Issue of Additional Shares.** The Corporation may issue shares of any other series of Class 1 Shares or shares of any other class or series of the Corporation without authorization of the holders of the Class 1 Shares Series 28.

(2) **Amendments to Class 1 Shares Series 28.**

(a) The Corporation will not without, but may from time to time with, the approval of holders of the Class 1 Shares Series 28 given as specified in section 9, delete, amend or vary any of these Class 1 Shares Series 28 Provisions.

(b) In addition to the approval in paragraph (a) above, the Corporation will not without, but may from time to time with, the prior written approval of the Superintendent, make any such deletion, amendment or variation which might affect the classification afforded the Class 1 Shares Series 28 from time to time for capital adequacy purposes pursuant to the Insurance Act or the LICAT Guideline.

6. **Purchase for Cancellation**

Subject to section 4 and to the provisions of the Insurance Act, the regulations thereto and the applicable guidelines established by OSFI, including the requirement for the prior written approval of the Superintendent, the Corporation may purchase for cancellation at any time all or from time to time any part of the Class 1 Shares Series 28 then outstanding in the market or by tender or by private contract at any price.

7. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation for the purpose of winding-up its affairs, the holders of the Class 1 Shares Series 28 will be entitled to receive \$1,000.00 for each Class 1 Share Series 28 held by them, plus any dividends declared and unpaid to the date of distribution, before any amounts are paid or any assets of the Corporation distributed to the holders of any shares ranking junior to the Class 1 Shares Series 28. After

payment of those amounts, the holders of Class 1 Shares Series 28 will not be entitled to share in any further distribution of the property or assets of the Corporation.

8. **Voting Rights**

Except as hereinafter referred to or as required by law, holders of Class 1 Shares Series 28 will not be entitled as such to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation unless and until the first time at which the Board of Directors has not declared the dividend in full on the Class 1 Shares Series 28 in any Dividend Period. In that event, subject to the provisions of the Insurance Act, the holders of Class 1 Shares Series 28 will be entitled to receive notice of and to attend only meetings of shareholders of the Corporation at which directors are to be elected and will be entitled to one vote for each Class 1 Share Series 28 held at such meetings, but only in respect of the election of directors voting together with all other shareholders of the Corporation who are entitled to vote at such meetings, and the holders of Class 1 Shares Series 28 will not be entitled to vote in respect of any other business conducted at such meetings (the “Voting Rights”). The Voting Rights of the holders of the Class 1 Shares Series 28 will cease on payment by the Corporation of the first dividend on the Class 1 Shares Series 28 to which the holders are entitled under these Class 1 Shares Series 28 Provisions after the time the Voting Rights first arose until such time as the Corporation may again fail to declare the dividend in full on the Class 1 Shares Series 28 in any Dividend Period, in which event the Voting Rights will become effective again and so on from time to time.

9. **Approval of Holders of Class 1 Shares Series 28**

Any approval given by the holders of Class 1 Shares Series 28 will be deemed to have been sufficiently given if given by a resolution passed at a meeting of the holders of Class 1 Shares Series 28 duly called and held on not less than 21 days' notice at which the holders of at least 25% of the outstanding Class 1 Shares Series 28 are present or are represented by proxy and carried by the affirmative vote of not less than $66\frac{2}{3}\%$ of the votes cast at the meeting. If at the meeting the holders of at least 25% of the outstanding Class 1 Shares Series 28 are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the Chairman may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Class 1 Shares Series 28 present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than $66\frac{2}{3}\%$ of the votes cast at the meeting will constitute the approval of the holders of Class 1 Shares Series 28. On every poll taken at any meeting or adjourned meeting, every holder of Class 1 Shares Series 28 will be entitled to one vote in respect of each Class 1 Share Series 28 held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Corporation with respect to meetings of shareholders or under the Insurance Act.

10. **Tax Election**

The Corporation will elect, in the manner and within the time provided under section 191.2 of the Tax Act or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay tax under Part VI.1 of the Tax Act at a rate

such that holders of the Class 1 Shares Series 28 will not be required to pay tax on dividends received (or deemed to be received) on the Class 1 Shares Series 28 under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

11. **Notices**

(1) **Notice to the Corporation.** Subject to applicable law, any notice, request or other communication to be given to the Corporation by a holder of Class 1 Shares Series 28 must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Corporation and addressed to the attention of the Secretary. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Corporation.

