

**BROOKFIELD INFRASTRUCTURE PARTNERS LIMITED**

**- and -**

**EACH PERSON WHO IS ADMITTED TO THE PARTNERSHIP AS A LIMITED  
PARTNER FROM TIME TO TIME**

---

**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT  
OF BROOKFIELD INFRASTRUCTURE PARTNERS L.P.**

---

**February 16, 2018**

## TABLE OF CONTENTS

|  | Page      |
|--|-----------|
| <b>ARTICLE 1 INTERPRETATION.....</b>   | <b>2</b>  |
| 1.1 Definitions.....   | 2         |
| 1.2 Headings and Table of Contents .....   | 9         |
| 1.3 Gender and Number .....  | 9         |
| 1.4 Currency.....  | 9         |
| 1.5 Invalidity of Provisions .....   | 9         |
| 1.6 Entire Agreement .....   | 9         |
| 1.7 Waiver, Amendment .....  | 10        |
| 1.8 Governing Law; Submission to Jurisdiction.....   | 10        |
| <b>ARTICLE 2 ORGANIZATIONAL MATTERS.....</b>   | <b>10</b> |
| 2.1 Formation.....   | 10        |
| 2.2 Purpose.....   | 11        |
| 2.3 Powers.....  | 11        |
| 2.4 Name .....   | 11        |
| 2.5 Registered Office; Principal Office .....  | 11        |
| 2.6 Power of Attorney .....  | 12        |
| 2.7 Term.....  | 13        |
| <b>ARTICLE 3 CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS .....</b>             | <b>14</b> |
| 3.1 General.....   | 14        |
| 3.2 Initial Capital Contributions by the General Partner and the Initial Limited Partner ..... | 14        |
| 3.3 The Reorganization and Spin-Off.....   | 14        |
| 3.4 Interest and Withdrawal.....   | 14        |
| 3.5 Issuances of Additional Partnership Interests .....  | 14        |
| 3.6 Pre-emptive Rights.....  | 15        |
| 3.7 Splits and Combinations .....  | 15        |
| 3.8 Fully Paid and Non-Assessable Nature of Units.....   | 16        |
| <b>ARTICLE 4 ALLOCATIONS AND DISTRIBUTIONS .....</b>   | <b>16</b> |
| 4.1 Allocations for Tax Purposes.....  | 16        |
| 4.2 Currency Translation .....   | 18        |
| 4.3 Distributions.....   | 18        |
| 4.4 Prohibition on Distributions.....  | 19        |
| <b>ARTICLE 5 MANAGEMENT AND OPERATION OF PARTNERSHIP .....</b>                                 | <b>19</b> |
| 5.1 Management.....  | 19        |
| 5.2 Restrictions on General Partner's Authority .....  | 20        |
| 5.3 Reimbursement of Partnership Expenses.....   | 20        |
| 5.4 Outside Activities.....  | 20        |
| 5.5 Disclosure of Interests.....   | 21        |
| 5.6 Indemnification .....  | 22        |
| 5.7 Resolution of Conflicts of Interest.....   | 24        |

## TABLE OF CONTENTS

(continued)

|  | <b>Page</b> |
|--|-------------|
| 5.8 Other Matters Concerning the General Partner .....                                       | 25          |
| 5.9 Title to Assets .....  | 25          |
| 5.10 Purchase or Sale of Units .....   | 26          |
| 5.11 Reliance by Third Parties .....   | 26          |
| 5.12 Services .....  | 26          |
| <b>ARTICLE 6 INVESTMENTS IN THE INFRASTRUCTURE PARTNERSHIP .....</b>                         | <b>27</b>   |
| <b>ARTICLE 7 RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS.....</b>                             | <b>27</b>   |
| 7.1 Limitation of Liability.....   | 27          |
| 7.2 Management of Partnership Affairs.....   | 27          |
| 7.3 Outside Activities.....  | 27          |
| <b>ARTICLE 8 BOOKS, RECORDS, ACCOUNTING AND REPORTS .....</b>                                | <b>28</b>   |
| 8.1 Books, Records and Accounting.....   | 28          |
| 8.2 Fiscal Year .....  | 28          |
| 8.3 Reports .....  | 28          |
| <b>ARTICLE 9 TAX MATTERS .....</b>   | <b>28</b>   |
| 9.1 Tax Information .....  | 28          |
| 9.2 Preparation of Tax Returns .....   | 29          |
| 9.3 Tax Elections .....  | 29          |
| 9.4 Tax Controversies .....  | 29          |
| 9.5 Withholding .....  | 30          |
| 9.6 Election to be Treated as a Corporation.....   | 30          |
| <b>ARTICLE 10 CERTIFICATES; RECORD HOLDERS; TRANSFERS OF<br/>PARTNERSHIP INTERESTS .....</b> | <b>30</b>   |
| 10.1 Certificates .....  | 30          |
| 10.2 Mutilated, Destroyed, Lost or Stolen Certificates .....                                 | 31          |
| 10.3 Record Holder .....   | 32          |
| 10.4 Transfer Generally .....  | 32          |
| 10.5 Registration and Transfer of Units.....   | 32          |
| 10.6 Transfer of General Partner Unit .....  | 33          |
| 10.7 Restrictions on Transfers .....   | 34          |
| <b>ARTICLE 11 ADMISSION OF ADDITIONAL OR SUCCESSOR PARTNERS .....</b>                        | <b>34</b>   |
| 11.1 Admission of Additional Limited Partners .....  | 34          |
| 11.2 Admission of Successor General Partner.....   | 35          |
| <b>ARTICLE 12 WITHDRAWAL OF PARTNERS.....</b>  | <b>36</b>   |
| 12.1 Withdrawal of the General Partner .....   | 36          |
| 12.2 Interest of Departing General Partner and Successor General Partner .....               | 37          |
| 12.3 Withdrawal of Limited Partners.....   | 38          |
| <b>ARTICLE 13 TERMINATION OF THE PARTNERSHIP .....</b>                                       | <b>38</b>   |
| 13.1 General.....  | 38          |
| 13.2 Incapacity .....  | 38          |

## TABLE OF CONTENTS

(continued)

|   | <b>Page</b> |
|---|-------------|
| 13.3 Liquidation.....   | 39          |
| 13.4 Distributions in Kind.....                                     | 40          |
| 13.5 Cancellation of Certificate of Limited Partnership.....        | 41          |
| 13.6 Reasonable Time for Winding Up.....                            | 41          |
| 13.7 Return of Capital.....   | 41          |
| 13.8 Waiver of Partition.....                                       | 41          |
| <b>ARTICLE 14 AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS;</b>     |             |
| <b>RECORD DATE .....</b>  | <b>41</b>   |
| 14.1 Amendment to be Adopted Solely by General Partner.....         | 41          |
| 14.2 Amendment Procedures .....                                     | 43          |
| 14.3 Amendment Requirements.....                                    | 43          |
| 14.4 Meetings.....  | 44          |
| 14.5 Notice of Meeting .....  | 44          |
| 14.6 Record Date .....  | 44          |
| 14.7 Adjournment .....  | 45          |
| 14.8 Quorum .....   | 45          |
| 14.9 Conduct of Meeting .....                                       | 45          |
| 14.10 Action Without a Meeting .....                                | 46          |
| 14.11 Voting and Other Rights .....                                 | 46          |
| <b>ARTICLE 15 MERGER .....</b>                                      | <b>47</b>   |
| 15.1 Authority .....  | 47          |
| 15.2 Procedure for Merger, Consolidation or Other Combination ..... | 47          |
| 15.3 Approval by Limited Partners of Merger or Consolidation.....   | 48          |
| 15.4 No Dissenters' Rights .....                                    | 49          |
| 15.5 Effect of Merger.....  | 49          |
| <b>ARTICLE 16 GENERAL PROVISIONS.....</b>                           | <b>50</b>   |
| 16.1 Enurement .....  | 50          |
| 16.2 Notices .....  | 50          |
| 16.3 Further Assurances.....  | 51          |
| 16.4 Counterparts.....  | 51          |
| <b>SCHEDULE A.....</b>  | <b>A-1</b>  |

**AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT OF  
BROOKFIELD INFRASTRUCTURE PARTNERS L.P.**

**THIS AGREEMENT** is made as of the 16th day of February, 2018 among **BROOKFIELD INFRASTRUCTURE PARTNERS LIMITED** (the “**General Partner**”), an exempted company existing under the laws of Bermuda, as the General Partner, and each person who is admitted to the Partnership (as hereinafter defined) as a limited partner in accordance with the provisions of this Agreement.

**WHEREAS** the General Partner and Brookfield Asset Management Inc. (the “**Initial Limited Partner**”) formed a limited partnership under the laws of Bermuda upon the entering into of a limited partnership agreement between the General Partner and the Initial Limited Partner dated as of May 21, 2007 (the “**Initial Limited Partnership Agreement**”). A Certificate of Registration for the Partnership confirming the registration of the Partnership as an Exempted Partnership pursuant to the *Exempted Partnerships Act 1992* (Bermuda) and as a Limited Partnership pursuant to the *Limited Partnership Act 1883* (Bermuda) was issued by the Bermuda Registrar of Companies on June 13, 2007 (the “**Certificate of Limited Partnership**”);

**AND WHEREAS** the General Partner and the Initial Limited Partner amended the Initial Limited Partnership Agreement on December 4, 2007 (the “**First Amended and Restated Limited Partnership Agreement**”);

**AND WHEREAS** the General Partner amended the First Amended and Restated Limited Partnership Agreement on June 13, 2008, November 16, 2009 and February 5, 2010 and amended and restated the First Amended and Restated Limited Partnership Agreement on March 28, 2014 (the “**Second Amended and Restated Limited Partnership Agreement**”);

**AND WHEREAS** the General Partner amended the Second Amended and Restated Limited Partnership Agreement on February 16, 2015, March 12, 2015 and December 8, 2015;

**AND WHEREAS** the General Partner amended and restated the Second Amended and Restated Limited Partnership Agreement on February 29, 2016 (the “**Amended and Restated Limited Partnership Agreement dated February 29, 2016**”);

**AND WHEREAS** the General Partner amended the Amended and Restated Limited Partnership Agreement dated February 29, 2016 on August 2, 2016 and January 26, 2017;

**AND WHEREAS** the General Partner amended and restated the Amended and Restated Limited Partnership Agreement dated February 29, 2016 on February 9, 2017 (the “**Amended and Restated Limited Partnership Agreement dated February 9, 2017**”);

**AND WHEREAS** the General Partner amended the Amended and Restated Limited Partnership Agreement dated February 9, 2017 on January 23, 2018;

**AND WHEREAS** the General Partner wishes to restate the Amended and Restated Limited Partnership Agreement dated February 9, 2017 to reflect the amendments made to date;

**AND WHEREAS** such amendments do not adversely affect the Limited Partners (as hereinafter defined) as a whole (including any particular class of Partnership Interest (as hereinafter defined) as compared to other classes of Partnership Interests) in any material respect;

**AND WHEREAS** this Amended and Restated Limited Partnership Agreement shall replace the Amended and Restated Limited Partnership Agreement dated February 9, 2017 in its entirety;

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT**, in consideration of the premises, mutual covenants and agreements contained in this Agreement, the parties covenant and agree, each with the others, as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

The following definitions shall be for all purposes, unless otherwise clearly indicated to the contrary, applied to the terms used in this Agreement:

- 1.1.1 **“Affiliate”** means, with respect to a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls or is Controlled by such Person, or is under common Control of a third Person;
- 1.1.2 **“Agreement”** means this Amended and Restated Limited Partnership Agreement of Brookfield Infrastructure Partners L.P.;
- 1.1.3 **“Amended and Restated Limited Partnership Agreement dated February 29, 2016”** has the meaning assigned to such term in the recitals;
- 1.1.4 **“Amended and Restated Limited Partnership Agreement dated February 9, 2017”** has the meaning assigned to such term in the recitals;
- 1.1.5 **“Assets”** means all assets, whether tangible or intangible and whether real, personal or mixed, at any time owned by the Partnership (or by the General Partner, one or more of its Affiliates or one or more nominees for the benefit of the Partnership, in each case in accordance with Section 5.9) or acquired by the General Partner for the account of the Partnership in the course of carrying on the activities of the Partnership;
- 1.1.6 **“BAM”** means Brookfield Asset Management Inc.;
- 1.1.7 **“BAM Group”** means BAM and any Affiliates of BAM, other than any member of the BIP Group;

- 1.1.8 “**BAM Shareholders**” means the holders of BAM Shares;
- 1.1.9 “**BAM Shares**” means the Class A limited voting shares and Class B limited voting shares of BAM;
- 1.1.10 “**BIP Group**” means the Partnership, the Infrastructure Partnership, the Holding Entities, the Operating Entities and any other direct or indirect Subsidiary of a Holding Entity;
- 1.1.11 “**Business Day**” means Monday through Friday of each week, except that a legal holiday recognized as such by the government of Bermuda shall not be regarded as a Business Day;
- 1.1.12 “**Canadian Tax Purposes**” means for the purposes of determining liability for Tax pursuant to Canadian federal and provincial Tax laws;
- 1.1.13 “**Capital Contribution**” means the amount of capital contributed to the Partnership by each Record Holder (or the Person from which the Record Holder purchased or acquired the Partnership Interests) in respect of the Partnership Interests purchased or acquired by or issued to the Record Holder;
- 1.1.14 “**Cause**” means a court of competent jurisdiction has entered a final, non-appealable judgment finding the General Partner liable for actual fraud, gross negligence or willful or wanton misconduct in its capacity as General Partner of the Partnership;
- 1.1.15 “**Certificate**” means a certificate issued by the Partnership evidencing ownership of one or more Units or any other Partnership Interests, in such form as may be adopted by the General Partner from time to time;
- 1.1.16 “**Certificate of Limited Partnership**” has the meaning assigned to such term in the recitals;
- 1.1.17 “**Closing Date**” means the date of the Spin-Off;
- 1.1.18 “**Code**” means the Internal Revenue Code of 1986, as amended and in effect from time to time, as interpreted by the applicable regulations thereunder, and any reference herein to a specific section or sections of the Code shall be deemed to include a reference to any corresponding provisions of future law;
- 1.1.19 “**Conflicts Guidelines**” has the meaning assigned to such term in Section 5.7.2;
- 1.1.20 “**Control**” means the control by one Person of another Person in accordance with the following: a Person (“A”) controls another Person (“B”) where A has the power to determine the management and policies of B by contract or status (for example the status of A being the general partner of B) or by virtue of beneficial ownership of a majority of the voting interests in B; and for certainty and without limitation, if A owns shares to which more than 50% of the votes permitted to be cast in the

election of directors to the Governing Body of B or A is the general partner of B, a limited partnership, then in each case A Controls B for this purpose;

- 1.1.21 **“Departing General Partner”** means a former General Partner, from and after the effective date of any withdrawal of such former General Partner pursuant to Section 12.1;
- 1.1.22 **“Equity Unit”** means a limited partnership interest in the Partnership representing a fractional part of all the limited partner interests in the Partnership, other than a Preferred Unit, and which is designated as a “Unit”;
- 1.1.23 **“Event of Withdrawal”** has the meaning assigned to such term in Section 12.1.1;
- 1.1.24 **“Exempted Partnerships Act”** means the *Exempted Partnerships Act 1992* (Bermuda);
- 1.1.25 **“First Amended and Restated Limited Partnership Agreement”** has the meaning assigned to such term in the recitals;
- 1.1.26 **“fiscal year”** as such term relates to the Partnership shall be determined in accordance with Section 8.2;
- 1.1.27 **“General Partner”** means Brookfield Infrastructure Partners Limited, an exempted company existing under the laws of Bermuda, and includes any person who becomes a successor or replacement general partner of the Partnership pursuant to the terms of this Agreement after the date hereof;
- 1.1.28 **“General Partner Unit”** means the interest in the Partnership owned by the General Partner, having the rights and obligations specified in this Agreement, and which is designated as the General Partner Unit;
- 1.1.29 **“Governing Body”** means (i) with respect to a corporation or limited company, the board of directors of such corporation or limited company, (ii) with respect to a limited liability company, the manager(s) or managing partner(s) of such limited liability company, (iii) with respect to a partnership, the board, committee or other body of the general partner of such partnership that serves a similar function (or if any such general partner is itself a partnership, the board, committee or other body of such general partner’s general partner that serves a similar function), and (iv) with respect to any other Person, the body of such Person that serves a similar function;
- 1.1.30 **“Governing Instruments”** means (i) the memorandum of association and by-laws in the case of an exempted company existing under the laws of Bermuda, (ii) the certificate of incorporation, amalgamation or continuance, as applicable, and by-laws in the case of a corporation, (iii) the memorandum and articles of association and by-laws, as applicable, in the case of a limited company, (iv) the partnership agreement in the case of a partnership, (v) the articles of formation and operating agreement in the case of a limited liability company, (vi) the trust



instrument in the case of a trust and (vii) any other similar governing document under which an entity was organized, formed or created and operates, in each case as amended, supplemented or otherwise modified from time to time;

- 1.1.31 **“Holding Entities”** means Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, BIP Bermuda Holdings I Limited, BIP Bermuda Holdings V Limited and any other primary holding Subsidiaries of the Infrastructure Partnership, excluding, for greater certainty, any Operating Entities;
- 1.1.32 **“IFRS-IASB”** means International Financial Reporting Standards as issued by the International Accounting Standards Board consistently applied or such other applicable accounting principles;
- 1.1.33 **“Income for Canadian Tax Purposes”** means, in respect of any fiscal year of the Partnership, the income of the Partnership for that fiscal year, determined in accordance with the Income Tax Act;
- 1.1.34 **“Income Tax Act”** means the *Income Tax Act* (Canada);
- 1.1.35 **“Indemnified Party”** has the meaning assigned to such term in Section 5.6.1;
- 1.1.36 **“Independent Committee”** means a committee of the board of directors of the General Partner made up of directors that are “independent” of BAM and its Affiliates, in accordance with the General Partner’s Governing Instruments;
- 1.1.37 **“Initial General Partner”** has the meaning assigned to such term in the recitals;
- 1.1.38 **“Infrastructure Operations”** means infrastructure operations directly or indirectly held or acquired by members of the BIP Group from time to time;
- 1.1.39 **“Infrastructure Partnership”** means Brookfield Infrastructure L.P.;
- 1.1.40 **“Infrastructure Partnership Agreement”** means the limited partnership agreement for the Infrastructure Partnership as it may be amended or restated from time to time;
- 1.1.41 **“Initial Limited Partner”** has the meaning assigned to such term in the recitals;
- 1.1.42 **“Initial Limited Partnership Agreement”** has the meaning assigned to such term in the recitals;
- 1.1.43 **“Interested Party”** has the meaning assigned to such term in Section 5.5.1;
- 1.1.44 **“K-1 Information”** has the meaning assigned to such term in Section 9.1.1;
- 1.1.45 **“K-1 Partners”** has the meaning assigned to such term in Section 9.1.1.1;
- 1.1.46 **“Liabilities”** has the meaning assigned to such term in Section 5.6.1;

- 1.1.47 “**Limited Partner**” means a Person beneficially owning a Unit, without regard to the Record Holder (unless the Record Holder is such Person), and includes holders of Preferred Units;
- 1.1.48 “**Limited Partnership Act**” means the *Limited Partnership Act 1883* (Bermuda);
- 1.1.49 “**Liquidator**” means the General Partner or other Person approved pursuant to Section 13.3 who performs the functions described therein;
- 1.1.50 “**Master Services Agreement**” means the master services agreement among certain members of the BAM Group, the Partnership, the Infrastructure Partnership and others dated as of December 4, 2007, as it may be amended or restated from time to time;
- 1.1.51 “**Merger Agreement**” has the meaning assigned to such term in Section 15.1;
- 1.1.52 “**Notice**” has the meaning assigned to such term in Section 16.2;
- 1.1.53 “**Operating Entities**” means, from time to time, the Persons other than the Service Recipients or the Holding Entities that (i) directly hold the Infrastructure Operations, or (ii) indirectly hold the Infrastructure Operations, but all of the interests of which are not held by a Service Recipient or a Holding Entity, including in the case of each of (i) and (ii), any joint ventures, partnerships and consortium arrangements, and, other than in the case of each of (i) and (ii), any Person in which the Service Recipients or the Holding Entities, directly or indirectly, hold interests for investment purposes only of less than 5% of the outstanding equity securities of that Person;
- 1.1.54 “**Opinion of Counsel**” means a written opinion of counsel acceptable to the General Partner;
- 1.1.55 “**Outstanding**” means, with respect to Partnership Interests, all Partnership Interests that are issued by the Partnership and reflected as outstanding on the Partnership’s books and records as of the date of determination;
- 1.1.56 “**Partner**” means the General Partner and any Limited Partner;
- 1.1.57 “**Partnership**” means Brookfield Infrastructure Partners L.P., the limited partnership heretofore formed and continued pursuant to this Agreement;
- 1.1.58 “**Partnership Interest**” means any partnership interest, including any General Partner Unit, Equity Unit or Preferred Unit;
- 1.1.59 “**Percentage Interest**” means, as of the date of such determination:
  - 1.1.59.1 as to the General Partner, 0.01%;
  - 1.1.59.2 as to all Limited Partners, 99.99%;

- 1.1.59.3 as to any Limited Partner in respect of Equity Units, a percentage of all the Limited Partners' Percentage Interest equal to (i) the quotient of the number of Equity Units held by such Limited Partner divided by the total number of all Equity Units then Outstanding (ii) multiplied by 100; and
- 1.1.59.4 as to any Limited Partner with respect to Preferred Units, the Percentage Interest shall at all times be zero;
- 1.1.60 **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- 1.1.61 **"Preferred Unit"** means a limited partnership interest in the Partnership having the rights and obligations specified in this Agreement and that is designated as a Preferred Unit from time to time, with the specific terms of each class of Preferred Units to be set out in a Schedule to this Agreement, including the Class A Preferred Limited Partnership Units the terms of which are set out in Schedule A to this Agreement;
- 1.1.62 **"Preferred Unitholder"** means a holder of Preferred Units;
- 1.1.63 **"Quarter"** means a calendar quarter ending on the last day of March, June, September or December;
- 1.1.64 **"Record Date"** means the date established by the General Partner for determining (a) the identity of Record Holders entitled to notice of any meeting of Limited Partners or entitled to consent to Partnership action in writing without a meeting or entitled to exercise rights in respect of any lawful action of Limited Partners or (b) the identity of Record Holders entitled to receive any report or distribution;
- 1.1.65 **"Record Holder"** means the Person in whose name a Unit is registered on the books of the Transfer Agent as of the opening of business on a particular Business Day, or with respect to other Partnership Interests, the Person in whose name any such other Partnership Interest is registered for the books which the General Partner has caused to be kept as of the opening of business on such Business Day;
- 1.1.66 **"Redemption-Exchange Mechanism"** means the Redemption Right and the Exchange Right as such terms are defined in the Infrastructure Partnership Agreement;
- 1.1.67 **"Reorganization"** means the transactions related to the indirect acquisition of the Infrastructure Operations by the Infrastructure Partnership;
- 1.1.68 **"Second Amended and Restated Limited Partnership Agreement"** has the meaning assigned to such term in the recitals;

- 1.1.69 “**Securities Exchange**” means any stock exchange on which Units or other Partnership Interests are or will be listed for trading;
- 1.1.70 “**Service Providers**” means Brookfield Infrastructure Group L.P., Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P., Brookfield Asset Management (Barbados) Inc., Brookfield Global Infrastructure Advisor Limited, Brookfield Infrastructure Group (Australia) Pty Limited and any other Affiliate of BAM that is appointed by a Service Provider from time to time to act as a service provider pursuant to the Master Services Agreement;
- 1.1.71 “**Service Recipient**” means the Partnership, the Infrastructure Partnership, Brookfield Infrastructure Holdings (Canada) Inc., Brookfield Infrastructure US Holdings I Corporation, BIP Bermuda Holdings I Limited, and, at the option of the Partnership, any entity in which any of the foregoing or any combination of the foregoing holds, directly or indirectly, all of the common equity or equivalent interests, excluding, for greater certainty, any Operating Entities;
- 1.1.72 “**Spin-Off**” means the distribution of Equity Units by the Initial Limited Partner to the BAM Shareholders as a dividend;
- 1.1.73 “**Subsidiary**” means, with respect to any Person, (i) any other Person that is directly or indirectly Controlled by such Person, (ii) any trust in which such Person holds all of the beneficial interests or (iii) any partnership, limited liability company or similar entity in which such Person holds all of the interests other than the interests of any general partner, managing member or similar Person;
- 1.1.74 “**Surviving Entity**” has the meaning assigned to such term in Section 15.2.2;
- 1.1.75 “**Tax**” means all forms of taxation, whether direct or indirect and whether levied by reference to income, profits, gains, net wealth, asset values, turnover, added value or other reference and statutory, governmental, national, federal, state, provincial, local governmental or municipal impositions, duties, contributions and levies (including social security contributions, national insurance contributions and any other payroll taxes), whenever and wherever imposed (whether imposed by way of a withholding or deduction for or on account of tax or otherwise) and in respect of any Person, and all penalties, charges, costs and interest relating thereto;
- 1.1.76 “**transfer**” has the meaning assigned to such term in Section 10.4;
- 1.1.77 “**Transfer Agent**” means (i) with respect to the Equity Units, Computershare Inc., which has been appointed by the Partnership to act as registrar and transfer agent for the Equity Units, (ii) with respect to the Preferred Units, Computershare Investor Services Inc., which has been appointed by the Partnership to act as registrar and transfer agent for the Preferred Units, or (iii) any other Person duly appointed by the Partnership to act as registrar and transfer agent for the Units;
- 1.1.78 “**Treasury Regulations**” means the Income Tax Regulations promulgated under the Code, as amended from time to time;

- 1.1.79 **“Uncertificated”** means, in respect of any Partnership Interest, a unit of a Partnership Interest, title to which is recorded on the relevant register of securities as being held in uncertificated form, and title to which may be transferred by means of any clearing system established for the Partnership;
- 1.1.80 **“Unit”** means any Equity Unit or Preferred Unit; and
- 1.1.81 **“Withdrawal Opinion of Counsel”** an Opinion of Counsel that withdrawal of the General Partner (following the selection of the successor General Partner) would not (i) result in the loss of the limited liability of any Limited Partner; (ii) cause the Partnership or any BIP Group member to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for tax purposes (to the extent not previously treated as such); or (iii) cause the Partnership or the Infrastructure Partnership to become an “investment company” under the U.S. Investment Company Act of 1940, as amended, or similar legislation in other jurisdictions.

## **1.2 Headings and Table of Contents**

The inclusion of headings and a table of contents in this Agreement are for convenience of reference only and will not affect the construction or interpretation hereof.

## **1.3 Gender and Number**

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing gender include all genders or the neuter, and words importing the neuter include all genders.

## **1.4 Currency**

Except where otherwise expressly provided, all amounts in this Agreement are stated and will be paid in U.S. currency.

## **1.5 Invalidity of Provisions**

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable law, the parties waive any provision of law which renders any provision of this Agreement invalid or unenforceable in any respect. The parties will engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

## **1.6 Entire Agreement**

This Agreement constitutes the entire agreement between the parties pertaining to the subject matter of this Agreement. There are no warranties, conditions, or representations (including any that may be implied by statute) and there are no agreements in connection with such subject

matter except as specifically set forth or referred to in this Agreement. No reliance is placed on any warranty, representation, opinion, advice or assertion of fact made either prior to, contemporaneous with, or after entering into this Agreement, or any amendment or supplement thereto, by any party to this Agreement or its directors, officers, employees or agents, to any other party to this Agreement or its directors, officers, employees or agents, except to the extent that the same has been reduced to writing and included as a term of this Agreement, and none of the parties to this Agreement has been induced to enter into this Agreement or any amendment or supplement by reason of any such warranty, representation, opinion, advice or assertion of fact. Accordingly, there will be no liability, either in tort or in contract, assessed in relation to any such warranty, representation, opinion, advice or assertion of fact, except to the extent contemplated above.

### **1.7 Waiver, Amendment**

Except as expressly provided in this Agreement, no amendment or waiver of this Agreement will be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement will constitute a waiver of any other provision nor will any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

### **1.8 Governing Law; Submission to Jurisdiction**

This Agreement will be governed by and construed in accordance with the laws of Bermuda. Each of the Partners (other than governmental entities prohibited from submitting to the jurisdiction of a particular jurisdiction) will submit to the non-exclusive jurisdiction of any court in Bermuda in any dispute, suit, action or proceeding arising out of or relating to this Agreement. Each Partner waives, to the fullest extent permitted by law, any immunity from jurisdiction of any such court or from any legal process therein and further waives, to the fullest extent permitted by law, any claim of inconvenient forum, improper venue or that any such court does not have jurisdiction over the Partner. Any final judgment against a Partner in any proceedings brought in any court in Bermuda will be conclusive and binding upon the Partner and may be enforced in the courts of any other jurisdiction of which the Partner is or may be subject, by suit upon such judgment. The foregoing submission to jurisdiction and waivers will survive the dissolution, liquidation, winding up and termination of the Partnership.

## **ARTICLE 2 ORGANIZATIONAL MATTERS**

### **2.1 Formation**

The Partnership has been formed as an exempted limited partnership on May 21, 2007, pursuant to the provisions of the Limited Partnership Act and the Exempted Partnerships Act. Except as expressly provided to the contrary in this Agreement, the rights, duties (including fiduciary duties), liabilities and obligations of the Partners and the administration, dissolution and termination of the Partnership shall be governed by the Limited Partnership Act and the Exempted Partnerships Act. All Partnership Interests shall constitute personal property of the owner thereof for all purposes and a Partner has no interest in specific Partnership property.

## **2.2 Purpose**

The purpose of the Partnership shall be to (i) acquire and/or hold interests in the Infrastructure Partnership and, subject to approval of the General Partner, interests in any other entity; (ii) engage in any activity related to the capitalization and financing of the Partnership's interests in the Infrastructure Partnership and such other Persons; (iii) serve as the managing general partner of the Infrastructure Partnership and execute and deliver, and perform the functions of a managing general partner of the Infrastructure Partnership specified in, the Infrastructure Partnership Agreement; and (iv) engage in any activity that is incidental to or in furtherance of the foregoing and that is approved by the General Partner and that lawfully may be conducted by a limited partnership organized under the Limited Partnership Act and the Exempted Partnerships Act and this Agreement. To the fullest extent permitted by law, the General Partner shall have no duty or obligation to propose or approve, and may decline to propose or approve, the conduct by the Partnership of any activity free of any duty (including any fiduciary duty) or obligation whatsoever to the Partnership or any Limited Partner or Record Holder and, in declining to so propose or approve, shall not be deemed to have breached this Agreement, any other agreement contemplated hereby, the Limited Partnership Act, the Exempted Partnerships Act or any other provision of law.

## **2.3 Powers**

The Partnership shall be empowered to do any and all acts and things necessary, appropriate, proper, advisable, incidental to or convenient for the furtherance and accomplishment of the purposes and activities described in Section 2.2 and for the protection and benefit of the Partnership.

## **2.4 Name**

The name of the Partnership shall be "Brookfield Infrastructure Partners L.P." The Partnership's activities and affairs may be conducted under any other name or names deemed necessary or appropriate by the General Partner, including the name of the General Partner or any Affiliate thereof. The words "Limited Partnership", "L.P.", "Ltd." or similar words or letters shall be included in the Partnership's name where necessary for the purposes of complying with the laws of any jurisdiction that so requires. Subject to compliance with the requirements of the Limited Partnership Act and the Exempted Partnerships Act, the General Partner in its sole discretion may change the name of the Partnership at any time and from time to time and shall notify the Record Holders of such change in the next regular communication to Record Holders.

If the General Partner ceases to be the General Partner of the Partnership and the new General Partner is not an Affiliate of BAM, the Partnership shall change its name so that it does not include "Brookfield" and could not be capable of confusion in any way with such name. This obligation shall be enforceable and waivable by the General Partner notwithstanding that it may have ceased to be the General Partner of the Partnership.

## **2.5 Registered Office; Principal Office**

Unless and until changed by the General Partner, the registered office of the Partnership shall be located at 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda. The head office of the

Partnership and the General Partner shall be 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda, or such other place as the General Partner may from time to time designate by notice to the Record Holders. The Partnership may maintain offices at such other place or places within Bermuda as the General Partner deems necessary or appropriate.

## **2.6 Power of Attorney**

2.6.1 Each Limited Partner hereby constitutes and appoints each of the General Partner and, if a Liquidator shall have been selected pursuant to Section 13.3, the Liquidator severally (and any successor to either thereof by merger, transfer, assignment, election or otherwise) and each of their authorized officers and attorneys-in-fact, with full power of substitution, as his true and lawful agent and attorney-in-fact, with full power and authority in his name, place and stead, to:

2.6.1.1 execute, swear to, acknowledge, deliver, file and record in the appropriate public offices (A) all certificates, documents and other instruments (including this Agreement and the Certificate of Limited Partnership and all amendments or restatements thereof) that the General Partner or the Liquidator deems necessary or appropriate to form, qualify or continue the existence or qualification of the Partnership as an exempted limited partnership (or a partnership in which the limited partners have limited liability) in Bermuda and in all other jurisdictions in which the Partnership may conduct activities and affairs or own property; (B) all certificates, documents and other instruments that the General Partner or the Liquidator deems necessary or appropriate to reflect, in accordance with its terms, any amendment, change, modification or restatement of this Agreement; (C) all certificates, documents and other instruments (including conveyances and a certificate of cancellation) that the General Partner or the Liquidator deems necessary or appropriate to reflect the dissolution and liquidation of the Partnership pursuant to the terms of this Agreement; (D) all certificates, documents and other instruments relating to the admission or withdrawal of any Partner pursuant to, or other events described in, Article 11 or Article 12, or the Capital Contribution of any Partner; (E) all certificates, documents and other instruments relating to the determination of the rights, preferences and privileges of any class or series of Units or other Partnership Interests issued pursuant to Section 3.5; (F) all certificates, documents and other instruments (including any Merger Agreement) relating to a merger or consolidation of the Partnership pursuant to Article 15; and (G) any tax election with any Limited Partner or General Partner on behalf of the Partnership and/or all Partners; and

2.6.1.2 execute, swear to, acknowledge, deliver, file and record all ballots, consents, approvals, waivers, certificates, documents and other instruments necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to make, evidence, give, confirm or



ratify any vote, consent, approval, agreement or other action that is made or given by the Partners hereunder or is consistent with the terms of this Agreement or is necessary or appropriate, in the sole discretion of the General Partner or the Liquidator, to effectuate the terms or intent of this Agreement; provided, that when required by any other provision of this Agreement that establishes a percentage of the Limited Partners or of the Limited Partners of any class or series required to take any action, the General Partner or the Liquidator may exercise the power of attorney made in this Section 2.6.1.2 only after the necessary vote, consent or approval of the Limited Partners or of the Limited Partners of such class or series, as applicable.

Nothing contained in this Section 2.6.1 shall be construed as authorizing the General Partner to amend this Agreement except in accordance with Article 14 or as may be otherwise expressly provided for in this Agreement.

- 2.6.2 The foregoing power of attorney is hereby declared to be irrevocable and a power coupled with an interest, and it shall survive and not be affected by the subsequent death, incompetency, disability, incapacity, dissolution, bankruptcy or termination of any Limited Partner and the transfer of all or any portion of such Limited Partner's Partnership Interest and shall extend to such Limited Partner's heirs, successors, assigns and personal representatives. Each such Limited Partner hereby agrees to be bound by any representation made by the General Partner or the Liquidator acting in good faith pursuant to such power of attorney; and each such Limited Partner hereby waives any and all defenses that may be available to contest, negate or disaffirm the action of the General Partner or the Liquidator taken in good faith under such power of attorney. Each Limited Partner shall execute and deliver to the General Partner or the Liquidator, within 15 days after receipt of the General Partner's or the Liquidator's request therefor, such further designation, powers of attorney and other instruments as the General Partner or the Liquidator deems necessary to effectuate this Agreement and the purposes of the Partnership.

## **2.7 Term**

The Partnership commenced upon the formation of the Partnership on May 21, 2007, pursuant to the Initial Limited Partnership Agreement and the Certificate of Limited Partnership and shall continue in perpetual existence until the termination of the Partnership in accordance with the provisions of Section 13.1.

### **ARTICLE 3**

#### **CAPITAL CONTRIBUTIONS AND ISSUANCE OF PARTNERSHIP INTERESTS**

##### **3.1 General**

In connection with the formation of the Partnership, the General Partner was admitted as the General Partner of the Partnership and the Initial Limited Partner was admitted as a Limited Partner as of the date of the Initial Limited Partnership Agreement.

##### **3.2 Initial Capital Contributions by the General Partner and the Initial Limited Partner**

The General Partner made a Capital Contribution of \$1 to the Partnership. The Initial Limited Partner made a Capital Contribution of \$1 to the Partnership.

##### **3.3 The Reorganization and Spin-Off**

3.3.1 In connection with the transactions involved in the Reorganization, additional Capital Contributions were made and additional Limited Partners were admitted to the Partnership.

3.3.2 In connection with the Spin-Off and following the execution of the First Amended and Restated Limited Partnership Agreement, each BAM Shareholder received and accepted a portion of the Equity Units held by the Initial Limited Partner on the Closing Date in proportion to its holding of BAM Shares whereupon such BAM Shareholder was admitted as a Limited Partner of the Partnership subject to and in accordance with Section 11.1.

##### **3.4 Interest and Withdrawal**

No interest on Capital Contributions shall be paid by the Partnership. No Partner shall be entitled to the withdrawal or return of its Capital Contribution, except to the extent, if any, that distributions made pursuant to this Agreement or upon dissolution of the Partnership may be considered as such by law and then only to the extent provided for in this Agreement. Except to the extent expressly provided in this Agreement, no Partner shall have priority over any other Partner either as to the return of Capital Contributions or as to profits, losses or distributions.

##### **3.5 Issuances of Additional Partnership Interests**

3.5.1 Subject to the terms of any Preferred Units then Outstanding, the Partnership may issue additional Partnership Interests (including new classes of Partnership Interests) and options, rights, warrants and appreciation rights relating to such Partnership Interests or class of Partnership Interests for any Partnership purpose (including in connection with any distribution reinvestment plan or the Redemption-Exchange Mechanism) at any time and from time to time to such Persons for such consideration and on such terms and conditions as the General Partner shall determine in its sole discretion, all without the approval of any Limited Partners.

- 3.5.2 Each additional Partnership Interest authorized to be issued by the Partnership pursuant to Section 3.5.1 may be issued in one or more classes, or one or more series of any such classes, with such designations, preferences, rights, powers and duties (which may be senior to existing classes and series of Partnership Interests), as shall be fixed by the General Partner in its sole discretion, including (i) the right to share in Partnership profits and losses or items thereof; (ii) the right to share in Partnership distributions; (iii) the rights upon dissolution and liquidation of the Partnership; (iv) whether, and the terms and conditions upon which, the Partnership may or shall be required to redeem the Partnership Interest (including sinking fund provisions); (v) whether such Partnership Interest is issued with the privilege of conversion or exchange and, if so, the terms and conditions of such conversion or exchange; (vi) the terms and conditions upon which each Partnership Interest will be issued, evidenced by certificates and assigned or transferred; and (viii) the requirement, if any, of each such Partnership Interest to consent to certain partnership matters.
- 3.5.3 The General Partner is hereby authorized to take all actions that it determines to be necessary or appropriate in connection with each issuance of Partnership Interests and options, rights, warrants and appreciation rights relating to Partnership Interests pursuant to this Section 3.5, including the admission of additional Limited Partners in connection therewith and any related amendment of this Agreement, and all additional issuances of Partnership Interests and options, rights, warrants and appreciation rights relating to Partnership Interests. The General Partner is authorized to do all things that it determines to be necessary or appropriate in connection with any future issuance of Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests, including compliance with any statute, rule, regulation or guideline of any governmental agency or any Securities Exchange on which the Units or other Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests are listed for trading.

### **3.6 Pre-emptive Rights**

Unless otherwise determined by the General Partner, in its sole discretion, no Person shall have any pre-emptive, preferential or other similar right with respect to the issuance of any Partnership Interest, whether unissued, held in the treasury or hereafter created.

### **3.7 Splits and Combinations**

- 3.7.1 Subject to Section 3.7.4, the Partnership may make a distribution of Partnership Interests to all Record Holders *pro rata* to their Percentage Interests or may effect a subdivision or combination of Partnership Interests so long as, after any such event, each Partner shall have the same Percentage Interest in the Partnership as before such event.
- 3.7.2 Whenever such a distribution, subdivision or combination of Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests is

declared, the General Partner shall select a Record Date as of which the distribution, subdivision or combination shall be effective and shall send notice thereof at least 20 days prior to such Record Date to each Record Holder as of a date not less than 10 days prior to the date of such notice. The General Partner also may cause independent public accountants of international standing selected by it to calculate the number of Partnership Interests to be held by each Record Holder after giving effect to such distribution, subdivision or combination. The General Partner shall be entitled to rely on any certificate provided by such firm as conclusive evidence of the accuracy of such calculation.

- 3.7.3 Promptly following any such distribution, subdivision or combination, the Partnership may issue Certificates to the Record Holders of Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests as of the applicable Record Date representing the new number of Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests held by such Record Holders, or the General Partner may adopt such other procedures that it determines to be necessary or appropriate to reflect such changes. If any such combination results in a smaller total number of Partnership Interests Outstanding or outstanding options, rights, warrants or appreciation rights relating to Partnership Interests, the Partnership shall require, as a condition to the delivery to a Record Holder of any such new Certificate, the surrender of any Certificate held by such Record Holder immediately prior to such Record Date.
- 3.7.4 The Partnership shall not be required to issue fractional Units upon any distribution, subdivision or combination of Units. If a distribution, subdivision or combination of Units would result in the issuance of fractional Units but for the provisions of this Section 3.7.4, each fractional Unit shall be rounded to the nearest whole Unit, with each half Unit being rounded to the next higher Unit.

### **3.8 Fully Paid and Non-Assessable Nature of Units**

All Units issued pursuant to, and in accordance with the requirements of this Article 3 shall be fully paid and non-assessable Units in the Partnership.

## **ARTICLE 4 ALLOCATIONS AND DISTRIBUTIONS**

### **4.1 Allocations for Tax Purposes**

- 4.1.1 For United States federal income tax purposes, allocations of items of income, gain, loss, deduction, and credit for each taxable year or other relevant period of the Partnership shall be allocated among the Partners *pro rata* to their respective Percentage Interests, except to the extent (i) that any such allocations would not have substantial economic effect or are not in accordance with the Partners' interests in the Partnership (in each case, as determined pursuant to Section 704(b) of the Code) or (ii) otherwise required by applicable law or by reason of tax elections made by the General Partner on behalf of the Partnership, and, in the case

of either clause (i) or (ii), the General Partner shall adjust allocations as necessary so as to comply with the requirements of Sections 704(b) and 704(c) of the Code and the Treasury Regulations promulgated thereunder, relevant provisions of law, or elections made by the General Partner on behalf of the Partnership (as applicable); provided, however, that any such adjustments shall be made in the sole discretion of the General Partner. In furtherance of the foregoing, and for purposes of the proper administration of the Partnership and in order to preserve the uniformity of the Units, the General Partner, in its sole discretion, may (i) make such changes to the allocations as the General Partner deems necessary to (x) reflect the proposal, amendment or promulgation of Treasury Regulations under Section 704 of the Code or (y) otherwise preserve the uniformity of the Units, and (ii) adopt, employ or otherwise modify such conventions and methods as the General Partner determines to be appropriate for (a) the determination of the identities and tax classification of the Partners, (b) the valuation of Assets and the determination of the tax bases thereof, (c) the allocation of asset values and tax bases, (d) the adoption and maintenance of tax accounting methods and tax elections, and (e) the determination of allocations of items between transferors and transferees of Units, including the adoption of monthly, quarterly or other conventions that are consistent with Section 706 of the Code. The source and character of items of income, gain, loss and deduction allocated to a Partner will be the same source and character as the income or gain earned or the loss or deduction incurred by the Partnership.

- 4.1.2 The Income for Canadian Tax Purposes for a given fiscal year of the Partnership will be allocated to each Partner in an amount calculated by multiplying the Income for Canadian Tax Purposes by a fraction, the numerator of which is the sum of the distributions received by such Partner with respect to such fiscal year and the denominator of which is the aggregate amount of the distributions made by the Partnership to Partners with respect to such fiscal year, provided that the numerator and denominator will not include any distributions on the Preferred Units that are in satisfaction of accrued distributions on the Preferred Units that were not paid in a previous fiscal year of the Partnership where the General Partner determines that the inclusion of such distributions would result in a Preferred Unitholder being allocated more income than it would have been if the distributions were paid in the fiscal year of the Partnership in which they were accrued. Generally, the source and character of items of income so allocated to a Partner with respect to a fiscal year of the Partnership will be the same source and character as the distributions received by such Partner with respect to such fiscal year. If, with respect to a given fiscal year, no distribution is made by the Partnership or the Partnership has a Loss for Canadian Tax Purposes, one quarter of the Income for Canadian Tax Purposes or the Loss for Canadian Tax Purposes, as the case may be, for such fiscal year, will be allocated to the Partners of record at the end of each Quarter ending in such fiscal year as follows: (i) to the Preferred Unitholders in respect of Preferred Units held by them on each such date, such amount of the Income for Canadian Tax Purposes or the Loss for Canadian Tax Purposes, as the case may be, as the General Partner determines is reasonable in the circumstances having regard to such factors as the General Partner considers to be relevant, including, without limitation, the relative

amount of capital contributed to the Partnership on the issuance of Preferred Units as compared to all other Units and the relative fair market value of the Preferred Units as compared to all other Units, and (ii) to the Partners other than in respect of Preferred Units, the remaining amount of the Income for Canadian Tax Purposes of the Loss for Canadian Tax Purposes, as the case may be, *pro rata* to their respective Percentage Interests on each such date. To such end, any Person who was a Partner at any time during such fiscal year but who has disposed of all of such Person's Units before the last day of that fiscal year may be deemed to be a Partner on the last day of such fiscal year for the purposes of subsection 96(1) of the Income Tax Act. Generally, the source and character of such income or losses so allocated to a Partner at the end of each Quarter will be the same source and character as the income or loss earned or incurred by the Partnership in such Quarter. In furtherance of the foregoing, the General Partner may adjust allocations of items that would otherwise be made pursuant to the terms of this Agreement to the extent necessary to avoid an adverse effect on the Limited Partners, subject to the approval of an Independent Committee.

#### **4.2 Currency Translation**

Allocations of amounts other than in U.S. Dollars shall be undertaken following translation into U.S. Dollars by the General Partner on such date as the General Partner deems appropriate, using rates quoted by appropriate financial institutions of repute or by internationally recognized financial publications or news services to fix the rate of translation.

#### **4.3 Distributions**

The General Partner may in its sole discretion make distributions at any time or from time to time to the Preferred Unitholders in accordance with this Agreement. Subject to the terms of any Preferred Units then Outstanding, the General Partner may in its sole discretion make distributions at any time or from time to time to the Partners in accordance with their Percentage Interests, provided that all such distributions to the Limited Partners shall be paid by the Partnership directly or through the Transfer Agent or through any other Person or agent only to the Record Holders *pro rata* according to their respective Percentage Interests as of the Record Date set for such distribution. The payment of any distributions in accordance with this Agreement shall constitute full payment and satisfaction of the Partnership's liability in respect of such payment, regardless of any claim of any Person who may have an interest in such payment by reason of an assignment or otherwise. The amount of Taxes withheld or paid by the Partnership or another member of the BIP Group in respect of a Partnership Interest held by a Partner shall be treated either as a distribution to such Partner or as a general expense of the Partnership, as determined by the General Partner in its sole discretion, and the General Partner shall report to the Partners on an annual basis the amount of such Taxes withheld or paid.

#### **4.4 Prohibition on Distributions**

The General Partner shall not cause the Partnership to make any distribution pursuant to this Article 4:

- 4.4.1 unless there is sufficient cash available therefor;
- 4.4.2 which would render the Partnership unable to pay its debts as and when they fall due; or
- 4.4.3 which, in the opinion of the General Partner, would or might leave the Partnership with insufficient funds to meet any future or contingent obligations.

### **ARTICLE 5 MANAGEMENT AND OPERATION OF PARTNERSHIP**

#### **5.1 Management**

- 5.1.1 The General Partner shall conduct, direct and manage all activities of the Partnership. Except as otherwise expressly provided in this Agreement, all management powers over the activities and affairs of the Partnership shall be exclusively vested in the General Partner, and no Limited Partner shall have any management power over the activities and affairs of the Partnership. In addition to the powers now or hereafter granted a general partner of a limited partnership under applicable law or that are granted to the General Partner under any other provision of this Agreement, the General Partner, subject to Section 5.2, shall have full power and authority to do all things and on such terms as it determines, in its sole discretion, to be necessary or appropriate to conduct the activities and affairs of the Partnership, to exercise all powers set forth in Section 2.3 and to effectuate the purposes set forth in Section 2.2.
- 5.1.2 In exercising its authority under this Agreement, the General Partner may, but shall be under no obligation to, take into account the tax consequences to any Partner (including the General Partner) of any action taken (or not taken) by it. The General Partner and the Partnership shall not have any liability to a Limited Partner for monetary damages or otherwise for losses sustained, liabilities incurred or benefits not derived by such Limited Partner in connection with such decisions so long as the General Partner has acted pursuant to its authority under this Agreement.
- 5.1.3 Notwithstanding any other provision of this Agreement, the Limited Partnership Act, the Exempted Partnerships Act or any applicable law, rule or regulation, each of the Partners and each other Person who may acquire a Partnership Interest hereby (i) approves, ratifies and confirms the execution, delivery and performance by the parties thereto of the Infrastructure Partnership Agreement, the Master Services Agreement and the other agreements described in or contemplated by this Agreement; (ii) agrees that the General Partner (on its own or through any officer of the Partnership) is authorized to execute, deliver and perform the agreements referred to in clause (i) of this sentence on behalf of the Partnership without any

further act, approval or vote of the Partners or the other Persons who may acquire a Partnership Interest; and (iii) agrees that the execution, delivery or performance by the General Partner, the Service Providers or any Affiliate of any of them, of this Agreement or any agreement authorized or permitted under this Agreement, shall not constitute a breach by the General Partner of any duty that the General Partner may owe the Partnership or the Limited Partners or any other Persons under this Agreement (or any other agreements) or of any duty existing at law, in equity or otherwise.

## **5.2 Restrictions on General Partner's Authority**

Except as provided in Article 13 and Article 15, the General Partner may not sell, exchange or otherwise dispose of all or substantially all of the Assets, taken as a whole, in a single transaction or a series of related transactions without the prior approval of the holders of a majority of the voting power of Outstanding Equity Units; provided however that this provision shall not preclude or limit the General Partner's ability, in its sole discretion, to mortgage, pledge, hypothecate or grant a security interest in all or substantially all of the Assets (including for the benefit of Persons other than members of the BIP Group, including Affiliates of the General Partner) and shall not apply to any forced sale of any or all of the Assets pursuant to the foreclosure of, or other realization upon, any such encumbrance. The General Partner shall not, on behalf of the Partnership, except as permitted under Section 10.6 and Section 12.1, elect or cause the Partnership to elect a successor general partner of the Partnership.

## **5.3 Reimbursement of Partnership Expenses**

- 5.3.1 Except as provided in this Section 5.3 and elsewhere in this Agreement, the General Partner shall not be compensated for its services as General Partner of the Partnership.
- 5.3.2 The General Partner shall be reimbursed on a monthly basis, or such other basis as the General Partner may determine in its sole discretion, for (i) all direct and indirect expenses it incurs or payments it makes on behalf of the Partnership (including amounts paid to any Person to perform services for the Partnership or for the General Partner in the discharge of its duties to the Partnership), and (ii) all other necessary or appropriate expenses allocable to the Partnership or otherwise reasonably incurred by the General Partner in connection with conducting the Partnership's affairs (including expenses allocated to the General Partner by its Affiliates). The General Partner shall determine the fees and expenses that are allocable to the Partnership in any reasonable manner determined by the General Partner in its sole discretion. Reimbursements pursuant to this Section 5.3 shall be in addition to any reimbursement to the General Partner as a result of indemnification pursuant to Section 5.6.

## **5.4 Outside Activities**

- 5.4.1 The General Partner shall, for so long as it is the general partner of the Partnership, (i) maintain as its sole activity the activity of acting as the general partner of the



Partnership and undertaking activities that are ancillary or related thereto, and (ii) not engage in any business or activity or incur or guarantee any debts or liabilities except in connection with or incidental to its performance as general partner as described above or incurring, guaranteeing, acquiring, owning or disposing of debt or equity securities of any other member of the BIP Group.