(2) **Presentation and Surrender of Certificates.** Any presentation and surrender by a holder of Class 1 Shares Series 28 to the Corporation or the Transfer Agent of certificates representing Class 1 Shares Series 28 in connection with the redemption of Class 1 Shares Series 28 must be made by registered mail (postage prepaid) or by delivery to the registered office of the Corporation or to such office of the Transfer Agent as may be specified by the Corporation, in each case addressed to the attention of the Secretary of the Corporation. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Corporation or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) **Notice to Holders of Class 1 Shares Series 28.** Subject to applicable law, any notice, request or other communication to be given to a holder of Class 1 Shares Series 28 by or on behalf of the Corporation must be in writing and will be valid and effective if given by ordinary unregistered first class mail (postage prepaid) or by electronic communication or by delivery to the address of the holder recorded in the securities register of the Corporation or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Class 1 Shares Series 28, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Corporation pursuant to that notice, request or other communication.

12. **Number of Class 1 Shares Series 28**

The Corporation is authorized to issue an unlimited number of Class 1 Shares Series 28.

13. **Interpretation**

(1) **Defined Terms.** In these Class 1 Shares Series 28 Provisions:

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 2.704%.

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

“Board of Directors” means the board of directors of the Corporation.

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

“Business Day” means any day on which Canadian chartered banks are open for business in the City of Toronto, Ontario and which is not a Saturday or Sunday.

“Class 1 Shares Series 28” has the meaning attributed to it in the introductory paragraph to these Class 1 Shares Series 28 Provisions.

“Class 1 Shares Series 28 Provisions” has the meaning attributed to it in the introductory paragraph to these terms and conditions attaching to the Class 1 Shares Series 28.

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

“Depository” means CDS Clearing and Depository Services Inc. and its nominees or any successor carrying on the business as a depository, which is approved by the Corporation pursuant to section 14(3).

“Dividend Payment Date” means the 19th day of the months of March and September in each year.

“Dividend Period” means the period from and including the Issue Date up to but excluding March 19, 2022 and, thereafter, the six-month period commencing on and including a Dividend Payment Date and ending on the day immediately preceding the next Dividend Payment Date.

“Fixed Period End Date” means March 19, 2027 and each March 19 every fifth year thereafter.

“Fixed Rate Calculation Date” means, for any Subsequent Fixed Rate Period, the Business Day prior to the first day of such Subsequent Fixed Rate Period.

“**Global Certificate**” has the meaning attributed to it in section 14(1).

“**Government of Canada Yield**” at any Fixed Rate Calculation Date means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Corporation, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers.

“**Initial Annual Fixed Dividend Rate**” means, for the Initial Fixed Rate Period, the rate equal to the interest rate per annum on the Notes in effect on the date of issue of the Notes, being 4.10%.

“**Initial Fixed Rate Period**” means the period commencing on the Issue Date to but excluding March 19, 2027.

“**Initial Reset Date**” means March 19, 2027.

“**Insurance Act**” means the *Insurance Companies Act* (Canada).

“**Issue Date**” means the date any of the Class 1 Shares Series 28 are first issued.

“**LICAT Guideline**” means OSFI’s Life Insurance Capital Adequacy Test Guideline effective January 2019, as may be replaced, amended, supplemented or restated from time to time.

“**Limited Recourse Trust**” means the Manulife LRCN Limited Recourse Trust, a trust established under the laws of the Province of Manitoba and the initial holder of the Class 1 Shares Series 28.

“**Notes**” means the 4.10% Limited Recourse Capital Notes Series 2 (Subordinated Indebtedness) to be issued by the Corporation on or about November 12, 2021.

“**OSFI**” means the Office of the Superintendent of Financial Institutions Canada.

“**Participant**” means a participant in the Book-Entry System that has an interest in Class 1 Shares Series 28.

“**Redemption Date**” has the meaning attributed to it in section 3(2).

“**Redemption Notice**” has the meaning attributed to it in section 3(6).