- 5.4.2 Each Indemnified Party (other than the General Partner) shall have the right to engage in businesses of every type and description and other activities for profit, and to engage in and possess interests in business ventures of any and every type or description, whether in activities similar to those of the General Partner, the Partnership or any other member of the BIP Group, in direct competition to, and/or in preference to, or to the exclusion of, the Partnership, the General Partner or any other member of the BIP Group. Such business interests, activities and engagements shall not constitute a breach of this Agreement or any duties stated or implied by law or equity, including fiduciary duties, to any of the General Partner, the Partnership (or any of their respective investors) or any other member of the BIP Group (or any of their respective investors) and shall be deemed not to be a breach of the General Partner's fiduciary duties or any other obligation of any type whatsoever of the General Partner. None of the General Partner, the Partnership or any other member of the BIP Group or any other Person shall have any rights by virtue of this Agreement or the partnership relationship established hereby or otherwise in any business ventures of an Indemnified Party.
- 5.4.3 The General Partner and the Indemnified Parties shall have no obligation hereunder or as a result of any duties stated or implied by law or equity, including fiduciary duties, to present business or investment opportunities to the Partnership, the Limited Partners or any member of the BIP Group.
- 5.4.4 The General Partner and its Affiliates shall have no obligation to (i) permit the Partnership or any other member of the BIP Group to use any facilities or assets of the General Partner or its Affiliates, except as may be provided in contracts, agreements or of the arrangements entered into from time to time specifically dealing with such use, or (ii) to enter into such contracts, agreements or other arrangements.
- 5.4.5 Notwithstanding anything to the contrary in this Section 5.4, nothing in this Section 5.4 shall affect any obligation of an Indemnified Party to present a business or investment opportunity to the Partnership, the General Partner or any other member of the BIP Group pursuant to a separate written agreement between such Indemnified Party and the Partnership, the General Partner or any other member of the BIP Group.

## 5.5 Disclosure of Interests

- 5.5.1 The General Partner, its Affiliates and their respective partners, members, shareholders, directors, officers, employees and shareholders (each hereinafter referred to as an "**Interested Party**") may become Limited Partners or beneficially

interested in Limited Partners in the Partnership and may hold, dispose of or otherwise deal with Units with the same rights they would have if the General Partner were not party to this Agreement.

- 5.5.2 An Interested Party shall not be liable to account either to other Interested Parties or to the Partnership, the Partners or any other Persons for any profits or benefits made or derived by or in connection with any transaction contemplated by Section 5.4.2.
- 5.5.3 An Interested Party may sell investments to, purchase Assets from, vest Assets in and contract or enter into any contract, arrangement or transaction with the Partnership, any other member of the BIP Group or any other Person whose securities are held directly or indirectly by or on behalf of the Partnership or another member of the BIP Group, including any contract, arrangement or transaction relating to any financial, banking, investment banking, insurance, secretarial or other services, and may be interested in any such contract, transaction or arrangement and shall not be liable to account either to the Partnership, any other member of the BIP Group or any other Person in respect of any such contract, transaction, arrangement or interest, or any benefits or profits made or derived therefrom, by virtue only of the relationship between the parties concerned, provided that nothing herein contained shall permit an Interested Party or Limited Partner to enter into any such contract, transaction or arrangement as aforesaid, unless the terms thereof are permitted by or approved in accordance with the provisions of the Governing Instruments of the General Partner.
- 5.5.4 Without limiting the generality of the foregoing, an Interested Party or Limited Partner may enter into any contract, transaction or arrangement with any member of the BIP Group to provide advice or services, including investment management, monitoring or oversight services, services with respect to corporate finance matters and valuations, services relating to the arrangement of new financing, mergers and acquisitions, services relating to the provision of directors or other manager of a Person and other investment banking services, including introduction and transaction organization services.

## 5.6 Indemnification

- 5.6.1 The General Partner and any of its Affiliates, and their respective officers, directors, agents, shareholders, partners, members and employees, any Person who serves on the board of directors or other Governing Body of any member of the BIP Group and any Person the General Partner designates as an indemnified person (each, an “**Indemnified Party**”) shall, to the fullest extent permitted by law, be indemnified on an after Tax basis out of the Assets (and the General Partner shall be entitled to grant indemnities on behalf of the Partnership, and to make payments out of the Assets, to any Indemnified Party in each case in accordance with this Section 5.6) against any and all losses, claims, damages, liabilities, costs and expenses (including legal fees and expenses), judgments, fines, penalties, interest, settlements and other amounts (collectively, “**Liabilities**”) arising from any and all

claims, demands, actions, suits and proceedings, whether civil, criminal, administrative or investigative, in which any Indemnified Party is or may be involved, or is threatened to be involved, as a party or otherwise, in connection with the investments and activities of the Partnership or by reason of such Person being the General Partner, or an Affiliate of the General Partner, or an officer, director, agent, shareholder or employee of the General Partner, or an Affiliate of the General Partner, or a Person who serves on the board of directors or other Governing Body of any member of the BIP Group, provided that no such Indemnified Party shall be so indemnified, with respect to any matter for which indemnification is sought, to the extent that a court of competent jurisdiction determines pursuant to a final and non-appealable judgment that, in respect of such matter, the Indemnified Party acted in bad faith or engaged in fraud or willful misconduct, or in the case of a criminal matter, acted with knowledge that the Indemnified Party's conduct was unlawful. An Indemnified Party shall not be denied indemnification in whole or in part under this Section 5.6 because the Indemnified Party had an interest in the transaction with respect to which indemnification applies if the transaction was otherwise permitted by the terms of this Agreement.

- 5.6.2 To the fullest extent permitted by law, amounts incurred in respect of Liabilities incurred by an Indemnified Party in defending any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, shall from time to time be advanced by the Partnership prior to a determination that the Indemnified Party is not entitled to be indemnified, upon receipt by the Partnership of an undertaking by or on behalf of the Indemnified Party to repay such amount if it shall be determined that the Indemnified Party is not entitled to be indemnified as provided by the proviso of Section 5.6.1.
- 5.6.3 The indemnification provided by this Section 5.6 shall be in addition to any other rights to which an Indemnified Party may be entitled under any agreement, as a matter of the law or otherwise, both as to actions in the Indemnified Party's capacity as an Indemnified Party and as to actions in any other capacity, and shall continue as to any Indemnified Party who has ceased to serve in the capacity in which such Indemnified Party became entitled to indemnification under this Section 5.6, and shall enure to the benefit of such Person's heirs, successors, assigns and administrators. The indemnification provisions of this Section 5.6 are for the benefit of each Indemnified Party, its heirs, successors, assigns and administrators and shall not be deemed to create any rights for the benefit of any other Person.
- 5.6.4 No amendment, modification or repeal of this provision or any other provision of this Agreement shall in any manner terminate, reduce or impair the right of any past, present or future Indemnified Party to be indemnified by the Partnership or the obligations of the Partnership to indemnify any such Indemnified Party under and in accordance with the provisions of this Agreement as in effect immediately prior to such amendment, modification or repeal with respect to any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, arising from or relating to matters occurring, in whole or in part, prior to such

amendment, modification or repeal, regardless of when such claim, demand, action, suit or proceeding may arise or be asserted.

- 5.6.5 Notwithstanding anything to the contrary in this Agreement, (i) no Indemnified Party shall be liable to the Partnership, any Partner or any other Person who has acquired an interest in a Partnership Interest for any Liabilities sustained or incurred by such Person as a result of any act or omission of the Indemnified Party, except to the extent there has been a final and non-appealable judgment entered by a court of competent jurisdiction determining that such Liabilities resulted from the Indemnified Party's bad faith, fraud, wilful misconduct, or in the case of a criminal matter, actions with knowledge that the conduct was unlawful and (ii) any matter that is approved by a majority of the members of the Independent Committee shall not constitute a breach of this Agreement or any duties to the Partnership or to the Partners stated or implied by law or equity, including fiduciary duties.
- 5.6.6 To the extent that an Indemnified Party has any duties to the Partnership or to the Partners, including fiduciary duties, such Indemnified Party acting in connection with the Partnership's activities or affairs shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement.
- 5.6.7 Any amendment, modification or repeal of this Section 5.6 (or that otherwise affects Section 5.6) that limits its scope shall be prospective only and shall not in any way affect the limitations on the liability of the Indemnified Parties under this Section 5.6 as in effect immediately prior to such amendment, modification or repeal with respect to any claim, demand, action, suit or proceeding, whether civil, criminal, administrative or investigative, arising from or relating to matters occurring, in whole or in part, prior to such amendment, modification or repeal, regardless of when such claim, demand, action, suit or proceeding may arise or be asserted, provided that the Indemnified Party became an Indemnified Party hereunder prior to such amendment, modification or repeal.
- 5.6.8 The provisions of this Section 5.6 shall survive the dissolution of the Partnership.

## **5.7 Resolution of Conflicts of Interest**

- 5.7.1 Notwithstanding anything to the contrary in this Agreement, conflicts of interest and potential conflicts of interest that are approved by a majority of the members of the Independent Committee from time to time are hereby approved by all Partners.
- 5.7.2 The parties acknowledge and agree that the Independent Committee may grant approvals for any matters that may give rise to a conflict of interest or potential conflict of interest pursuant to the guidelines, policies or procedures that are approved by the Independent Committee from time to time (the "**Conflicts Guidelines**"), and if and to the extent that such matters are permitted by the Conflicts Guidelines, no further special approval will be required in connection with such matter permitted thereby.

## **5.8 Other Matters Concerning the General Partner**

- 5.8.1 The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- 5.8.2 The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted to be taken in reliance upon the opinion (including an Opinion of Counsel) of such Persons as to matters that such General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.
- 5.8.3 The General Partner shall have the right, in respect of any of its powers or obligations hereunder, to act through any of its duly authorized officers and a duly appointed attorney or attorneys-in-fact. Each such attorney shall, to the extent provided by the General Partner in the power of attorney, have full power and authority to do and perform each and every act and duty that is permitted or required to be done by the General Partner hereunder.
- 5.8.4 Any standard of care or duty imposed by this Agreement or under any applicable law, rule or regulation shall be modified, waived or limited as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the authority prescribed in this Agreement so long as such action is reasonably believed by the General Partner to be in, or not inconsistent with, the best interests of the Partnership.

## **5.9 Title to Assets**

Title to Assets, whether real, personal or mixed and whether tangible or intangible, shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Assets or any portion thereof. Title to any or all of the Assets may be held in the name of the Partnership, the General Partner, one or more of its Affiliates or one or more nominees, as the General Partner may determine. The General Partner hereby declares and warrants that any Assets for which record title is held in the name of the General Partner or one or more of its Affiliates or one or more nominees shall be held by the General Partner or such Affiliate or nominee for the benefit of the Partnership in accordance with the provisions of this Agreement; provided, however, that the General Partner shall use its reasonable efforts to cause record title to such Assets (other than those assets in respect of which the General Partner determines that the expense and difficulty of conveyancing makes transfer of record title to the Partnership impracticable) to be vested in the Partnership as soon as reasonably practicable; provided that, prior to the withdrawal of the General Partner or as soon thereafter as practicable, the General Partner shall use reasonable efforts to effect the transfer of record title to the

Partnership and prior to any such transfer, will provide for the use of such Assets in a manner satisfactory to the Partnership. All Assets shall be recorded as the property of the Partnership in its books and records, irrespective of the name in which record title to such Assets is held.

#### **5.10 Purchase or Sale of Units**

The General Partner may cause the Partnership to purchase or otherwise acquire Units. As long as Units are held by the Partnership, such Units shall not be considered Outstanding for any purpose, except as otherwise provided herein. The General Partner or any Affiliate of the General Partner may also purchase or otherwise acquire and sell or otherwise dispose of Units for its own account, subject to the provisions of Article 10 and Article 11.

#### **5.11 Reliance by Third Parties**

Notwithstanding anything to the contrary in this Agreement, any Person dealing with the Partnership shall be entitled to assume that the General Partner has full power and authority to encumber, sell or otherwise use in any manner any and all Assets and to enter into any contracts on behalf of the Partnership, including contracts related to the incurrence or guarantee of indebtedness, and such Person shall be entitled to deal with the General Partner as if it were the Partnership's sole party in interest, both legally and beneficially. Each Limited Partner hereby waives any and all defenses or other remedies that may be available against such Person to contest, negate or disaffirm any action of the General Partner in connection with any such dealing. In no event shall any Person dealing with the General Partner or its representatives be obligated to ascertain that the terms of this Agreement have been complied with or to inquire into the necessity or expedience of any act or action of the General Partner or its representatives. Each and every certificate, document or other instrument executed on behalf of the Partnership by the General Partner or its representatives shall be conclusive evidence in favor of any and every Person relying thereon or claiming thereunder that (a) at the time of the execution and delivery of such certificate, document or instrument, this Agreement was in full force and effect, (b) the Person executing and delivering such certificate, document or instrument was duly authorized and empowered to do so for and on behalf of the Partnership and (c) such certificate, document or instrument was duly executed and delivered in accordance with the terms and provisions of this Agreement and is binding upon the Partnership.

#### **5.12 Services**

The General Partner may cause the Partnership to appoint any Person (including any Affiliate of the General Partner) to manage the affairs of the Partnership, in accordance with the Conflicts Guidelines. Any services rendered pursuant to such appointment shall be on terms that are fair and reasonable to the Partnership, provided that the requirements of this Section 5.12 shall be deemed satisfied as to (i) any services provided under the Master Services Agreement and any agreement contemplated thereby, (ii) any transaction approved by a majority of the members of the Independent Committee, or (iii) any transaction entered into in accordance with the Conflicts Guidelines. The provisions of Section 5.3 shall apply to the rendering of services described in this Section 5.12.

## **ARTICLE 6**

### **INVESTMENTS IN THE INFRASTRUCTURE PARTNERSHIP**

Notwithstanding anything in this Agreement to the contrary, if and to the extent that the Partnership raises funds by way of the issuance of equity or debt securities, or otherwise, pursuant to a public offering, private placement or otherwise, the General Partner shall cause such funds to be invested in securities of the Infrastructure Partnership in accordance with the terms of the Infrastructure Partnership Agreement, unless otherwise agreed by the Partnership and the Infrastructure Partnership.

## **ARTICLE 7**

### **RIGHTS AND OBLIGATIONS OF LIMITED PARTNERS**

#### **7.1 Limitation of Liability**

The Limited Partners shall have no liability under this Agreement except as expressly provided in this Agreement or the Limited Partnership Act or the Exempted Partnerships Act.

If it were determined that a Limited Partner was participating in the control or management of the Partnership or conducting the affairs of, signing or executing documents for or otherwise binding the Partnership (or purporting to do any of the foregoing) within the meaning of the Limited Partnership Act or the Exempted Partnerships Act, such Limited Partner would be liable as if it were a General Partner of the Partnership in respect of all debts of the Partnership incurred while that Limited Partner was so acting or purporting to act.

#### **7.2 Management of Partnership Affairs**

No Limited Partner (other than the General Partner or any officer, director, employee, partner, agent or trustee of the General Partner, in its capacity as such, if such Person shall also be a Limited Partner) shall take part in the management or control of the activities and affairs of the Partnership or have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or to vote on matters relating to the Partnership, to have access to the books and records of the Partnership or any other member of the BIP Group other than as required by applicable law or as set forth in this Agreement. The transaction of any such activities or affairs by the General Partner or any officer, director, employee, partner, agent or trustee of the General Partner, in its capacity as such, shall not affect, impair or eliminate the limitations on the liability of the Limited Partners under this Agreement.

#### **7.3 Outside Activities**

Subject to the provisions of Section 5.4, which shall continue to be applicable to the Persons referred to therein, regardless of whether such Persons shall also be Limited Partners, any Limited Partner shall be entitled to and may have interests and engage in activities in addition to activities relating to the Partnership, including interests and activities in direct competition with the Partnership or the Infrastructure Partnership. Neither the Partnership nor any of the other Partners shall have any rights by virtue of this Agreement in any ventures of any Limited Partner.

## **ARTICLE 8**

### **BOOKS, RECORDS, ACCOUNTING AND REPORTS**

#### **8.1 Books, Records and Accounting**

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's activities and affairs. Any books and records maintained by or on behalf of the Partnership in the regular course of its activities and undertakings, including the record of the Record Holders, books of account and records of Partnership proceedings, may be kept on information storage devices, provided, that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with IFRS-IASB.

#### **8.2 Fiscal Year**

Subject to Section 14.1.10, the fiscal year of the Partnership (including for all relevant Tax purposes) shall be the calendar year; provided, however, if the Code requires a taxable year of the Partnership other than a calendar year then, for U.S. tax purposes, the fiscal year of the Partnership shall be such taxable year.

#### **8.3 Reports**

- 8.3.1 Within the period of time required by applicable law, regulation or any rule of any Securities Exchange, the General Partner shall prepare in accordance with IFRS-IASB and make publicly available as of a date selected by the General Partner in its sole discretion financial statements of the Partnership for such fiscal year of the Partnership audited by a firm of independent public accountants of international standing selected by the General Partner as well as a statement of the accounting policies used in their preparation, such information as may be required by applicable laws and regulations and such information as the General Partner deems appropriate.
- 8.3.2 As and within the period of time required by any applicable law, regulation or any rule of any Securities Exchange, the General Partner shall prepare in accordance with IFRS-IASB and make publicly available quarterly financial statements of the Partnership, which may be unaudited, as may be required by applicable law, regulation or rule of any Securities Exchange.

## **ARTICLE 9**

### **TAX MATTERS**

#### **9.1 Tax Information**

- 9.1.1 Following each taxable year of the Partnership, the General Partner shall use commercially reasonable efforts to supply each Person that was a Partner at any time during such taxable year with a Schedule K-1 (or equivalent) within ninety (90) days after the close of such taxable year and information related to the passive



foreign investment company status of any non U.S. corporation that the Partnership controls (together with such Schedule K-1, the “**K-1 Information**”). The General Partner shall also, where reasonably possible and applicable, prepare and send such Persons (i) such other information required by any non-U.S. Limited Partner for U.S. federal income tax reporting purposes and (ii) such information as may be necessary for such Persons to file their own Canadian federal income tax returns.

9.1.1.1 Notwithstanding Section 9.1.1:

- (a) Partners entitled to receive the K-1 Information pursuant to Section 9.1.1 that are of a type, as identified by their respective Record Holders through whom their Units are held, that do not ordinarily have U.S. federal tax return filing requirements (collectively, the “**K-1 Partners**”) agree to appoint the General Partner as their agent for purposes of receiving such K-1 Information; and
- (b) unless a K-1 Partner requests physical delivery of the K-1 Information in respect of the immediately preceding taxable year of the Partnership within sixty (60) days after the close of such taxable year, upon electronic delivery of such K-1 Information to the General Partner within ninety (90) days of the close of such taxable year, the Partnership will have satisfied its requirement to deliver such K-1 Information to such K-1 Partner.

## 9.2 Preparation of Tax Returns

The General Partner shall arrange for the preparation and timely filing of all returns of Partnership income, gains, deductions, losses and other items required of the Partnership for U.S. federal and state income tax purposes and, where applicable, Canadian Tax Purposes. The classification, realization and recognition of income, gain, losses and deductions and other items shall be computed (i) for U.S. federal income tax purposes, on the accrual method of accounting; and (ii) for Canadian Tax Purposes, in accordance with the Income Tax Act.

## 9.3 Tax Elections

The General Partner shall determine whether to make, to refrain from making or to revoke the election provided for in Section 754 of the Code, and any and all other elections permitted by the Code, the Income Tax Act or any other national, federal, provincial, state or local tax law.

## 9.4 Tax Controversies

Subject to the provisions hereof, the General Partner is designated the Tax Matters Partner (as defined in Section 6231 of the Code) and the designated partner for the purposes of the Income Tax Act including subsections 152(1.4) to 152(1.8) thereof, and is authorized and required to represent the Partnership (at the Partnership’s expense) in connection with all examinations of the Partnership’s affairs by tax authorities, including resulting administrative and judicial proceedings, and to expend Partnership funds for professional services and costs associated therewith. Each

Partner agrees to cooperate with the General Partner and to do or refrain from doing any or all things reasonably required by the General Partner to conduct such proceedings.

## **9.5 Withholding**

Notwithstanding any other provision of this Agreement, the General Partner is authorized to take any action that it determines in its sole discretion to be necessary or appropriate to cause the Partnership to comply with any withholding requirements established under the Code, the Income Tax Act or any other national, federal, provincial, state or local law including Chapters 3 and 4 of Subtitle A of the Code. To the extent that the Partnership is required to withhold and pay over to any taxing authority any amount resulting from the allocation or distribution of income to any Partner, the amount withheld shall be treated as a distribution of cash or as a general expense of the Partnership pursuant to Section 4.3 in the amount of such withholding from such Partner. To the extent an amount otherwise payable to a member of the BIP Group is required to be withheld and paid over to any taxing authority, and such withheld amount is attributable to a Partner's ownership of Units, then such withheld amount shall be treated as a distribution of cash to such Partner or as a general expense of the Partnership pursuant to Section 4.3 in the amount of such withholding.

## **9.6 Election to be Treated as a Corporation**

Notwithstanding anything to the contrary contained herein, if the General Partner determines in its sole discretion that it is no longer in the best interests of the Partnership to continue as a partnership for U.S. federal income tax purposes, the General Partner may elect to treat the Partnership as an association or as a publicly traded partnership taxable as a corporation for U.S. federal (and applicable state) income tax purposes.

# **ARTICLE 10 CERTIFICATES; RECORD HOLDERS; TRANSFERS OF PARTNERSHIP INTERESTS**

## **10.1 Certificates**

- 10.1.1 Upon the Partnership's issuance of Partnership Interests of all or any classes to any Person, the Partnership shall issue one or more Certificates in the name of such Person evidencing the number of such Partnership Interests being so issued. Certificates shall be executed on behalf of the Partnership by the General Partner. No Certificate evidencing the issuance of Partnership Interests shall be valid for any purpose until it has been countersigned by the Transfer Agent, provided that if the General Partner elects to issue Partnership Interests (including Units) in global form, the Certificates of such Partnership Interests (including Units) shall be valid upon receipt of a certificate from the Transfer Agent certifying that the Partnership Interests have been duly registered in accordance with the directions of the Partnership.
- 10.1.2 Notwithstanding Section 10.1.1, Partnership Interests (including Units) of any class may be traded through an electronic settlement system and held in Uncertificated form in accordance with such arrangements as may from time to time be permitted

by any statute, regulation, order, instrument or rule in force affecting the Partnership. Amendments to any provisions of this Agreement which may be necessary or expedient for this purpose may be made by the General Partner in its sole discretion but will not be deemed to vary the rights of any class of Partnership Interests (including Units).

- 10.1.3 Certificates may bear any legends required by applicable law or otherwise determined to be appropriate by the General Partner.

## **10.2 Mutilated, Destroyed, Lost or Stolen Certificates**

- 10.2.1 If any mutilated Certificate is surrendered to the Transfer Agent, the General Partner on behalf of the Partnership shall execute, and upon its request the Transfer Agent shall countersign and deliver in exchange therefor, a new Certificate evidencing the same number of Partnership Interests as the Certificate so surrendered.
- 10.2.2 The General Partner on behalf of the Partnership shall execute, and upon its request the Transfer Agent shall countersign and deliver a new Certificate in place of any Certificate previously issued if the Record Holder of the Certificate:
- 10.2.2.1 makes proof by affidavit, in form and substance satisfactory to the General Partner, that a previously issued Certificate has been lost, destroyed or stolen;
  - 10.2.2.2 requests the issuance of a new Certificate before the Partnership has notice that the Certificate has been acquired by a purchaser for value in good faith and without notice of an adverse claim;
  - 10.2.2.3 if requested by the General Partner, delivers to the Partnership a bond, in form and substance satisfactory to the General Partner, with surety or sureties and with fixed or open penalty as the General Partner may reasonably direct, in its sole discretion, to indemnify the Partnership, the General Partner and the Transfer Agent against any claim that may be made on account of the alleged loss, destruction or theft of the Certificate; and
  - 10.2.2.4 satisfies any other reasonable requirements imposed by the General Partner.
- 10.2.3 If a Record Holder fails to notify the Partnership within a reasonable time after the holder has notice of the loss, destruction or theft of a Certificate, and a transfer of the Partnership Interests represented by the Certificate is registered before the Partnership, the General Partner or the Transfer Agent receives such notification, the Record Holder shall be precluded from making any claim against the Partnership, the General Partner or the Transfer Agent for such transfer or for a new Certificate.

- 10.2.4 As a condition to the issuance of any new Certificate under this Section 10.2, the General Partner 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 Transfer Agent) reasonably connected therewith.

### **10.3 Record Holder**

In accordance with Section 10.5.2, the Partnership shall be entitled to recognize the Record Holder as the Limited Partner with respect to any Units and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such Units on the part of any other Person, whether or not the Partnership shall have actual or other notice thereof, except as otherwise provided by applicable law or regulation. Without limiting the foregoing, when a Person (such as a broker, dealer, bank, trust company or clearing corporation or an agent of any of the foregoing) is acting as nominee, agent or in some other representative capacity for another Person in acquiring and/or holding Units, as between the Partnership on the one hand and such other Person on the other hand, such representative Person shall be the Record Holder of such Partnership Interest. A Person may become a Record Holder without the consent or approval of any Partner.

### **10.4 Transfer Generally**

- 10.4.1 The term “**transfer**”, when used in this Agreement with respect to a Partnership Interest, shall be deemed to refer to a transaction (i) by which the General Partner assigns its General Partner Unit to another Person or (ii) by which the holder of a Unit assigns such Unit to another Person, and includes a sale, assignment, gift, pledge, encumbrance, hypothecation, mortgage, exchange or any other disposition by law or otherwise.
- 10.4.2 No Partnership Interest shall be transferred, in whole or in part, except in accordance with the terms and conditions set forth in this Article 10. Any transfer or purported transfer of a Partnership Interest not made in accordance with this Article 10 shall be null and void.
- 10.4.3 Nothing contained in this Agreement shall be construed to prevent the parent entity of the General Partner from disposing of all of the issued and outstanding capital stock of the General Partner.

### **10.5 Registration and Transfer of Units**

- 10.5.1 The General Partner shall cause to be kept at its registered office in Bermuda on behalf of the Partnership a register in which, subject to such reasonable regulations as it may prescribe and subject to the provisions of Section 10.5.2, the General Partner will provide for the registration and transfer of Units. The Transfer Agent is hereby appointed registrar and transfer agent for the purpose of registering Units and transfers of such Units as herein provided. The Partnership shall not recognize transfers of Certificates representing Units unless such transfers are effected in the manner described in this Section 10.5. Upon surrender for registration of transfer of any Units evidenced by a Certificate, and subject to the provisions of

Section 10.5.2, the General Partner on behalf of the Partnership shall execute and deliver, and the Transfer Agent shall countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder's instructions, one or more new Certificates evidencing the same aggregate number of Units as was evidenced by the Certificate so surrendered.

- 10.5.2 Except as otherwise provided in Article 11, the Partnership shall not recognize any transfer of Units until the Certificates evidencing such Units are surrendered for registration of transfer.
- 10.5.3 Subject to (i) the foregoing provisions of this Section 10.5; (ii) Section 10.3; (iii) Section 10.7; (iv) with respect to any class or series of Units, the provisions of any statement of designations or amendment to this Agreement establishing such series; (v) any contractual provisions binding on any Limited Partner; and (vi) provisions of applicable law including the Limited Partnership Act and the Exempted Partnerships Act, Units shall be freely transferable.
- 10.5.4 The General Partner shall have power to implement such arrangements as it may, in its sole discretion, determine fit in order for any class of Units to be admitted to settlement by means of any clearing system.
- 10.5.5 The General Partner may, in its sole discretion and without giving a reason, refuse to register a transfer of any Unit in Certificated form or Uncertificated form (subject to Section 10.5.6) which is not fully paid or on which the Partnership has a lien.
- 10.5.6 The General Partner may only decline to register a transfer of an Uncertificated Unit in the circumstances set out in this Agreement, the listing rules made by any Securities Exchange and the regulations of any clearing system implemented pursuant to Section 10.5.4, or as otherwise required by applicable law, rule or regulation.

## **10.6 Transfer of General Partner Unit**

- 10.6.1 The General Partner may transfer its General Partner Unit to a single transferee (including upon its merger, consolidation or other combination into any other Person or the transfer by it of all or substantially all of its assets to another Person) if, but only if, (i) the transferee agrees to assume and be bound by the provisions of this Agreement and (ii) the Partnership receives an Opinion of Counsel that such transfer (or merger, consolidation or combination) would not result in the loss of limited liability of any Limited Partner or of any limited partner of the Infrastructure Partnership, or cause the Partnership or the Infrastructure Partnership to be treated as an association taxable as a corporation or otherwise to be taxed as an entity for tax purposes (to the extent not previously treated as such) or cause the Partnership or the Infrastructure Partnership to become an "investment company" under the U.S. Investment Company Act of 1940, as amended, or similar legislation in other jurisdictions; provided, however, that no such opinion shall be required in

connection with an election described in Section 9.6 made by the General Partner or in connection with a transfer following such an election.

- 10.6.2 In the case of a transfer pursuant to this Section 10.6, the transferee or successor (as the case may be) shall be admitted to the Partnership as the General Partner immediately after the transfer of the General Partner Unit, and the Partnership shall continue without dissolution.
- 10.6.3 The Parties agree that no transfer under this Section 10.6 will occur without the notification to and approval of the relevant Bermuda regulatory authorities in accordance with Bermuda law.

## **10.7 Restrictions on Transfers**

Notwithstanding the other provisions of this Article 10, no transfer of any Partnership Interest shall be made if such transfer would (a) violate the then applicable securities laws or rules and regulations of any securities commission of any jurisdiction or any other governmental authorities with jurisdiction over such transfer, (b) result in the taxation of the Partnership as an association taxable as a corporation or otherwise subject the Partnership to entity-level taxation for tax purposes (in either case, for U.S. tax purposes, to the extent not otherwise elected by the General Partner pursuant to Section 9.6 to be treated as such) or (c) affect the Partnership's existence or qualification as an exempted limited partnership under the Limited Partnership Act or Exempted Partnerships Act.

## **ARTICLE 11 ADMISSION OF ADDITIONAL OR SUCCESSOR PARTNERS**

### **11.1 Admission of Additional Limited Partners**

- 11.1.1 By acceptance of the transfer of any Units or the issuance of any Units in accordance with this Agreement, each Person to whom a Unit is transferred or issued (including any nominee holder or an agent or representative acquiring such Units for the account of another Person) shall:
  - 11.1.1.1 be admitted to the Partnership as a Limited Partner with respect to the Units so transferred or issued to such Person when any such transfer or issuance is reflected in the books and records of the Partnership, with or without execution of this Agreement;
  - 11.1.1.2 become bound by, and shall be deemed to have agreed to be bound by, the terms of this Agreement;
  - 11.1.1.3 shall become the Record Holder of the Units so transferred or issued;
  - 11.1.1.4 represents that the transferee or other recipient has the capacity, power and authority to enter into this Agreement;
  - 11.1.1.5 be deemed to grant the powers of attorney set forth in this Agreement;

- 11.1.1.6 be deemed to make the consents and waivers contained in the Agreement, including with respect to the approval of the transactions and agreements entered into in connection with the formation of the Partnership and the Spin-Off; and
- 11.1.1.7 be deemed to ratify and confirm all contracts, agreements, assignments and instruments entered into on behalf of the Partnership, in accordance with this Agreement, including, without limitation, the granting of any charge or security interest over the Assets and the assumption of any indebtedness in connection with the affairs of the Partnership.
- 11.1.2 The transfer of any Unit and/or the admission of any new Limited Partner to the Partnership will not constitute any amendment to this Agreement. A Person may become a Record Holder without the consent or approval of any of the Partners. A Person may not become a Limited Partner without acquiring a Unit.
- 11.1.3 Any transfer of a Unit shall not entitle the transferee to share in the profits and losses, to receive distributions, to receive allocations of income, gain, loss, deduction or credit or any similar item or to any other rights to which the transferor was entitled until the transferee becomes a Limited Partner and a party to this Agreement pursuant to this Article 11.

## **11.2 Admission of Successor General Partner**

A successor General Partner approved pursuant to Section 12.1 or the transferee of or successor to the General Partner's General Partner Unit pursuant to Section 10.6 shall be admitted to the Partnership as the General Partner, subject to the requirements of the Limited Partnership Act and the Exempted Partnerships Act, effective immediately prior to the withdrawal of the General Partner pursuant to Section 12.1 or the transfer of the General Partner's General Partner Unit pursuant to Section 10.6. Any such successor shall conduct the activities and affairs of the Partnership without dissolution. In each case, the admission shall be subject to the successor General Partner executing and delivering to the Partnership an acceptance of all of the terms and conditions of this Agreement and such other documents or instruments as may be required to effect the admission. Any such successor is hereby authorized to and shall, subject to the terms hereof, conduct the activities and affairs of the Partnership without dissolution. A successor General Partner shall be deemed to ratify and confirm all contracts, agreements, assignments and instruments entered into on behalf of the Partnership, in accordance with this Agreement, including, without limitation, the granting of any charge or security interest over the Assets and the assumption of any indebtedness in connection with the affairs of the Partnership.

## **ARTICLE 12 WITHDRAWAL OF PARTNERS**

### **12.1 Withdrawal of the General Partner**

- 12.1.1 The General Partner shall be deemed to have withdrawn from the Partnership upon the occurrence of any one of the following events (each such event herein referred to as an “**Event of Withdrawal**”):
- 12.1.1.1 the General Partner voluntarily withdraws from the Partnership by giving written notice to the other Partners;
  - 12.1.1.2 the General Partner transfers all of its rights as General Partner pursuant to Section 10.6;
  - 12.1.1.3 the General Partner (a) makes a general assignment for the benefit of creditors; (b) files a voluntary bankruptcy petition; (c) files a petition or answer seeking for itself a reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law; (d) files an answer or other pleading admitting or failing to contest the material allegations of a petition filed against the General Partner in a proceeding of the type described in Sections (a)-(c) of this Section 12.1.1.3; or (e) seeks, consents to or acquiesces in the appointment of a trustee, receiver or liquidator of the General Partner or of all or any substantial part of its properties;
  - 12.1.1.4 a final and non-appealable judgment is entered by a court with appropriate jurisdiction ruling that the General Partner is bankrupt or insolvent, or a final and non-appealable order for relief is entered by a court with appropriate jurisdiction against the General Partner, in each case under any federal or state bankruptcy or insolvency laws as now or hereafter in effect; or
  - 12.1.1.5 a certificate of dissolution or its equivalent is filed for the General Partner, or 90 days expire after the date of notice to the General Partner of revocation of its charter without a reinstatement of its charter, under the laws of its jurisdiction of incorporation or organization.
- 12.1.2 If an Event of Withdrawal specified in Sections 12.1.1.3, 12.1.1.4 or 12.1.1.5 occurs or is expected, the withdrawing General Partner shall give notice as soon as reasonably practicable to the Limited Partners. The Partners hereby agree that only the Events of Withdrawal described in this Section 12.1 shall result in the withdrawal of the General Partner from the Partnership.
- 12.1.3 Withdrawal of the General Partner from the Partnership upon the occurrence of an Event of Withdrawal shall not constitute a breach of this Agreement under the following circumstances: (i) the General Partner voluntarily withdraws by giving at least 90 days’ advance notice to the Limited Partners, such withdrawal to take



effect on the date specified in such notice; or (ii) at any time that the General Partner ceases to be a General Partner pursuant to Section 12.1.1.2.

- 12.1.4 If the General Partner gives a notice of withdrawal pursuant to Sections 12.1.1.1 or 12.1.2, holders of at least a majority of the voting power of the Outstanding Equity Units may, prior to the effective date of such withdrawal, elect a successor General Partner. If, prior to the effective date of the General Partner's withdrawal, a successor is not selected by the holders of Equity Units as provided herein or the Partnership does not receive a Withdrawal Opinion of Counsel, the Partnership shall be dissolved in accordance with Section 13.2. Any such successor General Partner shall be subject to the provisions of Section 11.2.

## **12.2 Interest of Departing General Partner and Successor General Partner**

- 12.2.1 In the event of withdrawal of the General Partner under circumstances where such withdrawal does not violate this Agreement, the Departing General Partner shall, at its option exercisable prior to the effective date of the departure of such Departing General Partner, promptly receive from its successor in exchange for its General Partner Unit an amount in cash equal to the fair market value of the General Partner Unit, such amount to be determined and payable as of the effective date of its departure. If the General Partner withdraws under circumstances where such withdrawal violates this Agreement, its successor shall have the option described in the immediately preceding sentence, and the Departing General Partner shall not have such option.
- 12.2.2 For purposes of this Section 12.2.2, the fair market value of the Departing General Partner Unit shall be determined by agreement between the Departing General Partner and its successor or, failing agreement within 30 days after the effective date of such Departing General Partner's departure, by an independent investment banking firm or other independent expert selected by the Departing General Partner and its successor, which, in turn, may rely on other experts and the determination of which shall be conclusive as to such matter. If such parties cannot agree upon one independent investment banking firm or other independent expert within 45 days after the effective date of such departure, then the Departing General Partner shall designate an independent investment banking firm or other independent expert, the Departing General Partner's successor shall designate an independent investment banking firm or other independent expert, and such firms or experts shall mutually select a third independent investment banking firm or independent expert, which shall determine the fair market value of the General Partner Unit. In making its determination, such independent investment banking firm or other independent expert shall consider the then current trading price of Equity Units on any Securities Exchange on which Equity Units are then listed, the value of the Assets, the rights and obligations of the General Partner and other factors it may deem relevant.
- 12.2.3 If the General Partner Unit is not acquired in the manner set forth in Section 12.2.1, the Departing General Partner shall become a Limited Partner and the General

Partner Unit shall be converted into an Equity Unit pursuant to a valuation made by an investment banking firm or other independent expert selected pursuant to Section 12.2.1, without reduction in such Partnership Interest (but subject to proportionate dilution by reason of the admission of its successor).

### **12.3 Withdrawal of Limited Partners**

No Limited Partner shall have any right to withdraw from the Partnership; provided, however, that when a transferee of a Limited Partner's Units becomes a Record Holder, such transferring Limited Partner shall, subject to Section 4.1.2, cease to be a Limited Partner with respect to the Units so transferred.

## **ARTICLE 13 TERMINATION OF THE PARTNERSHIP**

### **13.1 General**

Subject to the provisions of this Article 13, the Partnership shall terminate on the earlier to occur of:

- 13.1.1 the date on which all Assets have been disposed of or otherwise realized by the Partnership and the proceeds of such disposals or realizations have been distributed to the Partners;
- 13.1.2 the service of notice by the General Partner, with the approval of a majority of the members of the Independent Committee, that in the opinion of the General Partner the coming into force of any law, regulation or binding authority renders illegal or impracticable the continuation of the Partnership; or
- 13.1.3 the election of the General Partner, if the Partnership, as determined by the General Partner, is required to register as an "investment company" under the U.S. Investment Company Act of 1940, as amended, or similar legislation in other jurisdictions.

### **13.2 Incapacity**

- 13.2.1 Subject to Section 13.2.2, the Partnership shall be dissolved on the following:
  - 13.2.1.1 the date that the General Partner withdraws from the Partnership without the appointment of a successor pursuant to Section 12.1 having been implemented; or
  - 13.2.1.2 the date on which any court of competent jurisdiction enters a decree of judicial dissolution of the Partnership or an order to wind up or liquidate the General Partner without the appointment of a successor pursuant to Section 12.1.

- 13.2.2 The Partnership shall be reconstituted and continue without dissolution, if within 30 days of the date of dissolution (and provided that a notice of dissolution with respect to the Partnership has not been provided to the Bermuda Monetary Authority) under this Section 13.2, a successor General Partner appointed pursuant to this Agreement executes a transfer deed pursuant to which the new General Partner assumes the rights and undertakes the obligations of the original general partner, but only if the Partnership receives an Opinion of Counsel that the admission of the new General Partner will not result in the loss of limited liability of any Limited Partner.

### **13.3 Liquidation**

Upon dissolution of the Partnership, unless the Partnership is continued under an election to reconstitute and continue the Partnership pursuant to Section 13.2, the General Partner shall act, or cause one or more Persons to act, as the Liquidator. The Liquidator (if other than the General Partner) shall be entitled to receive such compensation for its services as may be approved by a majority of the members of the Independent Committee. If the General Partner is acting as the Liquidator, it shall not be entitled to receive any additional compensation for acting in such capacity. The Liquidator shall agree not to resign at any time without 15 days' prior notice and (if other than the General Partner) may be removed at any time, with or without cause, by notice of removal approved by a majority of the members of the Independent Committee. Upon dissolution, removal or resignation of the Liquidator, a successor and substitute Liquidator (who shall have and succeed to all rights, powers and duties of the original Liquidator) shall within 30 days thereafter be approved by a majority of the members of the Independent Committee. The right to approve a successor or substitute Liquidator in the manner provided herein shall be deemed to refer also to any such successor or substitute Liquidator approved in the manner herein provided. Except as expressly provided in this Section 13.3, the Liquidator approved in the manner provided herein shall have and may exercise, without further authorization or consent of any of the parties hereto, all of the powers conferred upon the General Partner under the terms of this Agreement (but subject to all of the applicable limitations, contractual and otherwise, upon the exercise of such powers) to the extent necessary or desirable in the good faith judgment of the Liquidator to carry out the duties and functions of the Liquidator hereunder for and during such period of time as shall be reasonably required in the good faith judgment of the Liquidator to complete the winding-up and liquidation of the Partnership as provided for herein. The Liquidator shall proceed to dispose of the Assets, discharge its liabilities, and otherwise wind up its affairs in such manner and over such period as the Liquidator determines to be in the best interest of the Partners, subject to applicable laws and the following:

- 13.3.1 the Assets may be disposed of by public or private sale or by distribution in kind to one or more Partners on such terms as the Liquidators and such Partners or Partners may agree; if any property is distributed in kind, the Partner receiving the property shall be deemed for purposes of Section 13.3.3 to have received cash equal to its fair market value; and contemporaneously therewith, appropriate cash distributions must be made to the other Partners; the Liquidator may distribute the Assets, in whole or in part, in kind if it determines that a sale would be impractical or would cause undue loss to the Partners; the Liquidator may defer liquidation of the Assets

for a reasonable time if it determines that an immediate sale or distribution of all or some of the Assets would be impractical or would cause undue loss to the Partners;

- 13.3.2 liabilities of the Partnership, including amounts owed to the Liquidator as compensation for serving in such capacity (subject to the terms of Section 13.3) and amounts to Partners otherwise than in respect of their distribution rights under Section 4.3, shall be discharged; with respect to any liability that is contingent, conditional or unmatured or is otherwise not yet due and payable, the Liquidator shall either settle such claim for such amount as it thinks appropriate or establish a reserve of cash or other assets to provide for its payment; when paid, any unused portion of the reserve shall be distributed as additional liquidation proceeds; and
- 13.3.3 all property and all cash in excess of that required to discharge liabilities of the Partnership pursuant to Section 13.3.2 shall be distributed to the Preferred Unitholders in priority to the other Partners, up to the amount of the liquidation entitlement of the Preferred Units as set out in Schedule A, and any remaining amount available for distribution will be distributed to the Partners in accordance with their Percentage Interests, in each case as of the date chosen by the Liquidator. In the event that the property and cash to be distributed to the Preferred Unitholders on the liquidation of the Partnership is not sufficient to pay the full amount of the liquidation entitlement of the Preferred Units as set out in Schedule A for each Preferred Unit then Outstanding, the amount available for distribution shall be paid to the Preferred Unitholders *pro rata* in proportion to their respective relative percentage of Preferred Units held (determined by reference to the aggregate value of the issue price of the Preferred Units held by each Preferred Unitholder relative to the aggregate value of the issue price of all Preferred Units then Outstanding). Such distributions shall be made by the end of the taxable year in which the liquidation of the Partnership occurs (or, if later, within 90 days after the date of such liquidation).

#### **13.4 Distributions in Kind**

Notwithstanding the provisions of Section 13.3, which require the liquidation of the Assets, but subject to the order of priorities set forth therein, if prior to or upon dissolution of the Partnership, the Liquidator determines that an immediate sale of part or all of the Assets would be impractical or would cause undue loss to the Partners, the Liquidator may, in its absolute discretion, defer for a reasonable time the liquidation of any Assets except those necessary to satisfy liabilities of the Partnership (including those to Partners as creditors) and/or distribute to the Partners or to specific classes of Partners, in lieu of cash, as tenants in common and in accordance with the provisions of Section 13.3, undivided interests in such Assets as the Liquidator deems not suitable for liquidation. Any such distributions in kind shall be made only if, in the good faith judgment of the Liquidator, such distributions in kind are in the best interest of the Limited Partners, and shall be subject to such conditions relating to the disposition and management of such properties as the Liquidator deems reasonable and equitable and to any agreements governing the operation of such properties at such time. The Liquidator shall determine the fair market value of any property distributed in kind using such reasonable method of valuation as it may adopt.

### **13.5 Cancellation of Certificate of Limited Partnership**

Upon the completion of the distribution of Partnership cash and property as provided in Sections 13.3 and 13.4, the Partnership shall be terminated and the Certificate of Limited Partnership and all qualifications of the Partnership as a foreign limited partnership in jurisdictions other than Bermuda shall be cancelled and such other actions as may be necessary to terminate the Partnership shall be taken.

### **13.6 Reasonable Time for Winding Up**

A reasonable time shall be allowed for the orderly winding up of the activities and affairs of the Partnership and the liquidation of its Assets pursuant to Section 13.3 in order to minimize any losses otherwise attendant upon such winding up, and the provisions of this Agreement shall remain in effect between the Partners during the period of liquidation.

### **13.7 Return of Capital**

The General Partner shall not be personally liable for, and shall have no obligation to contribute or loan any monies or property to the Partnership to enable it to effectuate, the return of the Capital Contributions of the Limited Partners, or any portion thereof, it being expressly understood that any such return shall be made solely from Assets.

### **13.8 Waiver of Partition**

Each Partner hereby waives any right to partition of the Partnership property.

## **ARTICLE 14**

### **AMENDMENT OF PARTNERSHIP AGREEMENT; MEETINGS; RECORD DATE**

#### **14.1 Amendment to be Adopted Solely by General Partner**

Subject to compliance with the requirements of the Limited Partnership Act and the Exempted Partnerships Act, each Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partners), without the approval of any Partner, may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- 14.1.1 a change in the name of the Partnership, the location of the Partnership's registered office or the Partnership's registered agent;
- 14.1.2 admission, substitution or withdrawal of Partners in accordance with this Agreement;
- 14.1.3 a change that the General Partner determines is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as an exempted limited partnership under Bermuda law or a partnership in which the limited partners have limited liability under the laws of any jurisdiction or that is necessary or advisable in the opinion of the General Partner to ensure that the

Partnership will not be treated as an association taxable as a corporation or otherwise taxed as an entity for tax purposes;

- 14.1.4 an amendment that the General Partner determines to be necessary or appropriate to address changes in tax regulations, legislation or interpretation;
- 14.1.5 an amendment that is necessary, in the Opinion of Counsel, to prevent the Partnership or the General Partner or its directors or officers from in any manner being subjected to the provisions of the U.S. Investment Company Act of 1940, as amended, or similar legislation in other jurisdictions;
- 14.1.6 subject to the terms of any Preferred Units then Outstanding, an amendment that the General Partner determines in its sole discretion to be necessary or appropriate in connection with the creation, authorization or issuance of any class or series of Partnership Interests or options, rights, warrants or appreciation rights relating to Partnership Interests pursuant to Section 3.5;
- 14.1.7 any amendment expressly permitted in this Agreement to be made by the General Partner acting alone;
- 14.1.8 an amendment effected, necessitated or contemplated by a Merger Agreement approved in accordance with Section 15.3;
- 14.1.9 any amendment that in the sole discretion of the General Partner is necessary or appropriate to reflect and account for the formation of the Partnership of, or its investment in, any corporation, partnership, joint venture, limited liability company or other entity, as otherwise permitted by the Agreement;
- 14.1.10 a change in the Partnership's fiscal year and related changes; or
- 14.1.11 any other amendments substantially similar to the matters described in Sections 14.1.1 through 14.1.11.

In addition, the General Partner may make amendments to this Agreement without the approval of any Limited Partner if those amendments, in the discretion of the General Partner:

- 14.1.12 do not adversely affect the Limited Partners considered as a whole (including any particular class of Partnership Interests as compared to other classes of Partnership Interests ) in any material respect;
- 14.1.13 are necessary or appropriate to satisfy any requirements, conditions or guidelines contained in any opinion, directive, order, ruling or regulation of any governmental agency or judicial authority;
- 14.1.14 are necessary or appropriate to facilitate the trading of Units or to comply with any rule, regulation, guideline or requirement of any Securities Exchange on which the Units or any other Partnership Interests are or will be listed for trading;

- 14.1.15 are necessary or appropriate for any action taken by the General Partner relating to splits or combinations of Partnership Interests made in accordance with the provisions of this Agreement; or
- 14.1.16 are required to effect the intent of the provisions of this Agreement or are otherwise contemplated by this Agreement.

## **14.2 Amendment Procedures**

Except as provided in Sections 14.1 and 14.3, all amendments to this Agreement shall be made in accordance with the following procedures:

- 14.2.1 amendments to this Agreement may only be proposed by or with the consent of the General Partner, provided that the General Partner shall have no duty or obligation to propose any amendment to this Agreement and may decline to do so free of any fiduciary duty or obligation whatsoever to the Partnership or any Limited Partner and in declining to propose or consent to an amendment to the fullest extent permitted by law, shall not be required to act in good faith or pursuant to any other standard imposed by this Agreement, any other agreement contemplated hereby or under the Limited Partnership Act or the Exempted Partnerships Act or any other law, rule or regulation or at equity; and
- 14.2.2 subject to the terms of any Preferred Units then Outstanding, a proposed amendment shall be effective upon its approval by the General Partner and, where required under this Agreement or by the Limited Partnership Act, on the consent, vote or approval of the amendment by the holders of a majority of the voting power of the Outstanding Equity Units.

## **14.3 Amendment Requirements**

- 14.3.1 Notwithstanding the provisions of Sections 14.1 and 14.2, no provision of this Agreement that establishes a percentage of the voting power of the Outstanding Units required to take any action shall be amended, altered, changed, repealed or rescinded in any respect that would have the effect of reducing such voting requirement unless such amendment is approved by the written consent or the affirmative vote of the voting power of Outstanding Units whose aggregate Outstanding Units constitute voting power not less than the voting requirement sought to be reduced.
- 14.3.2 Notwithstanding the provisions of Sections 14.1 and 14.2, no amendment to this Agreement may (i) enlarge the obligations of any Limited Partner without its consent unless such shall be deemed to have occurred as a result of any amendment approved pursuant to Section 14.3.3, or (ii) enlarge the obligations, restrict in any way any action by or rights of or reduce in any way the amounts distributable, reimbursable or otherwise payable by the Partnership to the General Partner or any of its Affiliates without its consent, which may be given or withheld in its sole discretion.

- 14.3.3 Except as otherwise provided, and without limitation of the General Partner's authority to adopt amendments to this Agreement as contemplated in Section 14.1, the General Partner may amend the Partnership Agreement without the approval of holders of Outstanding Equity Units, except that any amendment that would have a material adverse effect on the rights or preferences of any class of Outstanding Partnership Interests in relation to other classes of Partnership Interests must be consented to or approved by the holders of at least a majority of the Outstanding Partnership Interests of the class affected.
- 14.3.4 Notwithstanding any other provision of this Agreement, except for amendments pursuant to Section 14.1, no amendments shall become effective without the approval of at least 90% of the voting power of the Outstanding Equity Units unless the Partnership obtains an Opinion of Counsel to the effect that (a) such amendment will not cause the Partnership to be treated as an association taxable as a corporation or otherwise taxable as an entity for tax purposes (provided that for U.S. tax purposes the General Partner has not made the election contemplated by Section 9.6) and (b) such amendment will not affect the limited liability of any Limited Partner or any limited partner of the Infrastructure Partnership under applicable law.
- 14.3.5 Section 14.3 shall only be amended with the approval of not less than 90% of the Outstanding Equity Units.

#### **14.4 Meetings**

All acts of Limited Partners to be taken hereunder shall be taken in the manner provided in this Article 14. Meetings of the Limited Partners may only be called by the General Partner. A meeting shall be held at a time and place (outside of Canada) determined by the General Partner on a date not less than 10 days and not more than 60 days after the mailing of notice of the meeting. Limited Partners shall not vote on matters that would cause the Limited Partners to be deemed to be taking part in the management and control of the activities and affairs of the Partnership so as to jeopardize the Limited Partners' limited liability under the Limited Partnership Act or the law of any other jurisdiction in which the Partnership is qualified to conduct activities and affairs.

#### **14.5 Notice of Meeting**

Notice of a meeting called pursuant to Section 14.4 shall be given to the Record Holders of the class or classes of Partnership Interests in writing by mail or other means of written communication in accordance with Section 16.2. The notice shall be deemed to have been given at the time when deposited in the mail or sent by other means of written communication. In addition, notices of special meetings pursuant to Section 14.4 shall be delivered, announced and/or published to the extent required for the Partnership to comply with applicable law and regulation, including any rules of any Securities Exchange.