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

“**Regulatory Event Date**” means the date specified in a letter from the Superintendent to the Corporation on which the Notes will no longer be recognized in full as eligible “Tier 1 Capital Instruments other than Common Shares” or will no longer be eligible to be included in full as risk-based “Available Capital” on a consolidated basis, in each case under the LICAT Guideline as interpreted by the Superintendent.

“**Special Event Date**” means a Regulatory Event Date or a Tax Event Date.

“**Subsequent Fixed Rate Period**” means the period from and including the Initial Reset Date to but excluding the next Fixed Period End Date and each five-year period thereafter from and including such Fixed Period End Date to but excluding the next Fixed Period End Date.

“**Superintendent**” means the Superintendent of Financial Institutions and any successor appointed pursuant to the *Office of the Superintendent of Financial Institutions Act* (Canada).

“**Tax Event Date**” means the date on which the Corporation has received an opinion of independent counsel of nationally recognized standing experienced in such matters (who may be counsel to the Corporation) to the effect that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an “Administrative Action”); or (iii) any amendment to, clarification of, or change (including any announced prospective change) in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and

applicable) that (A) the Corporation or the Limited Recourse Trust is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Corporation of interest on the Notes) or the treatment of the Notes or the Class 1 Shares Series 28 (including dividends thereon) or other assets of the Limited Recourse Trust or the Limited Recourse Trust, as or as would be reflected in any tax return or form filed, to be filed, or otherwise could have been filed, will not be respected by a taxing authority, or (B) the Limited Recourse Trust is, or will be, subject to more than a de minimis amount of taxes, duties or other governmental charges or civil liabilities.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Transfer Agent**” means TSX Trust Company, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Class 1 Shares Series 28.

“**Voting Rights**” has the meaning attributed to it in section 8.

(2) **Ranking of Shares.** The expressions “superior to”, “on a parity with” and “ranking junior to” and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs.

(3) **Holder.** References to a “holder” in relation to Class 1 Shares Series 28 means a registered holder of those shares.

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

(5) **Other Payment Matters.**

(a) If any date on which any dividend on the Class 1 Shares Series 28 is payable or on or by which any other action is required to be taken by the Corporation under these Class 1 Shares Series 28 Provisions is not a Business Day, then the dividend will be payable, or such other action will be required to be taken, on or by the next day that is a Business Day.

(b) In the event of the non-receipt of a cheque by a holder of Class 1 Shares Series 28 entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the holder a replacement cheque for the amount of the original cheque.

- (c) The Corporation will be entitled to deduct or withhold from any amount payable to a holder of Class 1 Shares Series 28 under these Class 1 Shares Series 28 Provisions any amount required by law to be deducted or withheld from that payment.

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

14. **Registration of Class 1 Shares Series 28 and Transfer, Redemption Purchase and Exchanges Through the Book-Entry System**

(1) **Book-Entry-Only Issue.** The Class 1 Shares Series 28 shall initially be registered in the name of the holders thereof. In the event that the Class 1 Shares Series 28 are required to be delivered to the holders of the Notes, the holders of the Class 1 Shares Series 28 will be required to surrender to the Transfer Agent the physical certificate or certificates representing such holder's Class 1 Shares Series 28, if any, together with such other instruments of transfer necessary to transfer such Class 1 Shares Series 28 into the Book-Entry System and to the holders of the Notes, and upon the transfer of such Class 1 Shares Series 28 and thereafter, subject to subsections (2) and (3) below, such Class 1 Shares Series 28 shall be issued and held under the Book-Entry System and shall be held electronically through the non-certificated inventory system maintained by the Depository or issued in the form of one or more fully-registered global certificates (the "Global Certificate"). In that case, the Class 1 Shares Series 28 shall be held by, or on behalf of, the Depository as custodian of the Global Certificate for the Participants. The Class 1 Shares Series 28 (whether represented by the Global Certificate or in non-certificated form) will be registered in the name of "CDS & CO." (or such other name as the Depository may use from time to time as its nominee name for purposes of the Book-Entry System) and registrations of ownership, transfers, redemptions, purchases, surrenders and exchanges of Class 1 Shares Series 28 will be made only through the Book-Entry System to another nominee of the Depository for the Class 1 Shares Series 28 or to a successor Depository for the Class 1 Shares Series 28 approved by the Corporation or to a nominee of such successor Depository. Accordingly, subject to subsection (3) below, the beneficial owners of Class 1 Shares Series 28 will not receive a certificate or other instrument from the Corporation or the Depository evidencing their ownership of Class 1 Shares Series 28, and beneficial owners will not be shown on the records maintained by the Depository, except through a book-entry account of a Participant acting on behalf of a beneficial owner.