#### **14.6 Record Date**

For purposes of determining the Limited Partners entitled to notice of and participation in or to vote at a meeting of the Limited Partners or to provide consents or give approvals to any



action by the Partnership as provided in Section 14.11 without a meeting as provided in Section 14.10, the General Partner may set a Record Date, which shall not be less than 10 nor more than 60 days before (a) the date of the meeting (unless such requirement conflicts with any rule, regulation, guideline or requirement of any Securities Exchange, in which case the more stringent requirement shall govern) or (b) in the event that consents or approvals to any action by the Partnership are sought without a meeting, the date by which Limited Partners are requested in writing by the General Partner to provide such consents or approvals.

#### **14.7 Adjournment**

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting and a new Record Date need not be fixed if the time and place thereof are announced at the meeting at which the adjournment is taken, unless such adjournment shall be for more than 45 days. At the adjourned meeting, the Partnership may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 45 days or if a new Record Date is fixed for the adjourned meeting, a notice of the adjourned meeting and/or the new Record Date, as applicable, shall be given in accordance with this Article 14.

#### **14.8 Quorum**

Twenty percent of the Outstanding Units of the class or classes for which a meeting has been called (including Units held by the General Partner) represented in person or by proxy shall constitute a quorum at a meeting of Limited Partners of such class or classes unless any such action by the Limited Partners requires approval by Limited Partners holding a greater percentage of the voting power of such Units, in which case the quorum shall be such greater percentage. At any meeting of the Limited Partners, or any class or series thereof, duly called and held in accordance with this Agreement at which a quorum is present, the act of Limited Partners holding Outstanding Units that in the aggregate represent a majority of the Outstanding Units entitled to vote and be present in person or by proxy at such meeting shall be deemed to constitute the act of all Limited Partners or any class or series thereof, unless a greater or different percentage is required with respect to such action under the provisions of this Agreement, in which case the act of the Limited Partners holding Outstanding Units that in the aggregate represent at least such greater or different percentage shall be required. The Limited Partners present at a duly called or held meeting at which a quorum is present may continue to transact business until adjournment, notwithstanding the withdrawal of enough Limited Partners to leave less than a quorum, if any action taken (other than adjournment) is approved by the required percentage of the voting power of Outstanding Units specified in this Agreement (including Outstanding Units deemed owned by the General Partner). In the absence of a quorum, any meeting of Limited Partners may be adjourned from time to time by the affirmative vote of Limited Partners holding at least a majority of the voting power of the Outstanding Units entitled to vote at such meeting (including Outstanding Units deemed owned by the General Partner) represented either in person or by proxy, but no other business may be transacted, except as provided in Section 14.7.

#### **14.9 Conduct of Meeting**

The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Limited Partners or solicitation of consents or approvals in writing,

including the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of Section 14.4, the conduct of voting, the validity and effect of any proxies and the determination of any controversies, votes or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take the minutes of any meeting, in either case including a Partner or a director or officer of the General Partner. All minutes shall be kept with the records of the Partnership maintained by the General Partner. The General Partner may make such other regulations consistent with applicable law and this Agreement as it may deem advisable concerning the conduct of any meeting of the Limited Partners or solicitation of approvals in writing, including regulations in regard to the appointment of proxies, the appointment and duties of inspectors of votes and approvals, the submission and examination of proxies and other evidence of the right to vote, and the revocation of consents or approvals in writing.

#### **14.10 Action Without a Meeting**

If authorized by the General Partner, any action that may be taken at a meeting of the Limited Partners may be taken without a meeting if (i) written consent to such action is solicited by or on behalf of the General Partner and (ii) an approval in writing setting forth the action to be taken is signed by Limited Partners owning not less than the minimum percentage of the Outstanding Units that would be necessary to authorize or take such action at a meeting at which all the applicable Limited Partners were present and voted. Prompt notice of the taking of action by written consent or without a meeting shall be given to the Limited Partners who have not approved in writing. The General Partner may specify that any written ballot from Limited Partners for the purpose of taking any action without a meeting shall be returned to the Partnership within the time period, which shall be not less than 20 days, specified by the General Partner. If a ballot returned to the Partnership does not vote all of the Units held by the Limited Partner, the Partnership shall be deemed to have failed to receive a ballot for the Units that were not voted.

#### **14.11 Voting and Other Rights**

- 14.11.1 Only those holders of Units of the class or series for which a meeting has been called who are Record Holders on the Record Date set pursuant to Section 14.6 (and also subject to the limitations contained in the definition of “**Outstanding**”) shall be entitled to notice of, and to vote at, a meeting of Partners or to act with respect to matters as to which the holders of the Outstanding Units have the right to vote or to act. Notwithstanding the definition of “Limited Partner,” all references in this Agreement to votes, consents or approvals of, or other acts that may be taken by, the Outstanding Units shall be deemed to be references to the votes, consents, approvals or acts of the Record Holders of such Outstanding Units.
- 14.11.2 Each Outstanding Unit shall entitle the holder thereof to one vote for the purposes of any approval at a meeting of Limited Partners or by written consent.
- 14.11.3 With respect to Units that are held for a Person’s account by another Person (such as a broker, dealer, bank, trust company or clearing corporation, or an agent of any of the foregoing), in whose name such Units are registered, such other Person shall, in exercising the voting or consent rights in respect of such Units on any matter,

and unless the arrangement between such Persons provides otherwise, vote such Units in favor of, and at the direction of, the Person who is the beneficial owner, and the Partnership shall be entitled to assume it is so acting without further inquiry. The provisions of this Section 14.11.3 (as well as all other provisions of this Agreement) are subject to the provisions of Section 10.3.

## **ARTICLE 15 MERGER**

### **15.1 Authority**

The Partnership may merge or consolidate with one or more corporations, business trusts or associations, real estate investment trusts, common law trusts or unincorporated businesses, including a general partnership or limited partnership, formed under the laws of any jurisdiction, pursuant to a written agreement of merger or consolidation ("**Merger Agreement**") in accordance with this Article 15.

### **15.2 Procedure for Merger, Consolidation or Other Combination**

Merger, consolidation or other combination of the Partnership pursuant to this Article 15 requires the prior approval of the General Partner; provided, however, that, to the fullest extent permitted by law, the General Partner shall have no duty or obligation to consent to any merger, consolidation or other combination of the Partnership and, to the fullest extent permitted by law, may decline to do so free of any duty (including any fiduciary duty) or obligation whatsoever to the Partnership, any Limited Partner or any other Person bound by this Agreement and, in declining to consent to a merger, consolidation or other combination, shall not be required to act pursuant to any other standard imposed by this Agreement, any other Agreement contemplated hereby or under the Limited Partnership Act or the Exempted Partnerships Act or any other law, rule or regulation or at equity. If the General Partner shall determine, in the exercise of its sole discretion, to consent to the merger or consolidation, the General Partner shall approve the Merger Agreement, which shall set forth:

- 15.2.1 the names and jurisdictions of formation or organization of each of the entities proposing to merge or consolidate;
- 15.2.2 the names and jurisdictions of formation or organization of the entity that is to survive the proposed merger or consolidation (the "**Surviving Entity**");
- 15.2.3 the terms and conditions of the proposed merger or consolidation;
- 15.2.4 the manner and basis of exchanging or converting the equity securities of each constituent entity for, or into, cash, property or general or limited partnership interests, rights, securities or obligations of the Surviving Entity;
- 15.2.5 (i) if any general or limited partnership interests, securities or rights of any constituent entity are not to be exchanged or converted solely for, or into, cash, property or general or limited partnership interests, rights, securities or obligations of the Surviving Entity, the cash, property or general or limited partnership

interests, rights, securities or obligations of any limited partnership, corporation, trust or other entity (other than the Surviving Entity) which the holders of such general or limited partnership interest are to receive in exchange for, or upon conversion of, their securities or rights, and (ii) in the case of securities represented by certificates, upon the surrender of such certificates, which cash, property or general or limited partnership interests, rights, securities or obligations of the Surviving Entity or any limited partnership, corporation, trust or other entity (other than the Surviving Entity), or evidences thereof, are to be delivered;

- 15.2.6 a statement of any changes in the Governing Instruments or the adoption of new Governing Instruments of the Surviving Entity to be effected by such merger or consolidation;
- 15.2.7 the effective time of the merger, as specified in or determinable in accordance with the Merger Agreement; and
- 15.2.8 such other provisions with respect to the proposed merger or consolidation as are deemed necessary or appropriate by the General Partner.

### **15.3 Approval by Limited Partners of Merger or Consolidation**

- 15.3.1 Except as provided in Section 15.3.4, the General Partner of the Partnership, upon its approval of the Merger Agreement, shall direct that the Merger Agreement be submitted to a vote of Limited Partners whether at a meeting or by written consent, in either case in accordance with the requirements of Article 14. A copy or a summary of the Merger Agreement shall be included in or enclosed with the notice of a meeting or the written consent.
- 15.3.2 Except as provided in Section 15.3.4, the Merger Agreement and the merger, consolidation or other combination contemplated thereby shall be approved upon receiving the affirmative vote or consent of the holders of a majority of the voting power of Outstanding Equity Units unless the Merger Agreement contains any provision which, if contained in an amendment to this Agreement, the provisions of this Agreement or applicable law would require the vote or consent of a greater percentage of the Outstanding Equity Units or of any class of Limited Partners, in which case such greater percentage vote or consent shall be required for approval of the Merger Agreement.
- 15.3.3 Except as provided in Section 15.3.4, after such approval by vote or consent of the Limited Partners, and at any time prior to the effective time of the Merger Agreement, the merger or consolidation may be abandoned pursuant to provisions therefor, if any, set forth in the Merger Agreement.
- 15.3.4 Notwithstanding anything else contained in this Article 15 or in this Agreement, and, in addition to the provisions of Section 5.2 the General Partner is permitted, without Limited Partner approval, to convert the Partnership into a new limited liability entity, to merge the Partnership into, or convey all of the Partnership's Assets to, another limited liability entity, which shall be newly formed and shall

have no assets, liabilities or operations at the time of such conversion, merger or conveyance other than those it receives from the Partnership; provided that (A) the General Partner has received an Opinion of Counsel that the merger or conveyance, as the case may be, would not result in the loss of the limited liability of any Limited Partner; (B) the sole purpose of such conversion, merger or conveyance is to effect a mere change in the legal form of the Partnership into another limited liability entity; and (C) the Governing Instruments of the new entity provide the Limited Partners and the General Partner with substantially the same rights and obligations as are herein contained.

#### **15.4 No Dissenters' Rights**

The parties acknowledge that holders of Partnership Interests are not entitled to dissenters' rights of appraisal under this Agreement or the Limited Partnership Act or the Exempted Partnerships Act in the event of a merger or consolidation, a sale of substantially all of our assets or any other transaction or event.

#### **15.5 Effect of Merger**

##### **15.5.1 Upon the effective date of the Merger Agreement:**

- 15.5.1.1 all of the rights, privileges and powers of each of the entities that has merged or consolidated, and all property, real, personal and mixed, and all debts due to any of those entities and all other things and causes of action belonging to each of those entities shall be vested in the Surviving Entity and after the merger or consolidation shall be the property of the Surviving Entity to the extent they were of each constituent entity.
- 15.5.1.2 the title to any real property vested by deed or otherwise in any of those constituent entities shall not revert and is not in any way impaired because of the merger or consolidation;
- 15.5.1.3 all rights of creditors and all liens on or security interest in property of any of those constituent entities shall be preserved unimpaired; and
- 15.5.1.4 all debts, liabilities and duties of those constituent entities shall attach to the Surviving Entity, and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it.

##### **15.5.2 A merger or consolidation effected pursuant to this Article 15 shall not be deemed to result in a transfer or assignment of assets or liabilities from one entity to another having occurred.**

## **ARTICLE 16 GENERAL PROVISIONS**

### **16.1 Enurement**

This Agreement will enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

### **16.2 Notices**

#### **16.2.1 To the Partnership and General Partner**

- 16.2.1.1 Any notice, payment demand, request, report or other document required or permitted to be given or made under this Agreement (“**Notice**”) by a Limited Partner to the Partnership or General Partner shall be given or sent by fax or letter post or by other means of written communication to the address of the General Partner specified below, or at such other address as the General Partner may notify to the Record Holders, in compliance with applicable laws and regulations, including any rules of any Securities Exchange:

Brookfield Infrastructure Partners Limited  
73 Front Street  
Hamilton HM 12  
Bermuda

Attention:                      Secretary  
Telecopier number:    441-298-3304

#### **16.2.2 To the Limited Partners**

- 16.2.2.1 Any Notice by the General Partner or Partnership to a Limited Partner shall, unless otherwise required by applicable laws and regulations, including any rules of any Securities Exchange, be deemed given or made to the Limited Partner when delivered in person or when sent to the relevant Record Holder by fax, letter post or by other means of written communication at the address described in Section 16.2.2.2 or when provided as set forth in Section 16.2.2.3.
- 16.2.2.2 Any Notice to be given or made to a Limited Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give any Notice shall, unless otherwise required by applicable laws and regulations, including any rules of any Securities Exchange, be deemed conclusively to have been fully satisfied, upon sending of such Notice to the Record Holder of the Partnership Interests, at such Person’s address as shown on the records of the Transfer Agent, or as otherwise shown on the records of the Partnership, regardless of any claim of any Person who may have an interest in such Partnership Interests by reason of any

transfer or otherwise. An affidavit or certificate of making of any Notice in Section 16.2 executed by the General Partner, the Transfer Agent or the mailing organization shall be prima facie evidence of the giving or making of such Notice. If any Notice addressed to a Record Holder at the address of such Record Holder appearing on the books and records of the Transfer Agent or the Partnership is returned by letter post marked to indicate that the relevant postal service is unable to deliver it, such Notice and any subsequent Notices shall be deemed to have been duly given or made without further mailing (until such time as such Record Holder or another Person notifies the Transfer Agent or the Partnership of a change in his address) if they are available for the Limited Partner at the principal office of the Partnership for a period of one year from the date of the giving or making of such Notice to the other Limited Partners.

- 16.2.2.3 Any Notice to be given or made to a Limited Partner hereunder shall be deemed conclusively to have been given or made, and the obligation to give any Notice shall, unless otherwise required by applicable laws and regulations, including any rules of any Securities Exchange, be deemed conclusively to have been fully satisfied, upon issuing a press release complying with applicable laws and regulations, including any rules of any Securities Exchange, if deemed by the General Partner in its sole discretion to be a reasonable or appropriate means of providing such Notice.

### **16.3 Further Assurances**

Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

### **16.4 Counterparts**


This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the date set forth above.

**GENERAL PARTNER:**

**BROOKFIELD INFRASTRUCTURE  
PARTNERS LIMITED**

By:



Name: Jane Sheere

Title: Secretary



All Limited Partners now and hereafter admitted as limited partners of the Partnership, pursuant to Powers of Attorney now and hereafter executed in favor of, and granted and delivered to, the General Partner.

**GENERAL PARTNER:**

**BROOKFIELD INFRASTRUCTURE  
PARTNERS LIMITED**

By:



Name: Jane Sheere

Title: Secretary

## **SCHEDULE A**

### **PART I**

#### **BROOKFIELD INFRASTRUCTURE PARTNERS L.P. (the “Partnership”)**

##### **Designation of and Rights, Privileges, Restrictions and Conditions Attaching to Class A Preferred Limited Partnership Units**

#### **1. Designation**

The Class A Preferred Limited Partnership Units (as defined below), as a class, shall be designated as Class A Preferred Limited Partnership Units. The Class A Preferred Limited Partnership Units shall have attached thereto the following rights, privileges, restrictions and conditions.

#### **2. Definitions**

All terms used but not otherwise defined in this Schedule A shall have the meanings assigned to those terms in this Amended and Restated Limited Partnership Agreement of the Partnership dated as of February 16, 2018. In addition, the following definitions shall be for the purpose of all parts of this Schedule A:

- 2.1 “**Class A Preferred Limited Partnership Unit**” means a limited partnership interest in the Partnership having the rights, privileges, restrictions and conditions set forth in this Schedule A.
- 2.2 “**Junior Securities**” means the Equity Units and any Partnership Interest hereafter authorized that pursuant to a written agreement with the Partnership ranks junior to the Class A Preferred Limited Partnership Units in the payment of distributions and in the distribution of assets upon the dissolution, liquidation or winding-up of the Partnership, whether voluntary or involuntary.
- 2.3 “**Parity Securities**” means any Partnership Interest hereafter authorized that pursuant to a written agreement with the Partnership ranks equally with the Class A Preferred Limited Partnership Units in the payment of distributions and in the distribution of assets upon the dissolution, liquidation or winding-up of the Partnership, whether voluntary or involuntary.
- 2.4 “**Senior Securities**” means, subject to Section 5.4, any Partnership Interest hereafter authorized that pursuant to a written agreement with the Partnership ranks senior to the Class A Preferred Limited Partnership Units in the payment of distributions and/or in the distribution of assets upon the dissolution, liquidation or winding-up of the Partnership, whether voluntary or involuntary.

### **3. Interpretation of Terms**

In the provisions herein contained attaching to the Class A Preferred Limited Partnership Units:

- (a) “**prior to**”, “**on a parity with**” and “**junior to**” have reference to the order of priority in payment of distributions and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or other distribution of the assets of the Partnership among its unitholders for the purpose of winding-up its affairs;
- (b) 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;
- (c) if it is necessary to convert any amount into Canadian dollars, the General Partner will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and
- (d) all references herein to a holder of the Class A Preferred Limited Partnership Units shall be interpreted as referring to a registered holder of the Class A Preferred Limited Partnership Units.

### **4. General Partner’s Right to Issue in One or More Series**

The Class A Preferred Limited Partnership Units may be issued at any time or from time to time in one or more series. Before any units of a series are issued, the General Partner shall, subject to Section 5.1, fix the number of units that will form such series and shall determine the designation, rights, privileges, restrictions and conditions to be attached to the Class A Preferred Limited Partnership Units of such series.

### **5. Ranking**

- 5.1 The Class A Preferred Limited Partnership Units of each series shall rank on parity with the Class A Preferred Limited Partnership Units of every other series with respect to the payment of distributions and in the distribution of the assets in the event of the dissolution, liquidation or winding-up of the Partnership, whether voluntary or involuntary.
- 5.2 The Class A Preferred Limited Partnership Units as a class shall rank, with respect to the payment of distributions and in the distribution of the assets in the event of the dissolution, liquidation or winding-up of the Partnership, whether voluntary or involuntary:
  - 5.2.1. senior to the Junior Securities;
  - 5.2.2. on parity with any Parity Securities; and
  - 5.2.3. junior to all indebtedness of the Partnership and any Senior Securities.

- 5.3 The Partnership may issue Junior Securities and Parity Securities from time to time without the consent of the holders of Class A Preferred Limited Partnership Units.
- 5.4 The Partnership may issue Senior Securities, from time to time, only with the approval of the holders of a majority of the Outstanding Class A Preferred Limited Partnership Units, given as hereinafter specified.

## **6. Voting Rights**

The holders of the Class A Preferred Limited Partnership Units shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law or as set out in the provisions attached to any series of Class A Preferred Limited Partnership Units and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class or meetings of the holders of a series thereof) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership.

## **7. Amendment with Approval of Holders of the Class A Preferred Limited Partnership Units**

The provisions attaching to the Class A Preferred Limited Partnership Units as a class may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the holders of the Class A Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of holders of Class A Preferred Limited Partnership Units, in each case, in accordance with Section 8 hereof.

## **8. Approval of Holders of the Class A Preferred Limited Partnership Units**

- 8.1 Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the holders of the Class A Preferred Limited Partnership Units as a class with respect to any matters requiring the consent of the holders of the Class A Preferred Limited Partnership Units as a class may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be given by a resolution signed by the holders of Class A Preferred Limited Partnership Units owning not less than the percentage of the Class A Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Class A Preferred Limited Partnership Units were present and voted or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the holders of Class A Preferred Limited Partnership Units at a meeting of the holders of Class A Preferred Limited Partnership Units as a class duly called for that purpose and at which the holders of Class A Preferred Limited Partnership Units of at least 25% of the Outstanding Class A Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the holders of Class A Preferred Limited Partnership Units of at least 25% of the then Outstanding Class A Preferred Limited Partnership Units are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date

not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the holders of Class A Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the holders of Class A Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

- 8.2 Each Class A Preferred Limited Partnership Unit shall entitle the holder thereof to one vote for the purposes of any approval at a meeting of the holders of the Class A Preferred Limited Partnership Units or by written consent.

## PART II

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 1**

The first series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 5,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 1 (the “**Series 1 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 1 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 1 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 1 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership properly applicable to the payment of distributions and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 1 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During the Initial Fixed Rate Period, the Series 1 Distributions will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Distribution Payment Date**”) at the Initial Fixed Distribution Rate. The initial Series 1 Distribution will be payable June 30, 2015 and will be an amount in cash equal to C\$0.3390 per Series 1 Preferred Limited Partnership Unit less any tax required to be deducted and withheld. On each Distribution Payment Date during the Initial Fixed Rate Period, (other than June 30, 2015) the Series 1 Distribution will be equal to C\$0.28125 per unit.
- (b) During each Subsequent Fixed Rate Period, Series 1 Distributions payable on the Series 1 Preferred Limited Partnership Units will be in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by C\$25.00, less any tax required to be deducted and

withheld, and shall be payable quarterly on each Distribution Payment Date during such Subsequent Fixed Rate Period.

- (c) In respect of each Subsequent Fixed Rate Period, the Partnership will, during such Subsequent Fixed Rate Period calculate on each Fixed Rate Calculation Date the Annual Fixed Distribution Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Annual Fixed Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 1 Preferred Limited Partnership Units.
- (d) If on any Distribution Payment Date, the Series 1 Distributions accrued to such date are not paid in full on all of the Series 1 Preferred Limited Partnership Units then Outstanding, such Series 1 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies properly applicable to the payment of such Series 1 Distributions.
- (e) The Holders shall not be entitled to any distributions other than or in excess of the Series 1 Distributions.
- (f) The Record Date for the payment of Series 1 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 1 Distributions shall (except in case of redemption or reclassification in which case payment of Series 1 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 1 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 1 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 1 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise

remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Distribution Period

Subject to the Section 2.1, for any period that is less than a full Distribution Period, with respect to any Series 1 Preferred Limited Partnership Unit (i) that is issued, redeemed, reclassified or purchased during such Distribution Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership properly applicable to the payment of distributions and without regard to the income of the Partnership, Series 1 Distributions as follows:

- (a) in respect of the period beginning on and including the date of initial issue of the Series 1 Preferred Limited Partnership Units up to and including June 30, 2015 (the **“Initial Distribution Period”**), a distribution in an amount per Series 1 Preferred Limited Partnership Units equal to the amount obtained (rounded to four decimal places) where C\$1.125 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 1 Preferred Limited Partnership Units up to and including June 30, 2015 and the denominator of which is 365, less any tax required to be deducted and withheld. The Series 1 Distribution payable for the Initial Distribution Period, payable as of June 30, 2015, as calculated by this method shall be C\$0.3390 per Series 1 Preferred Limited Partnership Units;
- (b) in respect of any period other than the Initial Distribution Period that is less than a full Distribution Period, a distribution in an amount per Series 1 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365, less any tax required to be deducted and withheld.

## 3. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 1 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 1 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.



#### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 1 Preferred Limited Partnership Units prior to June 30, 2020. On June 30, 2020 and on June 30 every five years thereafter (each, a “**Series 1 Reclassification Date**”), the Partnership may, subject to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, without the consent of the Holders redeem all, or any part, of the then Outstanding Series 1 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 1 Preferred Limited Partnership Unit so redeemed equal to C\$25.00 per Series 1 Preferred Limited Partnership Unit, together with all accrued and unpaid Series 1 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 1 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 1 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 1 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 1 Reclassification Date of its intention to redeem such Series 1 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 1 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 1 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 1 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 1 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment shall be made by cheque payable at par at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership’s obligation to pay the Redemption Price owed to the Holders of Series 1 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 1 Preferred Limited Partnership Units called for

redemption shall cease to be entitled to Series 1 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 1 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 1 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 2 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 1 Preferred Limited Partnership Units will have the right, at their option, on each Series 1 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 1 Preferred Limited Partnership Units registered in the name of the Holder into Series 2 Preferred Limited Partnership Units on the basis of one (1) Series 2 Preferred Limited Partnership Unit for each Series 1 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 1 Reclassification Date to the Holders of the reclassification privilege provided for herein (the "**Reclassification Privilege**"). Such notice shall (i) set out the Series 1 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 2 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate

applicable to the Series 1 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.

- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 1 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 1 Preferred Limited Partnership Units to reclassify such Series 1 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 1 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 2 Preferred Limited Partnership Units on a Series 1 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 1 Reclassification Date less than 1,000,000 Series 2 Preferred Limited Partnership Units after taking into account all Series 1 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 2 Preferred Limited Partnership Units has been provided and all Series 2 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 1 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 1 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 1 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 1 Reclassification Date, at the expense of the Partnership, to such Holders of Series 1 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 1 Preferred Limited Partnership Units, new certificates representing the Series 1 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 1 Reclassification Date less than 1,000,000 Series 1 Preferred Limited Partnership Units after taking into account all Series 1 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 2 Preferred Limited Partnership Units has been provided and all Series 2 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 1 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 1 Preferred Limited Partnership Units will automatically be reclassified into Series 2 Preferred Limited Partnership Units on the basis of one (1) Series 2 Preferred Limited Partnership Unit for each Series 1 Preferred Limited Partnership Unit on the applicable Series 1 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 1 Preferred Limited Partnership Units at least seven (7) days prior to the Series 1 Reclassification Date.

### 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 1 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 1 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 1 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 1 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 1 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.
- (b) If the Partnership does not receive an Election Notice from a Holder of Series 1 Preferred Limited Partnership Units during the notice period therefor, then the Series 1 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 1 Preferred Limited Partnership Units into Series 2 Preferred Limited Partnership Units on the applicable Series 1 Reclassification Date as provided for in Section 5.2, the Series 1 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 1 Reclassification Date into Series 2 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 2 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 1 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 1 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 2 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 1 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 1 Preferred

Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 2 Preferred Limited Partnership Units and the number of remaining Series 1 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 1 Reclassification Date, so that the rights of the Holder of such Series 1 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 2 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 2 Preferred Limited Partnership Units at such time.

- (e) The Holder of any Series 1 Preferred Limited Partnership Unit on the record date for any Series 1 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 2 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.
- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 2 Preferred Limited Partnership Units upon the reclassification of Series 1 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 2 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 2 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 2 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 1 Preferred Limited Partnership Units

The reclassification of Series 1 Preferred Limited Partnership Units into Series 2 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 1 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 1 Preferred Limited Partnership Units held by any Ineligible Person.