(2) **Depository is Owner of Class 1 Shares Series 28.** For purposes of these Class 1 Shares Series 28 Provisions, as long as the Depository, or its nominee, is the registered holder of the Class 1 Shares Series 28:

- (a) the Depository, or its nominee, as the case may be, will be considered the sole owner of the Class 1 Shares Series 28 for the purpose of receiving notices or payments on or in respect of the Class 1 Shares Series 28, including payments of dividends, the Redemption Price or all declared and unpaid dividends on the Class 1 Shares Series 28; and
- (b) the Corporation, pursuant to the exercise by it of its right to redeem Class 1 Shares Series 28, will deliver or cause to be delivered to the Depository, or its nominee, for the benefit of the beneficial owners of the Class 1 Shares Series 28, the

Redemption Price and all declared and unpaid dividends on the Class 1 Shares Series 28, against delivery, if applicable, to the Corporation's account with the Depository, or its nominee, of such holder's Class 1 Shares Series 28.

(3) **Termination of Book-Entry System.** If at any time the Corporation determines or the Depository notifies the Corporation in writing that the Depository is no longer willing or able to discharge properly its responsibility as depository and, in either case, the Corporation is unable to determine a qualified successor, or the Corporation, at its option, elects, or is required by law, to terminate the Book-Entry System, subsections (1) (excluding the first sentence) and (2) above will no longer be applicable to the Class 1 Shares Series 28. In that case, the Corporation will execute and deliver certificates for the Class 1 Shares Series 28 in definitive registered form equal to the aggregate number of Class 1 Shares Series 28 represented by the Global Certificate or in non-certificated form in the Book-Entry System. On such exchange, the Transfer Agent will cancel the Global Certificate, if any. Certificates for Class 1 Shares Series 28 in definitive registered form issued in exchange for the Class 1 Shares Series 28 represented by the Global Certificate or in non-certificated form in the Book-Entry System will be registered in such names and in such number of Class 1 Shares Series 28 as instructed in writing by the Depository to the Transfer Agent. The Transfer Agent will deliver or cause to be delivered such definitive certificates to the persons in whose names the Depository has so instructed.

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

The Corporation shall have the right, with respect to any funds deposited by the Corporation to any chartered bank or trust company in respect of amounts due to holders of Class 1 Shares Series 28, on or after the first anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Corporation any funds which remain unclaimed by holders of the Class 1 Shares Series 28. If at any time following the return of the unclaimed funds to the Corporation, either the Corporation or the chartered bank or trust company receives a request from a holder of Class 1 Shares Series 28 for the holder's unclaimed entitlement to any amount due to the holder in respect of the holder's Class 1 Shares Series 28, the Corporation shall promptly arrange for the payment of such amount to the holder.

16. **Wire or Electronic Transfer of Funds**

Notwithstanding any other right, privilege, restriction or condition attaching to the Class 1 Shares Series 28, the Corporation may, at its option, make any payment due to a holder of Class 1 Shares Series 28 hereunder by way of a wire or electronic transfer of funds to each registered holder of Class 1 Shares Series 28. In the event that a payment is made by way of a wire or electronic transfer of funds, the Corporation shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Corporation that a payment is to be made by way of a wire or electronic transfer of funds, the Corporation shall notify each registered holder of Class 1 Shares Series 28 at the address of such holder as it appears on the books of the Corporation. Such notice by the Corporation will request that each registered holder of Class 1 Shares Series 28 provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. In the event that the Corporation does not receive account particulars from a registered holder of Class 1 Shares Series 28 prior to the date such payment is to be made, the

Corporation shall deposit the funds otherwise payable to such holder in a special account in trust for such holders. The making of a payment by way of a wire or electronic transfer of funds or, in the case where a registered holder of the Class 1 Shares Series 28 has not provided the Corporation with account particulars for a wire or electronic transfer of funds, the deposit by the Corporation of the funds otherwise payable to such holder in a special account in trust for such holders, 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.