## **6. Restrictions on Distributions and Retirement and Issue of Units**

So long as any of the Series 1 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 1 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 1 Distributions up to and including the Series 1 Distribution payable for the last completed Distribution Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 1 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 1 Distributions, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Partnership properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders will be entitled to receive notice of and to

attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 1 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 1 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 1 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 1 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 1 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 1 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 1 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be given by a resolution signed by the Holders of Series 1 Preferred Limited Partnership Units owning not less than the percentage of the Series 1 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 1 Preferred Limited Partnership Units were present and voted or represented by proxy or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the Holders of the Series 1 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 1 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 1 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders of Series 1 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 1 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 1 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 1 Preferred Limited Partnership Units or by written consent.

## **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 1 Preferred Limited Partnership Unit held.

## **11. Tax Matters**

The Series 1 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reacquired Units**

Series 1 Preferred Limited Partnership Units not issued or that have been issued and redeemed, reclassified or otherwise purchased or acquired by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units without designation as to series, until such units are once more designated as part of a particular series by the General Partner.

## **13. No Sinking Fund**

Series 1 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 1 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 1 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no



longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 1 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution 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 3.56%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 1 Preferred Limited Partnership Units means the last day of each of March, June, September, and December in each year.

**“Distribution Period”** means the period from and including the Issue Date up to and including June 30, 2015 and, thereafter, the period from the date following a Distribution Payment Date up to and including the next succeeding Distribution Payment Date.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.56% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section 2.1.

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

**“Initial Distribution Period”** has the meaning ascribed thereto in Section 2.2(a).

**“Initial Fixed Distribution Rate”** means 4.50% per annum.

**“Initial Fixed Rate Period”** means the period commencing on the Issue Date and ending on and including June 30, 2020.

**“Issue Date”** means the date on which the Series 1 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2020 and ending on and including September 30, 2020,

and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 1 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 1 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 1 Preferred Limited Partnership Units Provisions.

**“Series 1 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 1 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Series 2 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 2.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2020 and ending on and including June 30, 2025 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 1 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 1 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 1 Distributions for any completed Distribution Period; and (ii) a cash amount calculated as though Series 1 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 1 Distributions that would result in the duplication

in payment by the Partnership of the amount of any distribution on the Series 1 Preferred Limited Partnership Units;

- (b) in the event that any date on which any Series 1 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 1 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 1 Preferred Limited Partnership Units under these Series 1 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## **17. Book-Entry Only System**

### **17.1 Transfers etc. Through Participants**

If the Series 1 Preferred Limited Partnership Units are held through the Book Entry System then the beneficial owner thereof shall provide instructions with respect to Series 1 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 1 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 1 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 1 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 1 Preferred Limited Partnership Units.

### **17.2 Depository is Registered Holder**

For the purposes of these Series 1 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 1 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 1 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 1 Preferred Limited Partnership Units, including payments of Series 1 Distributions, the Redemption Price or accrued and unpaid Series 1 Distributions, and the delivery of Series 2 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 2 Preferred Limited Partnership Units.

**18.    Reclassification of Series 2 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 2 Preferred Limited Partnership Unit may be reclassified into a Series 1 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 1 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART III

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 2**

The second series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 5,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 2 (the “**Series 2 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 2 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 2 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 2 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership properly applicable to the payment of distributions and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 2 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During each Quarterly Floating Rate Period, Series 2 Distributions payable on the Series 2 Preferred Limited Partnership Units will be in an amount per Series 2 Preferred Limited Partnership Unit determined by multiplying the Floating Quarterly Distribution Rate applicable to such Quarterly Floating Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Quarterly Floating Rate Period.
- (b) In respect of each Quarterly Floating Rate Period, the Partnership will, during such Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Distribution Rate for such Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Quarterly Floating Distribution Rate will, in the absence of manifest error, be final and binding upon

the Partnership and upon all Holders of Series 2 Preferred Limited Partnership Units.

- (c) If on any Distribution Payment Date, the Series 2 Distributions accrued to such date are not paid in full on all of the Series 2 Preferred Limited Partnership Units then Outstanding, such Series 2 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies properly applicable to the payment of such Series 2 Distributions.
- (d) The Holders shall not be entitled to any distributions other than or in excess of the Series 2 Distributions.
- (e) The Record Date for the payment of Series 2 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 2 Distributions shall (except in case of redemption or reclassification in which case payment of Series 2 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 2 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 2 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 2 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Quarterly Floating Rate Period

Subject to the Section 2.1, for any period that is less than a full Quarterly Floating Rate Period, with respect to any Series 2 Preferred Limited Partnership Unit (i) that is issued, redeemed, reclassified or purchased during such Quarterly Floating Rate Period or (ii) in

respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership properly applicable to the payment of distributions and without regard to the income of the Partnership, Series 2 Distributions as follows. In respect of any period that is less than a full Quarterly Floating Rate Period, a distribution in an amount per Series 2 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Floating Quarterly Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is the number of calendar days in the Quarterly Floating Rate Period in which such period falls.

### 3. **Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 2 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 2 Preferred Limited Partnership Units prior to June 30, 2020. Thereafter, the Partnership may, subject to applicable law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, at any time, without the consent of the Holders redeem all, or from time to time any part, of the then Outstanding Series 2 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 2 Preferred Limited Partnership Unit so redeemed equal to (i) in the case of redemptions on June 30, 2025 and on June 30 every five years thereafter (each a “**Series 2 Reclassification Date**”), C\$25.00, or (ii) C\$25.50 in the case of redemptions on any date which is not a Series 2 Reclassification Date on or after June 30, 2020, in each case including all accrued and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 2 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 2 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 2 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.



The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 2 Reclassification Date or such other date on which the Series 2 Preferred Limited Partnership Units are to be redeemed of its intention to redeem such Series 2 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 2 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 2 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 2 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 2 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment shall be made by cheque payable at par at any branch in Canada of the Partnership's bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership's obligation to pay the Redemption Price owed to the Holders of Series 2 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 2 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 2 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 2 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect

thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 2 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 1 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 2 Preferred Limited Partnership Units will have the right, at their option, on each Series 2 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 2 Preferred Limited Partnership Units registered in the name of the Holder into Series 1 Preferred Limited Partnership Units on the basis of one (1) Series 1 Preferred Limited Partnership Unit for each Series 2 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 2 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 2 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 2 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 1 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.
- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 2 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 2 Preferred Limited Partnership Units to reclassify such Series 2 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 2 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 1 Preferred Limited Partnership Units on a Series 2 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 2 Reclassification Date less than 1,000,000 Series 1 Preferred Limited Partnership Units after taking into account all Series 2 Preferred Limited Partnership Units in respect of which a notice of reclassification into

Series 1 Preferred Limited Partnership Units has been provided and all Series 1 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 2 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 2 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 2 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 2 Reclassification Date, at the expense of the Partnership, to such Holders of Series 2 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 2 Preferred Limited Partnership Units, new certificates representing the Series 2 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 2 Reclassification Date less than 1,000,000 Series 2 Preferred Limited Partnership Units after taking into account all Series 2 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 1 Preferred Limited Partnership Units has been provided and all Series 1 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 2 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 2 Preferred Limited Partnership Units will automatically be reclassified into Series 1 Preferred Limited Partnership Units on the basis of one (1) Series 1 Preferred Limited Partnership Unit for each Series 2 Preferred Limited Partnership Unit on the applicable Series 2 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 2 Preferred Limited Partnership Units at least seven (7) days prior to the Series 2 Reclassification Date.

## 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 2 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 2 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 2 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 2 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a

new certificate representing the Series 2 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.

- (b) If the Partnership does not receive an Election Notice from a Holder of Series 2 Preferred Limited Partnership Units during the notice period therefor, then the Series 2 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 2 Preferred Limited Partnership Units into Series 1 Preferred Limited Partnership Units on the applicable Series 2 Reclassification Date as provided for in Section 5.2, the Series 2 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 2 Reclassification Date into Series 1 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 1 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 2 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 2 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 1 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 2 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 2 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 1 Preferred Limited Partnership Units and the number of remaining Series 2 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 2 Reclassification Date, so that the rights of the Holder of such Series 2 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 1 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 1 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 2 Preferred Limited Partnership Unit on the record date for any Series 2 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 1 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.

- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 1 Preferred Limited Partnership Units upon the reclassification of Series 2 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 1 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 1 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 1 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 2 Preferred Limited Partnership Units

The reclassification of Series 2 Preferred Limited Partnership Units into Series 1 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 1 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 2 Preferred Limited Partnership Units held by any Ineligible Person.

### 6. Restrictions on Distributions and Retirement and Issue of Units

So long as any of the Series 2 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 2 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 2 Distributions up to and including the Series 2 Distribution payable for the last completed Quarterly Floating Rate Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 2 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 2 Distributions, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any monies of the Partnership properly applicable to the payment of dividends. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 2 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 2 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 2 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 2 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 2 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 2 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 2 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be given by a resolution signed by the Holders of Series 2 Preferred Limited Partnership Units owning not less than the percentage of the Series 2 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 2 Preferred Limited Partnership Units were present and voted or represented by proxy or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the Holders of the Series 2 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 2 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 2 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holder(s) of Series 2 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 2 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 2 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 2 Preferred Limited Partnership Units or by written consent.

#### 10.2 Formalities, etc.

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 2 Preferred Limited Partnership Unit held.

### 11. Tax Matters

The Series 2 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reacquired Units**

Series 2 Preferred Limited Partnership Units not issued or that have been issued and redeemed, reclassified or otherwise purchased or acquired by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units without designation as to series, until such units are once more designated as part of a particular series by the General Partner.

## **13. No Sinking Fund**

Series 2 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 2 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 2 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 2 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution 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 3.56%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 2 Preferred Limited Partnership Units means the last day of each Quarterly Floating Rate Period in each year.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.56% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section 2.1.

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

**“Issue Date”** means the date on which the Series 2 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on July 1, 2020 and ending on and including September 30, 2020, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 1 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 1.

**“Series 2 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 2 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 2 Preferred Limited Partnership Units Provisions.

**“Series 2 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 2 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on July 1, 2020 and ending on and including June 30, 2025 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including June 30 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 2 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 2 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 2 Distributions for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series 2 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 2 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 2 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 2 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 2 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 2 Preferred Limited Partnership Units under these Series 2 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## 17. Book-Entry Only System

### 17.1 Transfers etc. Through Participants

If the Series 2 Preferred Limited Partnership Units are held through the Book Entry System then the beneficial owner thereof shall provide instructions with respect to Series 2 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 2 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 2 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 2 Preferred Limited Partnership Units will not have the right to receive unit

certificates representing their ownership of the Series 2 Preferred Limited Partnership Units.

**17.2    Depository is Registered Holder**

For the purposes of these Series 2 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 2 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 2 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 2 Preferred Limited Partnership Units, including payments of Series 2 Distributions, the Redemption Price or accrued and unpaid Series 2 Distributions, and the delivery of Series 1 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 1 Preferred Limited Partnership Units.

**18.    Reclassification of Series 2 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 2 Preferred Limited Partnership Unit may be reclassified into a Series 1 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 1 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART IV

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 3**

The third series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 5,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 3 (the “**Series 3 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 3 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 3 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 3 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 3 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During the Initial Fixed Rate Period, the Series 3 Distributions will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Distribution Payment Date**”) at the Initial Fixed Distribution Rate. The initial Series 3 Distribution will be payable March 31, 2016 and will be an amount in cash equal to C\$0.4295 per Series 3 Preferred Limited Partnership Unit less any tax required to be deducted and withheld. On each Distribution Payment Date during the Initial Fixed Rate Period (other than March 31, 2016), the Series 3 Distribution will be equal to C\$0.34375 per unit.
- (b) During each Subsequent Fixed Rate Period, Series 3 Distributions payable on the Series 3 Preferred Limited Partnership Units will be in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by C\$25.00, less any tax required to be deducted and

withheld, and shall be payable quarterly on each Distribution Payment Date during such Subsequent Fixed Rate Period.

- (c) In respect of each Subsequent Fixed Rate Period, the Partnership will, during such Subsequent Fixed Rate Period calculate on each Fixed Rate Calculation Date the Annual Fixed Distribution Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Annual Fixed Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 3 Preferred Limited Partnership Units.
- (d) If on any Distribution Payment Date, the Series 3 Distributions accrued to such date are not paid in full on all of the Series 3 Preferred Limited Partnership Units then Outstanding, such Series 3 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 3 Distributions under Bermuda law.
- (e) The Holders shall not be entitled to any distributions other than or in excess of the Series 3 Distributions.
- (f) The Record Date for the payment of Series 3 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 3 Distributions shall (except in case of redemption or reclassification in which case payment of Series 3 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 3 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 3 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 3 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the

Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Distribution Period

Subject to the Section 2.1, for any period that is less than a full Distribution Period, with respect to any Series 3 Preferred Limited Partnership Unit (i) that is issued or redeemed during such Distribution Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 3 Distributions as follows:

- (a) in respect of the period beginning on and including the date of initial issue of the Series 3 Preferred Limited Partnership Units up to and including March 31, 2016 (the "**Initial Distribution Period**"), a distribution in an amount per Series 3 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) where C\$1.375 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 3 Preferred Limited Partnership Units up to and including March 31, 2016 and the denominator of which is 365, less any tax required to be deducted and withheld. The Series 3 Distribution payable for the Initial Distribution Period, payable as of March 31, 2016, as calculated by this method shall be C\$0.4295 per Series 3 Preferred Limited Partnership Unit; and
- (b) in respect of any period that is less than a full Distribution Period, a distribution in an amount per Series 3 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365, less any tax required to be deducted and withheld.

## 3. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 3 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

#### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 3 Preferred Limited Partnership Units prior to December 31, 2020. On December 31, 2020 and on December 31 every five years thereafter (each, a “**Series 3 Reclassification Date**”), the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, without the consent of the Holders redeem all, or any part, of the then Outstanding Series 3 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to C\$25.00 per Series 3 Preferred Limited Partnership Unit, together with all accrued and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 3 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 3 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 3 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 3 Reclassification Date of its intention to redeem such Series 3 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 3 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 3 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 3 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 3 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership’s obligation to pay the Redemption Price owed to the Holders of Series 3 Preferred Limited Partnership Units so called for redemption unless the cheque



is not honoured when presented for payment. From and after the date specified in any such notice, the Series 3 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 3 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 3 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 3 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 4 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 3 Preferred Limited Partnership Units will have the right, at their option, on each Series 3 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 3 Preferred Limited Partnership Units registered in the name of the Holder into Series 4 Preferred Limited Partnership Units on the basis of one (1) Series 4 Preferred Limited Partnership Unit for each Series 3 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 3 Reclassification Date to the Holders of the reclassification privilege provided for herein (the "**Reclassification Privilege**"). Such notice shall (i) set out the Series 3 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution

Rate applicable to the Series 4 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 3 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.

- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 3 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 3 Preferred Limited Partnership Units to reclassify such Series 3 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 3 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 4 Preferred Limited Partnership Units on a Series 3 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 3 Reclassification Date less than 1,000,000 Series 4 Preferred Limited Partnership Units after taking into account all Series 3 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 4 Preferred Limited Partnership Units has been provided and all Series 4 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 3 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 3 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 3 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 3 Reclassification Date, at the expense of the Partnership, to such Holders of Series 3 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 3 Preferred Limited Partnership Units, new certificates representing the Series 3 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 3 Reclassification Date less than 1,000,000 Series 3 Preferred Limited Partnership Units after taking into account all Series 3 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 4 Preferred Limited Partnership Units has been provided and all Series 4 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 3 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 3 Preferred Limited Partnership Units will automatically be reclassified into Series 4 Preferred Limited Partnership Units on the basis of one (1) Series 4 Preferred Limited Partnership Unit for each Series 3 Preferred Limited Partnership Unit on the applicable Series 3 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders

of such remaining Series 3 Preferred Limited Partnership Units at least seven (7) days prior to the Series 3 Reclassification Date.

### 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 3 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 3 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 3 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 3 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 3 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.
- (b) If the Partnership does not receive an Election Notice from a Holder of Series 3 Preferred Limited Partnership Units during the notice period therefor, then the Series 3 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 3 Preferred Limited Partnership Units into Series 4 Preferred Limited Partnership Units on the applicable Series 3 Reclassification Date as provided for in Section 5.2, the Series 3 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 3 Reclassification Date into Series 4 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 4 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 3 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 3 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 4 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.

- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 3 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 3 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 4 Preferred Limited Partnership Units and the number of remaining Series 3 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 3 Reclassification Date, so that the rights of the Holder of such Series 3 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 4 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 4 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 3 Preferred Limited Partnership Unit on the record date for any Series 3 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 4 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.
- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 4 Preferred Limited Partnership Units upon the reclassification of Series 3 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 4 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 4 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 4 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 3 Preferred Limited Partnership Units

The reclassification of Series 3 Preferred Limited Partnership Units into Series 4 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 3 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 3 Preferred Limited Partnership Units held by any Ineligible Person.

## **6. Restrictions on Distributions and Retirement and Issue of Units**

Subject to the solvency requirements under Bermuda law and so long as any of the Series 3 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 3 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 3 Distributions up to and including the Series 3 Distribution payable for the last completed Distribution Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 3 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in

each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 3 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 3 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 3 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 3 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 3 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 3 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 3 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 3 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be given by a resolution signed by the Holders of Series 3 Preferred Limited Partnership Units owning not less than the percentage of the Series 3 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 3 Preferred Limited Partnership Units were present and voted or represented by proxy or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the Holders of the Series 3 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 3 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 3 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders of Series 3 Preferred Limited Partnership Units represented in person or by proxy may

transact the business for which the meeting was originally called and the Holders of Series 3 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 3 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 3 Preferred Limited Partnership Units or by written consent.

#### 10.2 Formalities, etc.

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 3 Preferred Limited Partnership Unit held.

### 11. Tax Matters

The Series 3 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

### 12. Unissued or Reclassified Units

Series 3 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

### 13. No Sinking Fund

Series 3 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

### 14. Notices

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 3 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 3 Preferred Limited Partnership Units or otherwise, notwithstanding provisions

hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 3 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 4.53%, and (ii) 5.50%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 3 Preferred Limited Partnership Units means the last day of each of March, June, September and December in each year.



**“Distribution Period”** means the period from and including the Issue Date up to and including March 31, 2016 and, thereafter, the period from the date following a Distribution Payment Date up to and including the next succeeding Distribution Payment Date.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.53% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section 2.1.

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

**“Initial Distribution Period”** has the meaning ascribed thereto in Section 2.2(a).

**“Initial Fixed Distribution Rate”** means 5.50% per annum.

**“Initial Fixed Rate Period”** means the period commencing on the Issue Date and ending on and including December 31, 2020.

**“Issue Date”** means the date on which the Series 3 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2021 and ending on and including March 31, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 3 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 3 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 3 Preferred Limited Partnership Units Provisions.

**“Series 3 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 3 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Series 4 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2021 and ending on and including December 31, 2025 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 3 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 3 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 3 Distributions for any completed Distribution Period; and (ii) a cash amount

calculated as though Series 3 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 3 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 3 Preferred Limited Partnership Units;

- (b) in the event that any date on which any Series 3 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 3 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 3 Preferred Limited Partnership Units under these Series 3 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## **17. Book-Entry System**

### **17.1 Transfers etc. Through Participants**

If the Series 3 Preferred Limited Partnership Units are held through the Book Entry System then the beneficial owner thereof shall provide instructions with respect to Series 3 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 3 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 3 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 3 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 3 Preferred Limited Partnership Units.

### **17.2 Depository is Registered Holder**

For the purposes of these Series 3 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 3 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 3 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 3 Preferred Limited Partnership Units, including payments of Series 3 Distributions, the Redemption Price or accrued and unpaid Series 3 Distributions, and the delivery of Series 4 Preferred Limited Partnership

Units and certificates for those units on the reclassification into Series 4 Preferred Limited Partnership Units.

**18.    Reclassification of Series 4 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 4 Preferred Limited Partnership Unit may be reclassified into a Series 3 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 3 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## **PART V**

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 4**

The fourth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 5,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 4 (the “**Series 4 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 4 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 4 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 4 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 4 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During each Quarterly Floating Rate Period, Series 4 Distributions payable on the Series 4 Preferred Limited Partnership Units will be in an amount per Series 4 Preferred Limited Partnership Unit determined by multiplying the Floating Quarterly Distribution Rate applicable to such Quarterly Floating Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Quarterly Floating Rate Period.
- (b) In respect of each Quarterly Floating Rate Period, the Partnership will, during such Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Distribution Rate for such Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Quarterly Floating Distribution Rate will, in the absence of manifest error, be final and binding upon

the Partnership and upon all Holders of Series 4 Preferred Limited Partnership Units.

- (c) If on any Distribution Payment Date, the Series 4 Distributions accrued to such date are not paid in full on all of the Series 4 Preferred Limited Partnership Units then Outstanding, such Series 4 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 4 Distributions under Bermuda law.
- (d) The Holders shall not be entitled to any distributions other than or in excess of the Series 4 Distributions.
- (e) The Record Date for the payment of Series 4 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 4 Distributions shall (except in case of redemption or reclassification in which case payment of Series 4 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 4 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 4 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 4 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Quarterly Floating Rate Period

Subject to the Section 2.1, for any period that is less than a full Quarterly Floating Rate Period, with respect to any Series 4 Preferred Limited Partnership Unit (i) that is issued, or

redeemed during such Quarterly Floating Rate Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 4 Distributions as follows. In respect of any period that is less than a full Quarterly Floating Rate Period, a distribution in an amount per Series 4 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Floating Quarterly Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is the number of calendar days in the Quarterly Floating Rate Period in which such period falls.

### **3. Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 4 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 4 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

### **4. Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 4 Preferred Limited Partnership Units prior to December 31, 2020. Thereafter, the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, at any time, without the consent of the Holders redeem all, or from time to time any part, of the then Outstanding Series 4 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 4 Preferred Limited Partnership Unit so redeemed equal to (i) in the case of redemptions on December 31, 2025 and on December 31 every five years thereafter (each a “**Series 4 Reclassification Date**”), C\$25.00, or (ii) C\$25.50 in the case of redemptions on any date which is not a Series 4 Reclassification Date on or after December 31, 2020, in each case including all accrued and unpaid Series 4 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 4 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 4 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 4 Preferred Limited Partnership Units are at such time listed on such exchange, with the

consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 4 Reclassification Date or such other date on which the Series 4 Preferred Limited Partnership Units are to be redeemed of its intention to redeem such Series 4 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 4 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 4 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 4 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 4 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership's bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership's obligation to pay the Redemption Price owed to the Holders of Series 4 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 4 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 4 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 4 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on



the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 4 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 3 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 4 Preferred Limited Partnership Units will have the right, at their option, on each Series 4 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 4 Preferred Limited Partnership Units registered in the name of the Holder into Series 3 Preferred Limited Partnership Units on the basis of one (1) Series 3 Preferred Limited Partnership Unit for each Series 4 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 4 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 4 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 4 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 3 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.
- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 4 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 4 Preferred Limited Partnership Units to reclassify such Series 4 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 4 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 3 Preferred Limited Partnership Units on a Series 4 Reclassification Date if the Partnership determines that there would remain

Outstanding on the Series 4 Reclassification Date less than 1,000,000 Series 3 Preferred Limited Partnership Units after taking into account all Series 4 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 3 Preferred Limited Partnership Units has been provided and all Series 3 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 4 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 4 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 4 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 4 Reclassification Date, at the expense of the Partnership, to such Holders of Series 4 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 4 Preferred Limited Partnership Units, new certificates representing the Series 4 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 4 Reclassification Date less than 1,000,000 Series 4 Preferred Limited Partnership Units after taking into account all Series 4 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 3 Preferred Limited Partnership Units has been provided and all Series 3 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 4 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 4 Preferred Limited Partnership Units will automatically be reclassified into Series 3 Preferred Limited Partnership Units on the basis of one (1) Series 3 Preferred Limited Partnership Unit for each Series 4 Preferred Limited Partnership Unit on the applicable Series 4 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 4 Preferred Limited Partnership Units at least seven (7) days prior to the Series 4 Reclassification Date.

## 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 4 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 4 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 4 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 4 Preferred

Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 4 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.

- (b) If the Partnership does not receive an Election Notice from a Holder of Series 4 Preferred Limited Partnership Units during the notice period therefor, then the Series 4 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 4 Preferred Limited Partnership Units into Series 3 Preferred Limited Partnership Units on the applicable Series 4 Reclassification Date as provided for in Section 5.2, the Series 4 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 4 Reclassification Date into Series 3 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 3 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 4 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 4 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 3 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 4 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 4 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 3 Preferred Limited Partnership Units and the number of remaining Series 4 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 4 Reclassification Date, so that the rights of the Holder of such Series 4 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 3 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 3 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 4 Preferred Limited Partnership Unit on the record date for any Series 4 Distributions declared payable on such unit will be entitled to such

distributions notwithstanding that such unit is reclassified into a Series 3 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.

- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 3 Preferred Limited Partnership Units upon the reclassification of Series 4 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 3 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 3 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 3 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 4 Preferred Limited Partnership Units

The reclassification of Series 4 Preferred Limited Partnership Units into Series 3 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 3 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 4 Preferred Limited Partnership Units held by any Ineligible Person.

### 6. Restrictions on Distributions and Retirement and Issue of Units

Subject to the solvency requirements under Bermuda law and so long as any of the Series 4 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 4 Preferred Limited Partnership Units then Outstanding; or

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 4 Distributions up to and including the Series 4 Distribution payable for the last completed Quarterly Floating Rate Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 4 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 4 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non-payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 4 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 4 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 4 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 4 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such

approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 4 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 4 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 4 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be given by a resolution signed by the Holders of Series 4 Preferred Limited Partnership Units owning not less than the percentage of the Series 4 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 4 Preferred Limited Partnership Units were present and voted or represented by proxy or passed by the affirmative vote of at least 66 $\frac{2}{3}$ % of the votes cast by the Holders of the Series 4 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 4 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 4 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series 4 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 4 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 4 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 4 Preferred Limited Partnership Units or by written consent.

### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 4 Preferred Limited Partnership Unit held.

## **11. Tax Matters**

The Series 4 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of

determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reclassified Units**

Series 4 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

## **13. No Sinking Fund**

Series 4 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 4 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 4 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 4 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 4.53%, and (ii) 5.50%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 4 Preferred Limited Partnership Units means the last day of each Quarterly Floating Rate Period in each year.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.53% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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



compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

**“Holder”** has the meaning attributed to it in Section 2.1.

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

**“Issue Date”** means the date on which the Series 4 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on January 1, 2021 and ending on and including March 31, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 3 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 3.

**“Series 4 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 4 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 4 Preferred Limited Partnership Units Provisions.

**“Series 4 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 4 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on January 1, 2021 and ending on and including December 31, 2025 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including December 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 4 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 4 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 4 Distributions for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series 4 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 4 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 4 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 4 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 4 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 4 Preferred Limited Partnership Units under these Series 4 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## 17. Book-Entry System

### 17.1 Transfers etc. Through Participants

If the Series 4 Preferred Limited Partnership Units are held through the Book Entry System then the beneficial owner thereof shall provide instructions with respect to Series 4 Preferred Limited Partnership Units only to the Depository participant through whom such

beneficial owner holds such Series 4 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 4 Preferred Limited Partnership Units will be made only through the Book–Entry System. Beneficial owners of Series 4 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 4 Preferred Limited Partnership Units.

#### 17.2 Depository is Registered Holder

For the purposes of these Series 4 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 4 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 4 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 4 Preferred Limited Partnership Units, including payments of Series 4 Distributions, the Redemption Price or accrued and unpaid Series 4 Distributions, and the delivery of Series 3 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 3 Preferred Limited Partnership Units.

#### 18. **Reclassification of Series 4 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 4 Preferred Limited Partnership Unit may be reclassified into a Series 3 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 3 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART VI

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 5**

The fifth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 10,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 5 (the “**Series 5 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 5 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 5 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 5 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 5 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During the Initial Fixed Rate Period, the Series 5 Distributions will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Distribution Payment Date**”) at the Initial Fixed Distribution Rate. The initial Series 5 Distribution will be payable September 30, 2016 and will be an amount in cash equal to C\$0.2162 per Series 5 Preferred Limited Partnership Unit less any tax required to be deducted and withheld. On each Distribution Payment Date during the Initial Fixed Rate Period (other than September 30, 2016), the Series 5 Distribution will be equal to C\$0.334375 per unit.
- (b) During each Subsequent Fixed Rate Period, Series 5 Distributions payable on the Series 5 Preferred Limited Partnership Units will be in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Subsequent Fixed Rate Period.

- (c) In respect of each Subsequent Fixed Rate Period, the Partnership will, during such Subsequent Fixed Rate Period calculate on each Fixed Rate Calculation Date the Annual Fixed Distribution Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Annual Fixed Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 5 Preferred Limited Partnership Units.
- (d) If on any Distribution Payment Date, the Series 5 Distributions accrued to such date are not paid in full on all of the Series 5 Preferred Limited Partnership Units then Outstanding, such Series 5 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 5 Distributions under Bermuda law.
- (e) The Holders shall not be entitled to any distributions other than or in excess of the Series 5 Distributions.
- (f) The Record Date for the payment of Series 5 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 5 Distributions shall (except in case of redemption or reclassification in which case payment of Series 5 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 5 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 5 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 5 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Distribution Period

Subject to the Section 2.1, for any period that is less than a full Distribution Period, with respect to any Series 5 Preferred Limited Partnership Unit (i) that is issued or redeemed during such Distribution Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 5 Distributions as follows:

- (a) in respect of the period beginning on and including the date of initial issue of the Series 5 Preferred Limited Partnership Units up to and including September 30, 2016 (the “**Initial Distribution Period**”), a distribution in an amount per Series 5 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) where C\$1.3375 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 5 Preferred Limited Partnership Units up to and including September 30, 2016 and the denominator of which is 365, less any tax required to be deducted and withheld. The Series 5 Distribution payable for the Initial Distribution Period, payable as of September 30, 2016, as calculated by this method shall be C\$0.2162 per Series 5 Preferred Limited Partnership Unit; and
- (b) in respect of any period that is less than a full Distribution Period (other than the Initial Distribution Period), a distribution in an amount per Series 5 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365, less any tax required to be deducted and withheld.

## 3. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 5 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 5 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

#### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 5 Preferred Limited Partnership Units prior to September 30, 2021. On September 30, 2021 and on September 30 every five years thereafter (each, a “**Series 5 Reclassification Date**”), the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, without the consent of the Holders redeem all, or any part, of the then Outstanding Series 5 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 5 Preferred Limited Partnership Unit so redeemed equal to C\$25.00 per Series 5 Preferred Limited Partnership Unit, together with all accrued and unpaid Series 5 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 5 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 5 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 5 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 5 Reclassification Date of its intention to redeem such Series 5 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 5 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 5 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 5 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 5 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership’s obligation to pay the Redemption Price owed to the Holders of Series 5 Preferred Limited Partnership Units so called for redemption unless the cheque

is not honoured when presented for payment. From and after the date specified in any such notice, the Series 5 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 5 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 5 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 5 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 6 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 5 Preferred Limited Partnership Units will have the right, at their option, on each Series 5 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 5 Preferred Limited Partnership Units registered in the name of the Holder into Series 6 Preferred Limited Partnership Units on the basis of one (1) Series 6 Preferred Limited Partnership Unit for each Series 5 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 5 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 5 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution



Rate applicable to the Series 6 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 5 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.

- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 5 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 5 Preferred Limited Partnership Units to reclassify such Series 5 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 5 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 6 Preferred Limited Partnership Units on a Series 5 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 5 Reclassification Date less than 1,000,000 Series 6 Preferred Limited Partnership Units after taking into account all Series 5 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 6 Preferred Limited Partnership Units has been provided and all Series 6 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 5 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 5 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 5 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 5 Reclassification Date, at the expense of the Partnership, to such Holders of Series 5 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 5 Preferred Limited Partnership Units, new certificates representing the Series 5 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 5 Reclassification Date less than 1,000,000 Series 5 Preferred Limited Partnership Units after taking into account all Series 5 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 6 Preferred Limited Partnership Units has been provided and all Series 6 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 5 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 5 Preferred Limited Partnership Units will automatically be reclassified into Series 6 Preferred Limited Partnership Units on the basis of one (1) Series 6 Preferred Limited Partnership Unit for each Series 5 Preferred Limited Partnership Unit on the applicable Series 5 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders

of such remaining Series 5 Preferred Limited Partnership Units at least seven (7) days prior to the Series 5 Reclassification Date.

### 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 5 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 5 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 5 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 5 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 5 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.
- (b) If the Partnership does not receive an Election Notice from a Holder of Series 5 Preferred Limited Partnership Units during the notice period therefor, then the Series 5 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 5 Preferred Limited Partnership Units into Series 6 Preferred Limited Partnership Units on the applicable Series 5 Reclassification Date as provided for in Section 5.2, the Series 5 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 5 Reclassification Date into Series 6 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 6 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 5 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 5 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 6 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.

- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 5 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 5 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 6 Preferred Limited Partnership Units and the number of remaining Series 5 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 5 Reclassification Date, so that the rights of the Holder of such Series 5 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 6 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 6 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 5 Preferred Limited Partnership Unit on the record date for any Series 5 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 6 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.
- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 6 Preferred Limited Partnership Units upon the reclassification of Series 5 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 6 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 6 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 6 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 5 Preferred Limited Partnership Units

The reclassification of Series 5 Preferred Limited Partnership Units into Series 6 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

## **5.5 Right Not to Deliver Series 5 Preferred Limited Partnership Units**

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 5 Preferred Limited Partnership Units held by any Ineligible Person.

## **6. Restrictions on Distributions and Retirement and Issue of Units**

Subject to the solvency requirements under Bermuda law and so long as any of the Series 5 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 5 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 5 Distributions up to and including the Series 5 Distribution payable for the last completed Distribution Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 5 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or

(except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 5 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 5 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 5 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 5 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 5 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 5 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 5 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 5 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 5 Preferred Limited Partnership Units owning not less than the percentage of the Series 5 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 5 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least 66<sup>2/3</sup>% of the votes cast by the Holders of the Series 5 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 5 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 5 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no

notice need be given of such adjourned meeting. At such adjourned meeting, the Holders of Series 5 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 5 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 5 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 5 Preferred Limited Partnership Units or by written consent.

#### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 5 Preferred Limited Partnership Unit held.

### **11. Tax Matters**

The Series 5 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

### **12. Unissued or Reclassified Units**

Series 5 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

### **13. No Sinking Fund**

Series 5 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

### **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 5 Preferred Limited

Partnership Units, whether in connection with the redemption or reclassification of such Series 5 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 5 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 4.64%, and (ii) 5.35%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 5 Preferred Limited Partnership Units means the last day of each of March, June, September and December in each year.

**“Distribution Period”** means the period from and including the Issue Date up to and including September 30, 2016 and, thereafter, the period from the date following a Distribution Payment Date up to and including the next succeeding Distribution Payment Date.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.64% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section 2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 5 Preferred Limited Partnership Units or Series 6 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Initial Distribution Period”** has the meaning ascribed thereto in Section 2.2(a).

**“Initial Fixed Distribution Rate”** means 5.35% per annum.

**“Initial Fixed Rate Period”** means the period commencing on the Issue Date and ending on and including September 30, 2021.



**“Issue Date”** means the date on which the Series 5 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2021 and ending on and including December 31, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 5 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 5 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 5 Preferred Limited Partnership Units Provisions.

**“Series 5 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 5 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Series 6 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 6.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2021 and ending on and including September 30, 2026 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 5 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 5 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 5 Distributions for any completed Distribution Period; and (ii) a cash amount calculated as though Series 5 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 5 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 5 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 5 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 5 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 5 Preferred Limited Partnership Units under these Series 5 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## **17. Book-Entry System**

### **17.1 Transfers etc. Through Participants**

If the Series 5 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 5 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 5 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 5 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 5 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 5 Preferred Limited Partnership Units.

### **17.2 Depository is Registered Holder**

For the purposes of these Series 5 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 5 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 5 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 5 Preferred Limited Partnership

Units, including payments of Series 5 Distributions, the Redemption Price or accrued and unpaid Series 5 Distributions, and the delivery of Series 6 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 6 Preferred Limited Partnership Units.

**18.    Reclassification of Series 6 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 6 Preferred Limited Partnership Unit may be reclassified into a Series 5 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 5 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART VII

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 6**

The sixth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 10,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 6 (the “**Series 6 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 6 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 6 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 6 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 6 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During each Quarterly Floating Rate Period, Series 6 Distributions payable on the Series 6 Preferred Limited Partnership Units will be in an amount per Series 6 Preferred Limited Partnership Unit determined by multiplying the Floating Quarterly Distribution Rate applicable to such Quarterly Floating Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Quarterly Floating Rate Period.
- (b) In respect of each Quarterly Floating Rate Period, the Partnership will, during such Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Distribution Rate for such Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Quarterly Floating Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 6 Preferred Limited Partnership Units.

- (c) If on any Distribution Payment Date, the Series 6 Distributions accrued to such date are not paid in full on all of the Series 6 Preferred Limited Partnership Units then Outstanding, such Series 6 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 6 Distributions under Bermuda law.
- (d) The Holders shall not be entitled to any distributions other than or in excess of the Series 6 Distributions.
- (e) The Record Date for the payment of Series 6 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 6 Distributions shall (except in case of redemption or reclassification in which case payment of Series 6 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 6 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 6 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 6 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Quarterly Floating Rate Period

Subject to the Section 2.1, for any period that is less than a full Quarterly Floating Rate Period, with respect to any Series 6 Preferred Limited Partnership Unit (i) that is issued, or redeemed during such Quarterly Floating Rate Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared

by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 6 Distributions as follows. In respect of any period that is less than a full Quarterly Floating Rate Period, a distribution in an amount per Series 6 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Floating Quarterly Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is the number of calendar days in the Quarterly Floating Rate Period in which such period falls.

### **3. Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 6 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 6 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

### **4. Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 6 Preferred Limited Partnership Units prior to September 30, 2021. Thereafter, the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, at any time, without the consent of the Holders redeem all, or from time to time any part, of the then Outstanding Series 6 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 6 Preferred Limited Partnership Unit so redeemed equal to (i) in the case of redemptions on September 30, 2026 and on September 30 every five years thereafter (each a “**Series 6 Reclassification Date**”), C\$25.00, or (ii) C\$25.50 in the case of redemptions on any date which is not a Series 6 Reclassification Date on or after September 30, 2021, in each case including all accrued and unpaid Series 6 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 6 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 6 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 6 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 6 Reclassification Date or such other date on which the Series 6 Preferred Limited Partnership Units are to be redeemed of its intention to redeem such Series 6 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 6 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 6 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 6 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 6 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership's bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership's obligation to pay the Redemption Price owed to the Holders of Series 6 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 6 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 6 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 6 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after

the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 6 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 5 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 6 Preferred Limited Partnership Units will have the right, at their option, on each Series 6 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 6 Preferred Limited Partnership Units registered in the name of the Holder into Series 5 Preferred Limited Partnership Units on the basis of one (1) Series 5 Preferred Limited Partnership Unit for each Series 6 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 6 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 6 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 6 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 5 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.
- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 6 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 6 Preferred Limited Partnership Units to reclassify such Series 6 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 6 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 5 Preferred Limited Partnership Units on a Series 6 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 6 Reclassification Date less than 1,000,000 Series 5 Preferred Limited Partnership Units after taking into account all Series 6 Preferred



Limited Partnership Units in respect of which a notice of reclassification into Series 5 Preferred Limited Partnership Units has been provided and all Series 5 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 6 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 6 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 6 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 6 Reclassification Date, at the expense of the Partnership, to such Holders of Series 6 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 6 Preferred Limited Partnership Units, new certificates representing the Series 6 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 6 Reclassification Date less than 1,000,000 Series 6 Preferred Limited Partnership Units after taking into account all Series 6 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 5 Preferred Limited Partnership Units has been provided and all Series 5 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 6 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 6 Preferred Limited Partnership Units will automatically be reclassified into Series 5 Preferred Limited Partnership Units on the basis of one (1) Series 5 Preferred Limited Partnership Unit for each Series 6 Preferred Limited Partnership Unit on the applicable Series 6 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 6 Preferred Limited Partnership Units at least seven (7) days prior to the Series 6 Reclassification Date.

## 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 6 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 6 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 6 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 6 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and

deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 6 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.

- (b) If the Partnership does not receive an Election Notice from a Holder of Series 6 Preferred Limited Partnership Units during the notice period therefor, then the Series 6 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 6 Preferred Limited Partnership Units into Series 5 Preferred Limited Partnership Units on the applicable Series 6 Reclassification Date as provided for in Section 5.2, the Series 6 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 6 Reclassification Date into Series 5 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 5 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 6 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 6 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 5 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 6 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 6 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 5 Preferred Limited Partnership Units and the number of remaining Series 6 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 6 Reclassification Date, so that the rights of the Holder of such Series 6 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 5 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 5 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 6 Preferred Limited Partnership Unit on the record date for any Series 6 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 5 Preferred

Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.

- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 5 Preferred Limited Partnership Units upon the reclassification of Series 6 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 5 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 5 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 5 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 6 Preferred Limited Partnership Units

The reclassification of Series 6 Preferred Limited Partnership Units into Series 5 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 5 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 6 Preferred Limited Partnership Units held by any Ineligible Person.

### 6. Restrictions on Distributions and Retirement and Issue of Units

Subject to the solvency requirements under Bermuda law and so long as any of the Series 6 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 6 Preferred Limited Partnership Units then Outstanding; or

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 6 Distributions up to and including the Series 6 Distribution payable for the last completed Quarterly Floating Rate Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 6 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 6 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 6 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 6 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 6 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 6 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such

approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 6 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 6 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 6 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 6 Preferred Limited Partnership Units owning not less than the percentage of the Series 6 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 6 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least 66<sup>2/3</sup>% of the votes cast by the Holders of the Series 6 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 6 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 6 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series 6 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 6 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 6 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 6 Preferred Limited Partnership Units or by written consent.

### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 6 Preferred Limited Partnership Unit held.

## **11. Tax Matters**

The Series 6 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of

determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reclassified Units**

Series 6 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

## **13. No Sinking Fund**

Series 6 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 6 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 6 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 6 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 4.64%, and (ii) 5.35%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 6 Preferred Limited Partnership Units means the last day of each Quarterly Floating Rate Period in each year.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.64% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

**“Holder”** has the meaning attributed to it in Section 2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 5 Preferred Limited Partnership Units or Series 6 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Issue Date”** means the date on which the Series 6 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on October 1, 2021 and ending on and including December 31, 2021, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 5 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 5.

**“Series 6 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 6 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 6 Preferred Limited Partnership Units Provisions.

**“Series 6 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 6 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2021 and ending on and including September 30, 2026 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including September 30 in the fifth year thereafter.



**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 6 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 6 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 6 Distributions for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series 6 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 6 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 6 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 6 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 6 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 6 Preferred Limited Partnership Units under these Series 6 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## 17. Book-Entry System

### 17.1 Transfers etc. Through Participants

If the Series 6 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 6 Preferred Limited Partnership Units only to the Depository participant through whom such

beneficial owner holds such Series 6 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 6 Preferred Limited Partnership Units will be made only through the Book–Entry System. Beneficial owners of Series 6 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 6 Preferred Limited Partnership Units.

#### 17.2 Depository is Registered Holder

For the purposes of these Series 6 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 6 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 6 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 6 Preferred Limited Partnership Units, including payments of Series 6 Distributions, the Redemption Price or accrued and unpaid Series 6 Distributions, and the delivery of Series 5 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 5 Preferred Limited Partnership Units.

#### 18. **Reclassification of Series 6 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 6 Preferred Limited Partnership Unit may be reclassified into a Series 5 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 5 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART VIII

### Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 7

The seventh series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 12,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 7 (the “**Series 7 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 7 Preferred Limited Partnership Unit Provisions**”):

#### 1. Consideration for Issue

The consideration for the issue of each Series 7 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### 2. Distributions

##### 2.1 Cumulative Preferential Distributions

The holders of the then Outstanding Series 7 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 7 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During the Initial Fixed Rate Period, the Series 7 Distributions will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Distribution Payment Date**”) at the Initial Fixed Distribution Rate. The initial Series 7 Distribution will be payable March 31, 2017 and will be an amount in cash equal to C\$0.2192 per Series 7 Preferred Limited Partnership Unit less any tax required to be deducted and withheld. On each Distribution Payment Date during the Initial Fixed Rate Period (other than March 31, 2017), the Series 7 Distribution will be equal to C\$0.3125 per unit.
- (b) During each Subsequent Fixed Rate Period, Series 7 Distributions payable on the Series 7 Preferred Limited Partnership Units will be in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Subsequent Fixed Rate Period.

- (c) In respect of each Subsequent Fixed Rate Period, the Partnership will, during such Subsequent Fixed Rate Period calculate on each Fixed Rate Calculation Date the Annual Fixed Distribution Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Annual Fixed Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 7 Preferred Limited Partnership Units.
- (d) If on any Distribution Payment Date, the Series 7 Distributions accrued to such date are not paid in full on all of the Series 7 Preferred Limited Partnership Units then Outstanding, such Series 7 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 7 Distributions under Bermuda law.
- (e) The Holders shall not be entitled to any distributions other than or in excess of the Series 7 Distributions.
- (f) The Record Date for the payment of Series 7 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 7 Distributions shall (except in case of redemption or reclassification in which case payment of Series 7 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 7 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 7 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 7 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Distribution Period

Subject to the Section 2.1, for any period that is less than a full Distribution Period, with respect to any Series 7 Preferred Limited Partnership Unit (i) that is issued or redeemed during such Distribution Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 7 Distributions as follows:

- (a) in respect of the period beginning on and including the date of initial issue of the Series 7 Preferred Limited Partnership Units up to and including March 31, 2017 (the “**Initial Distribution Period**”), a distribution in an amount per Series 7 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) where C\$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 7 Preferred Limited Partnership Units up to and including March 31, 2017 and the denominator of which is 365, less any tax required to be deducted and withheld. The Series 7 Distribution payable for the Initial Distribution Period, payable as of March 31, 2017, as calculated by this method shall be C\$0.2192 per Series 7 Preferred Limited Partnership Unit; and
- (b) in respect of any period that is less than a full Distribution Period (other than the Initial Distribution Period), a distribution in an amount per Series 7 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365, less any tax required to be deducted and withheld.

## 3. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 7 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 7 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

#### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 7 Preferred Limited Partnership Units prior to March 31, 2022. On March 31, 2022 and on March 31 every five years thereafter (each, a “**Series 7 Reclassification Date**”), the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, without the consent of the Holders redeem all, or any part, of the then Outstanding Series 7 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 7 Preferred Limited Partnership Unit so redeemed equal to C\$25.00 per Series 7 Preferred Limited Partnership Unit, together with all accrued and unpaid Series 7 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 7 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 7 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 7 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 7 Reclassification Date of its intention to redeem such Series 7 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 7 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 7 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 7 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 7 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership’s obligation to pay the Redemption Price owed to the Holders of Series 7 Preferred Limited Partnership Units so called for redemption unless the cheque

is not honoured when presented for payment. From and after the date specified in any such notice, the Series 7 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 7 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 7 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 7 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 8 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 7 Preferred Limited Partnership Units will have the right, at their option, on each Series 7 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 7 Preferred Limited Partnership Units registered in the name of the Holder into Series 8 Preferred Limited Partnership Units on the basis of one (1) Series 8 Preferred Limited Partnership Unit for each Series 7 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 7 Reclassification Date to the Holders of the reclassification privilege provided for herein (the "**Reclassification Privilege**"). Such notice shall (i) set out the Series 7 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution

Rate applicable to the Series 8 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 7 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.

- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 7 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 7 Preferred Limited Partnership Units to reclassify such Series 7 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 7 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 8 Preferred Limited Partnership Units on a Series 7 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 7 Reclassification Date less than 1,000,000 Series 8 Preferred Limited Partnership Units after taking into account all Series 7 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 8 Preferred Limited Partnership Units has been provided and all Series 8 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 7 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 7 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 7 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 7 Reclassification Date, at the expense of the Partnership, to such Holders of Series 7 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 7 Preferred Limited Partnership Units, new certificates representing the Series 7 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 7 Reclassification Date less than 1,000,000 Series 7 Preferred Limited Partnership Units after taking into account all Series 7 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 8 Preferred Limited Partnership Units has been provided and all Series 8 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 7 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 7 Preferred Limited Partnership Units will automatically be reclassified into Series 8 Preferred Limited Partnership Units on the basis of one (1) Series 8 Preferred Limited Partnership Unit for each Series 7 Preferred Limited Partnership Unit on the applicable Series 7 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders



of such remaining Series 7 Preferred Limited Partnership Units at least seven (7) days prior to the Series 7 Reclassification Date.

### 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 7 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 7 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 7 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 7 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 7 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.
- (b) If the Partnership does not receive an Election Notice from a Holder of Series 7 Preferred Limited Partnership Units during the notice period therefor, then the Series 7 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 7 Preferred Limited Partnership Units into Series 8 Preferred Limited Partnership Units on the applicable Series 7 Reclassification Date as provided for in Section 5.2, the Series 7 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 7 Reclassification Date into Series 8 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 8 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 7 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 7 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 8 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.

- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 7 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 7 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 8 Preferred Limited Partnership Units and the number of remaining Series 7 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 7 Reclassification Date, so that the rights of the Holder of such Series 7 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 8 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 8 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 7 Preferred Limited Partnership Unit on the record date for any Series 7 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 8 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.
- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 8 Preferred Limited Partnership Units upon the reclassification of Series 7 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 8 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 8 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 8 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 7 Preferred Limited Partnership Units

The reclassification of Series 7 Preferred Limited Partnership Units into Series 8 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

## **5.5 Right Not to Deliver Series 7 Preferred Limited Partnership Units**

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 7 Preferred Limited Partnership Units held by any Ineligible Person.

## **6. Restrictions on Distributions and Retirement and Issue of Units**

Subject to the solvency requirements under Bermuda law and so long as any of the Series 7 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 7 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 7 Distributions up to and including the Series 7 Distribution payable for the last completed Distribution Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 7 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or

(except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 7 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 7 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 7 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 7 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 7 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 7 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 7 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 7 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 7 Preferred Limited Partnership Units owning not less than the percentage of the Series 7 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 7 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least 66<sup>2/3</sup>% of the votes cast by the Holders of the Series 7 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 7 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 7 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no

notice need be given of such adjourned meeting. At such adjourned meeting, the Holders of Series 7 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 7 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 7 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 7 Preferred Limited Partnership Units or by written consent.

#### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 7 Preferred Limited Partnership Unit held.

### **11. Tax Matters**

The Series 7 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

### **12. Unissued or Reclassified Units**

Series 7 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

### **13. No Sinking Fund**

Series 7 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

### **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 7 Preferred Limited

Partnership Units, whether in connection with the redemption or reclassification of such Series 7 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 7 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 3.78%, and (ii) 5.00%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 7 Preferred Limited Partnership Units means the last day of each of March, June, September and December in each year.

**“Distribution Period”** means the period from and including the Issue Date up to and including March 31, 2017 and, thereafter, the period from the date following a Distribution Payment Date up to and including the next succeeding Distribution Payment Date.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.78% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section 2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 7 Preferred Limited Partnership Units or Series 8 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Initial Distribution Period”** has the meaning ascribed thereto in Section 2.2(a).

**“Initial Fixed Distribution Rate”** means 5.00% per annum.

**“Initial Fixed Rate Period”** means the period commencing on the Issue Date and ending on and including March 31, 2022.

**“Issue Date”** means the date on which the Series 7 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2022 and ending on and including June 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 7 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 7 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 7 Preferred Limited Partnership Units Provisions.

**“Series 7 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 7 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Series 8 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 8.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2022 and ending on and including March 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 7 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 7 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 7 Distributions for any completed Distribution Period; and (ii) a cash amount



calculated as though Series 7 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 7 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 7 Preferred Limited Partnership Units;

- (b) in the event that any date on which any Series 7 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 7 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 7 Preferred Limited Partnership Units under these Series 7 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## **17. Book-Entry System**

### **17.1 Transfers etc. Through Participants**

If the Series 7 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 7 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 7 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 7 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 7 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 7 Preferred Limited Partnership Units.

### **17.2 Depository is Registered Holder**

For the purposes of these Series 7 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 7 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 7 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 7 Preferred Limited Partnership Units, including payments of Series 7 Distributions, the Redemption Price or accrued and unpaid Series 7 Distributions, and the delivery of Series 8 Preferred Limited Partnership

Units and certificates for those units on the reclassification into Series 8 Preferred Limited Partnership Units.

**18.    Reclassification of Series 8 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 8 Preferred Limited Partnership Unit may be reclassified into a Series 7 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 7 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART IX

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 8**

The eighth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 12,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 8 (the “**Series 8 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 8 Preferred Limited Partnership Unit Provisions**”):

#### **1. Consideration for Issue**

The consideration for the issue of each Series 8 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### **2. Distributions**

##### **2.1 Cumulative Preferential Distributions**

The holders of the then Outstanding Series 8 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 8 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During each Quarterly Floating Rate Period, Series 8 Distributions payable on the Series 8 Preferred Limited Partnership Units will be in an amount per Series 8 Preferred Limited Partnership Unit determined by multiplying the Floating Quarterly Distribution Rate applicable to such Quarterly Floating Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Quarterly Floating Rate Period.
- (b) In respect of each Quarterly Floating Rate Period, the Partnership will, during such Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Distribution Rate for such Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Quarterly Floating Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 8 Preferred Limited Partnership Units.

- (c) If on any Distribution Payment Date, the Series 8 Distributions accrued to such date are not paid in full on all of the Series 8 Preferred Limited Partnership Units then Outstanding, such Series 8 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 8 Distributions under Bermuda law.
- (d) The Holders shall not be entitled to any distributions other than or in excess of the Series 8 Distributions.
- (e) The Record Date for the payment of Series 8 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 8 Distributions shall (except in case of redemption or reclassification in which case payment of Series 8 Distributions shall, subject to the provisions of Section 17, be made on surrender of the certificate representing the Series 8 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 8 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 8 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Quarterly Floating Rate Period

Subject to the Section 2.1, for any period that is less than a full Quarterly Floating Rate Period, with respect to any Series 8 Preferred Limited Partnership Unit (i) that is issued, or redeemed during such Quarterly Floating Rate Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section 3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared

by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 8 Distributions as follows. In respect of any period that is less than a full Quarterly Floating Rate Period, a distribution in an amount per Series 8 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Floating Quarterly Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is the number of calendar days in the Quarterly Floating Rate Period in which such period falls.

### **3. Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 8 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 8 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

### **4. Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 8 Preferred Limited Partnership Units prior to March 31, 2022. Thereafter, the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section 6 below, upon giving notice as hereinafter provided, at its option, at any time, without the consent of the Holders redeem all, or from time to time any part, of the then Outstanding Series 8 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 8 Preferred Limited Partnership Unit so redeemed equal to (i) in the case of redemptions on March 31, 2027 and on March 31 every five years thereafter (each a “**Series 8 Reclassification Date**”), C\$25.00, or (ii) C\$25.50 in the case of redemptions on any date which is not a Series 8 Reclassification Date on or after March 31, 2022, in each case including all accrued and unpaid Series 8 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 8 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 8 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 8 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 8 Reclassification Date or such other date on which the Series 8 Preferred Limited Partnership Units are to be redeemed of its intention to redeem such Series 8 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 8 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 8 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 8 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 8 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section 17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership's bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership's obligation to pay the Redemption Price owed to the Holders of Series 8 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 8 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 8 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 8 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section 17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after

the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 8 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 7 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 8 Preferred Limited Partnership Units will have the right, at their option, on each Series 8 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 8 Preferred Limited Partnership Units registered in the name of the Holder into Series 7 Preferred Limited Partnership Units on the basis of one (1) Series 7 Preferred Limited Partnership Unit for each Series 8 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 8 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 8 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section 5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 8 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 7 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.
- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 8 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section 5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 8 Preferred Limited Partnership Units to reclassify such Series 8 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 8 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 7 Preferred Limited Partnership Units on a Series 8 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 8 Reclassification Date less than 1,000,000 Series 7 Preferred Limited Partnership Units after taking into account all Series 8 Preferred

Limited Partnership Units in respect of which a notice of reclassification into Series 7 Preferred Limited Partnership Units has been provided and all Series 7 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 8 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 8 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 8 Reclassification Date and, subject to the provisions of Section 17, will issue and deliver, or cause to be delivered, prior to such Series 8 Reclassification Date, at the expense of the Partnership, to such Holders of Series 8 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 8 Preferred Limited Partnership Units, new certificates representing the Series 8 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 8 Reclassification Date less than 1,000,000 Series 8 Preferred Limited Partnership Units after taking into account all Series 8 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 7 Preferred Limited Partnership Units has been provided and all Series 7 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 8 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 8 Preferred Limited Partnership Units will automatically be reclassified into Series 7 Preferred Limited Partnership Units on the basis of one (1) Series 7 Preferred Limited Partnership Unit for each Series 8 Preferred Limited Partnership Unit on the applicable Series 8 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 8 Preferred Limited Partnership Units at least seven (7) days prior to the Series 8 Reclassification Date.

## 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section 17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 8 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 8 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 5.3; and (2) the certificate or certificates representing the Series 8 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 8 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and



deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 8 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.

- (b) If the Partnership does not receive an Election Notice from a Holder of Series 8 Preferred Limited Partnership Units during the notice period therefor, then the Series 8 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section 5.2).
- (c) Subject to the provisions of Section 17, in the event the Partnership is required to reclassify all remaining Outstanding Series 8 Preferred Limited Partnership Units into Series 7 Preferred Limited Partnership Units on the applicable Series 8 Reclassification Date as provided for in Section 5.2, the Series 8 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 8 Reclassification Date into Series 7 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 7 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 8 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 8 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 7 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section 17, as promptly as practicable after the Series 8 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 8 Preferred Limited Partnership Units so reclassified in accordance with this Section 5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 7 Preferred Limited Partnership Units and the number of remaining Series 8 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 8 Reclassification Date, so that the rights of the Holder of such Series 8 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 7 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 7 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 8 Preferred Limited Partnership Unit on the record date for any Series 8 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 7 Preferred

Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.

- (f) Subject to the provisions of Section 17, the issuance of certificates for the Series 7 Preferred Limited Partnership Units upon the reclassification of Series 8 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 7 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 7 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 7 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 8 Preferred Limited Partnership Units

The reclassification of Series 8 Preferred Limited Partnership Units into Series 7 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 7 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 8 Preferred Limited Partnership Units held by any Ineligible Person.

### 6. Restrictions on Distributions and Retirement and Issue of Units

Subject to the solvency requirements under Bermuda law and so long as any of the Series 8 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 8 Preferred Limited Partnership Units then Outstanding; or

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 8 Distributions up to and including the Series 8 Distribution payable for the last completed Quarterly Floating Rate Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section 6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 8 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 8 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 8 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 8 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 8 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section 8).

## **9. Modifications**

The provisions attaching to the Series 8 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such

approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 8 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 8 Preferred Limited Partnership Units, in each case, in accordance with Section 10, hereof.

## **10. Approval of Holders of Series 8 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 8 Preferred Limited Partnership Units owning not less than the percentage of the Series 8 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 8 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least 66<sup>2/3</sup>% of the votes cast by the Holders of the Series 8 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 8 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 8 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series 8 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 8 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 8 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 8 Preferred Limited Partnership Units or by written consent.

### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 8 Preferred Limited Partnership Unit held.

## **11. Tax Matters**

The Series 8 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of

determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section 11 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reclassified Units**

Series 8 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

## **13. No Sinking Fund**

Series 8 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 8 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 8 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal offices in the cities of Vancouver, Toronto and Montreal, and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 8 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 3.78%, and (ii) 5.00%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 8 Preferred Limited Partnership Units means the last day of each Quarterly Floating Rate Period in each year.

**“Election Notice”** has the meaning attributed to it in Section 5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.78% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

**“Holder”** has the meaning attributed to it in Section 2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 7 Preferred Limited Partnership Units or Series 8 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Issue Date”** means the date on which the Series 8 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2022 and ending on and including June 30, 2022, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section 5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section 4.

**“Series 7 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 7.

**“Series 8 Distributions”** has the meaning attributed to it in Section 2.1.

**“Series 8 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 8 Preferred Limited Partnership Units Provisions.

**“Series 8 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 8 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2022 and ending on and including March 31, 2027 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 8 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 8 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 8 Distributions for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series 8 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 8 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 8 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 8 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 8 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 8 Preferred Limited Partnership Units under these Series 8 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## 17. Book-Entry System

### 17.1 Transfers etc. Through Participants

If the Series 8 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 8 Preferred Limited Partnership Units only to the Depository participant through whom such



beneficial owner holds such Series 8 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 8 Preferred Limited Partnership Units will be made only through the Book–Entry System. Beneficial owners of Series 8 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 8 Preferred Limited Partnership Units.

#### 17.2 Depository is Registered Holder

For the purposes of these Series 8 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 8 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 8 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 8 Preferred Limited Partnership Units, including payments of Series 8 Distributions, the Redemption Price or accrued and unpaid Series 8 Distributions, and the delivery of Series 7 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 7 Preferred Limited Partnership Units.

#### 18. **Reclassification of Series 8 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 8 Preferred Limited Partnership Unit may be reclassified into a Series 7 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 7 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART X

### Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 9

The ninth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 8,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 9 (the “**Series 9 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 9 Preferred Limited Partnership Unit Provisions**”):

#### 1. Consideration for Issue

The consideration for the issue of each Series 9 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### 2. Distributions

##### 2.1 Cumulative Preferential Distributions

The holders of the then Outstanding Series 9 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 9 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During the Initial Fixed Rate Period, the Series 9 Distributions will be payable quarterly on the last day of March, June, September and December of each year (each, a “**Distribution Payment Date**”) at the Initial Fixed Distribution Rate. The initial Series 9 Distribution will be payable March 31, 2018 and will be an amount in cash equal to C\$0.2295 per Series 9 Preferred Limited Partnership Unit less any tax required to be deducted and withheld. On each Distribution Payment Date during the Initial Fixed Rate Period (other than March 31, 2018), the Series 9 Distribution will be equal to C\$0.3125 per unit.
- (b) During each Subsequent Fixed Rate Period, Series 9 Distributions payable on the Series 9 Preferred Limited Partnership Units will be in an annual amount per unit determined by multiplying the Annual Fixed Distribution Rate applicable to such Subsequent Fixed Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Subsequent Fixed Rate Period.

- (c) In respect of each Subsequent Fixed Rate Period, the Partnership will, during such Subsequent Fixed Rate Period calculate on each Fixed Rate Calculation Date the Annual Fixed Distribution Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Annual Fixed Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 9 Preferred Limited Partnership Units.
- (d) If on any Distribution Payment Date, the Series 9 Distributions accrued to such date are not paid in full on all of the Series 9 Preferred Limited Partnership Units then Outstanding, such Series 9 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 9 Distributions under Bermuda law.
- (e) The Holders shall not be entitled to any distributions other than or in excess of the Series 9 Distributions.
- (f) The Record Date for the payment of Series 9 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 9 Distributions shall (except in case of redemption or reclassification in which case payment of Series 9 Distributions shall, subject to the provisions of Section Part VII17, be made on surrender of the certificate representing the Series 9 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 9 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 9 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Distribution Period

Subject to the Section Schedule APart VII2.1, for any period that is less than a full Distribution Period, with respect to any Series 9 Preferred Limited Partnership Unit (i) that is issued or redeemed during such Distribution Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section Schedule APart VII3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 9 Distributions as follows:

- (a) in respect of the period beginning on and including the date of initial issue of the Series 9 Preferred Limited Partnership Units up to and including March 31, 2018 (the “**Initial Distribution Period**”), a distribution in an amount per Series 9 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) where C\$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from but excluding the date of issue of the Series 9 Preferred Limited Partnership Units up to and including March 31, 2018 and the denominator of which is 365, less any tax required to be deducted and withheld. The Series 9 Distribution payable for the Initial Distribution Period, payable as of March 31, 2018, as calculated by this method shall be C\$0.2295 per Series 9 Preferred Limited Partnership Unit; and
- (b) in respect of any period that is less than a full Distribution Period (other than the Initial Distribution Period), a distribution in an amount per Series 9 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Annual Fixed Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is 365, less any tax required to be deducted and withheld.

## 3. Rights on Liquidation

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 9 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 9 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

#### 4. **Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 9 Preferred Limited Partnership Units prior to March 31, 2023. On March 31, 2023 and on March 31 every five years thereafter (each, a “**Series 9 Reclassification Date**”), the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section Part VII6 below, upon giving notice as hereinafter provided, at its option, without the consent of the Holders redeem all, or any part, of the then Outstanding Series 9 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 9 Preferred Limited Partnership Unit so redeemed equal to C\$25.00 per Series 9 Preferred Limited Partnership Unit, together with all accrued and unpaid Series 9 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 9 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 9 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 9 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 9 Reclassification Date of its intention to redeem such Series 9 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 9 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 9 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 9 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 9 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section Part VII17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership’s obligation to pay the Redemption Price owed to the Holders of Series 9 Preferred Limited Partnership Units so called for redemption unless the cheque is not

honoured when presented for payment. From and after the date specified in any such notice, the Series 9 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 9 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 9 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section Part VII17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 9 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 10 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 9 Preferred Limited Partnership Units will have the right, at their option, on each Series 9 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 9 Preferred Limited Partnership Units registered in the name of the Holder into Series 10 Preferred Limited Partnership Units on the basis of one (1) Series 10 Preferred Limited Partnership Unit for each Series 9 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 9 Reclassification Date to the Holders of the reclassification privilege provided for herein (the "**Reclassification Privilege**"). Such notice shall (i) set out the Series 9 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section Schedule APart VII5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written

notice of the Floating Quarterly Distribution Rate applicable to the Series 10 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 9 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.

- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 9 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section Schedule A Part VII.5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 9 Preferred Limited Partnership Units to reclassify such Series 9 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 9 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 10 Preferred Limited Partnership Units on a Series 9 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 9 Reclassification Date less than 1,000,000 Series 10 Preferred Limited Partnership Units after taking into account all Series 9 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 10 Preferred Limited Partnership Units has been provided and all Series 10 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 9 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 9 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 9 Reclassification Date and, subject to the provisions of Section Part VII.17, will issue and deliver, or cause to be delivered, prior to such Series 9 Reclassification Date, at the expense of the Partnership, to such Holders of Series 9 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 9 Preferred Limited Partnership Units, new certificates representing the Series 9 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 9 Reclassification Date less than 1,000,000 Series 9 Preferred Limited Partnership Units after taking into account all Series 9 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 10 Preferred Limited Partnership Units has been provided and all Series 10 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 9 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 9 Preferred Limited Partnership Units will automatically be reclassified into Series 10 Preferred Limited Partnership Units on the basis of one (1) Series 10 Preferred Limited Partnership Unit for each Series 9 Preferred Limited Partnership Unit on the applicable Series 9 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 9

Preferred Limited Partnership Units at least seven (7) days prior to the Series 9 Reclassification Date.

### 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section Part VII17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 9 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 9 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section Schedule A Part VII5.3; and (2) the certificate or certificates representing the Series 9 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 9 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 9 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.
- (b) If the Partnership does not receive an Election Notice from a Holder of Series 9 Preferred Limited Partnership Units during the notice period therefor, then the Series 9 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section Part VII5.2).
- (c) Subject to the provisions of Section Part VII17, in the event the Partnership is required to reclassify all remaining Outstanding Series 9 Preferred Limited Partnership Units into Series 10 Preferred Limited Partnership Units on the applicable Series 9 Reclassification Date as provided for in Section 5.2, the Series 9 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 9 Reclassification Date into Series 10 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 10 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 9 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 9 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 10 Preferred



Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.

- (d) Subject to the provisions of Section Part VII17, as promptly as practicable after the Series 9 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 9 Preferred Limited Partnership Units so reclassified in accordance with this Section Part VII5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 10 Preferred Limited Partnership Units and the number of remaining Series 9 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 9 Reclassification Date, so that the rights of the Holder of such Series 9 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 10 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 10 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 9 Preferred Limited Partnership Unit on the record date for any Series 9 Distributions declared payable on such unit will be entitled to such distributions notwithstanding that such unit is reclassified into a Series 10 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.
- (f) Subject to the provisions of Section Part VII17, the issuance of certificates for the Series 10 Preferred Limited Partnership Units upon the reclassification of Series 9 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 10 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 10 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 10 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 9 Preferred Limited Partnership Units

The reclassification of Series 9 Preferred Limited Partnership Units into Series 10 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

## **5.5 Right Not to Deliver Series 9 Preferred Limited Partnership Units**

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 9 Preferred Limited Partnership Units held by any Ineligible Person.

## **6. Restrictions on Distributions and Retirement and Issue of Units**

Subject to the solvency requirements under Bermuda law and so long as any of the Series 9 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 9 Preferred Limited Partnership Units then Outstanding; or
- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 9 Distributions up to and including the Series 9 Distribution payable for the last completed Distribution Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section Schedule APart VII6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 9 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or

(except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 9 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 9 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 9 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 9 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section Part VII8).

## **9. Modifications**

The provisions attaching to the Series 9 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 9 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 9 Preferred Limited Partnership Units, in each case, in accordance with Section Part VII10, hereof.

## **10. Approval of Holders of Series 9 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 9 Preferred Limited Partnership Units owning not less than the percentage of the Series 9 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 9 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least  $66\frac{2}{3}\%$  of the votes cast by the Holders of the Series 9 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 9 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 9 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter

and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders of Series 9 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 9 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 9 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 9 Preferred Limited Partnership Units or by written consent.

#### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 9 Preferred Limited Partnership Unit held.

### **11. Tax Matters**

The Series 9 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section Part VII1 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

### **12. Unissued or Reclassified Units**

Series 9 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

### **13. No Sinking Fund**

Series 9 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

### **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including

any cheque or any unit certificate) by mail to a Holder of Series 9 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 9 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal office(s), and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 9 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## **16. Interpretation**

### **16.1 Definitions**

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 3.00%, and (ii) 5.00%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 9 Preferred Limited Partnership Units means the last day of each of March, June, September and December in each year.

**“Distribution Period”** means the period from and including the Issue Date up to and including March 31, 2018 and, thereafter, the period from the date following a Distribution Payment Date up to and including the next succeeding Distribution Payment Date.

**“Election Notice”** has the meaning attributed to it in Section Schedule A Part VII.5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.00% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

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

**“Holder”** has the meaning attributed to it in Section Part VII.2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 9 Preferred Limited Partnership Units or Series 10 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Initial Distribution Period”** has the meaning ascribed thereto in Section Part VI.2.2(a).

**“Initial Fixed Distribution Rate”** means 5.00% per annum.

**“Initial Fixed Rate Period”** means the period commencing on the Issue Date and ending on and including March 31, 2023.

**“Issue Date”** means the date on which the Series 9 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2023 and ending on and including June 30, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section Schedule A Part VII.5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section Part VII.4.

**“Series 9 Distributions”** has the meaning attributed to it in Section Part VII.2.1.

**“Series 9 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 9 Preferred Limited Partnership Units Provisions.

**“Series 9 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 9 Reclassification Date”** has the meaning attributed to it in Section Part VII.4.

**“Series 10 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 10.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2023 and ending on and including March 31, 2028 and for each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 9 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 9 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 9 Distributions for any completed Distribution Period; and (ii) a cash amount calculated as though Series 9 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 9 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 9 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 9 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 9 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 9 Preferred Limited Partnership Units under these Series 9 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## 17. Book-Entry System

### 17.1 Transfers etc. Through Participants

If the Series 9 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 9 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 9 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 9 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 9 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 9 Preferred Limited Partnership Units.



## 17.2 Depository is Registered Holder

For the purposes of these Series 9 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 9 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 9 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 9 Preferred Limited Partnership Units, including payments of Series 9 Distributions, the Redemption Price or accrued and unpaid Series 9 Distributions, and the delivery of Series 10 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 10 Preferred Limited Partnership Units.

## 18. **Reclassification of Series 10 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 10 Preferred Limited Partnership Unit may be reclassified into a Series 9 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 9 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.

## PART XI

### Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Cumulative Class A Preferred Limited Partnership Units, Series 10

The tenth series of Class A Preferred Limited Partnership Units of the Partnership shall consist of 8,000,000 preferred limited partnership interests designated as Cumulative Class A Preferred Limited Partnership Units, Series 10 (the “**Series 10 Preferred Limited Partnership Units**”) and, in addition to the rights, privileges, restrictions and conditions attaching to the Class A Preferred Limited Partnership Units as a class, shall have attached thereto the following rights, privileges, restrictions and conditions (the “**Series 10 Preferred Limited Partnership Unit Provisions**”):

#### 1. Consideration for Issue

The consideration for the issue of each Series 10 Preferred Limited Partnership Unit shall be C\$25.00 or its equivalent in property or past services.

#### 2. Distributions

##### 2.1 Cumulative Preferential Distributions

The holders of the then Outstanding Series 10 Preferred Limited Partnership Units (the “**Holders**”) shall be entitled to receive, and the Partnership shall pay thereon, as and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, cumulative preferential cash distributions (the “**Series 10 Distributions**”) payable quarterly at the rates and times herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Partnership’s bankers for the time being or by any other reasonable means the Partnership deems desirable.

- (a) During each Quarterly Floating Rate Period, Series 10 Distributions payable on the Series 10 Preferred Limited Partnership Units will be in an amount per Series 10 Preferred Limited Partnership Unit determined by multiplying the Floating Quarterly Distribution Rate applicable to such Quarterly Floating Rate Period by C\$25.00, less any tax required to be deducted and withheld, and shall be payable quarterly on each Distribution Payment Date during such Quarterly Floating Rate Period.
- (b) In respect of each Quarterly Floating Rate Period, the Partnership will, during such Quarterly Floating Rate Period, calculate on each Floating Rate Calculation Date the Floating Quarterly Distribution Rate for such Quarterly Floating Rate Period and will, on the Floating Rate Calculation Date, give written notice thereof to the Holders. Each such determination by the Partnership of the Quarterly Floating Distribution Rate will, in the absence of manifest error, be final and binding upon the Partnership and upon all Holders of Series 10 Preferred Limited Partnership Units.

- (c) If on any Distribution Payment Date, the Series 10 Distributions accrued to such date are not paid in full on all of the Series 10 Preferred Limited Partnership Units then Outstanding, such Series 10 Distributions, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the General Partner on which the Partnership shall have sufficient monies legally available for such Series 10 Distributions under Bermuda law.
- (d) The Holders shall not be entitled to any distributions other than or in excess of the Series 10 Distributions.
- (e) The Record Date for the payment of Series 10 Distributions will be the last Business Day of the calendar month prior to the calendar month during which a Distribution Payment Date falls, or such other record date if any, as may be fixed by the General Partner.

Series 10 Distributions shall (except in case of redemption or reclassification in which case payment of Series 10 Distributions shall, subject to the provisions of Section Part VII17, be made on surrender of the certificate representing the Series 10 Preferred Limited Partnership Units to be redeemed or reclassified) be paid by (i) posting in a postage paid envelope addressed to each Holder at the last address of such Holder as it appears on the securities register of the Partnership or, in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders, or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, a cheque for such Series 10 Distributions (less any tax required to be deducted and withheld) payable to the order of such Holder or, in the case of joint Holders, to the order of all such Holders failing written instructions from them to the contrary or (ii) by any other reasonable means the Partnership deems desirable. Notwithstanding the foregoing, any distribution cheque may be delivered by the Partnership to a Holder at his/her address as aforesaid. The posting or delivery of such cheque or the payment of the Series 10 Distributions by any other reasonable means on or before the date on which such distribution is to be paid to a Holder shall be deemed to be payment and shall satisfy and discharge all liabilities for the payment of such Distributions to the extent of the sum represented thereby (plus the amount of any tax required to be deducted and withheld as aforesaid and remitted to the proper tax authority) unless, if applicable, such cheque is not paid on due presentation. Subject to applicable law, distributions which are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed for a period of two years from the date on which they were declared to be payable shall be forfeited to the Partnership.

## 2.2 Distribution for Other than a Full Quarterly Floating Rate Period

Subject to the Section Part VII2.1, for any period that is less than a full Quarterly Floating Rate Period, with respect to any Series 10 Preferred Limited Partnership Unit (i) that is issued, or redeemed during such Quarterly Floating Rate Period or (ii) in respect of which assets of the Partnership are distributed to the Holders thereof pursuant to Section Part VII3, the Holders shall be entitled to receive, and the Partnership shall pay thereon, if, as

and when declared by the General Partner, out of moneys of the Partnership legally available for distributions under Bermuda law and without regard to the income of the Partnership, Series 10 Distributions as follows. In respect of any period that is less than a full Quarterly Floating Rate Period, a distribution in an amount per Series 10 Preferred Limited Partnership Unit equal to the amount obtained (rounded to four decimal places) when the product of the Floating Quarterly Distribution Rate and C\$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days elapsed in the relevant period and the denominator of which is the number of calendar days in the Quarterly Floating Rate Period in which such period falls.

### **3. Rights on Liquidation**

In the event of the liquidation, dissolution or winding-up of the Partnership, whether voluntary or involuntary, or any other distribution of assets of the Partnership among its unitholders for the purpose of winding-up its affairs, unless the Partnership is continued under the election to reconstitute and continue the Partnership pursuant to Section 13.2.2 of the Agreement, the Holders shall be entitled to receive C\$25.00 per Series 10 Preferred Limited Partnership Unit held by them, together with all accrued (whether or not declared) and unpaid Series 10 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership), before any amounts shall be paid or any assets of the Partnership distributed to the holders of any Junior Securities. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Partnership.

### **4. Redemption at the Option of the Partnership**

The Partnership may not redeem any of the Series 10 Preferred Limited Partnership Units prior to March 31, 2023. Thereafter, the Partnership may, subject to applicable law, the solvency requirements under Bermuda law and to the provisions described under Section Part VII6 below, upon giving notice as hereinafter provided, at its option, at any time, without the consent of the Holders redeem all, or from time to time any part, of the then Outstanding Series 10 Preferred Limited Partnership Units by the payment of an amount in cash for each Series 10 Preferred Limited Partnership Unit so redeemed equal to (i) in the case of redemptions on March 31, 2028 and on March 31 every five years thereafter (each a “**Series 10 Reclassification Date**”), C\$25.00, or (ii) C\$25.50 in the case of redemptions on any date which is not a Series 10 Reclassification Date on or after March 31, 2023, in each case including all accrued and unpaid Series 10 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “**Redemption Price**”).

If less than all of the then Outstanding Series 10 Preferred Limited Partnership Units are at any time to be redeemed, then the particular Series 10 Preferred Limited Partnership Units to be redeemed shall be selected on a *pro rata* basis disregarding fractions or, if the Series 10 Preferred Limited Partnership Units are at such time listed on such exchange, with the consent of the Toronto Stock Exchange, in such manner as the General Partner in its sole discretion may, by resolution determine.

The Partnership shall give notice in writing not less than 25 days nor more than 60 days prior to the applicable Series 10 Reclassification Date or such other date on which the Series 10 Preferred Limited Partnership Units are to be redeemed of its intention to redeem such Series 10 Preferred Limited Partnership Units to each person who at the date of giving such notice is the Holder of Series 10 Preferred Limited Partnership Units to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent and such notice shall be given and sent by posting the same in a postage paid envelope addressed to each Holder of Series 10 Preferred Limited Partnership Units to be redeemed at the last address of such Holder as it appears on the securities register of the Partnership, or in the case of joint Holders, to the address of that one whose name appears first in the securities register of the Partnership as one of such joint Holders or, in the event of the address of any Holder not so appearing, then to the address of such Holder last known to the Partnership, provided that the accidental failure or omission to give any such notices as aforesaid to one or more of such Holders shall not affect the validity of the redemption as to the other Holders to be redeemed. Such notice shall set out the number of such Series 10 Preferred Limited Partnership Units held by the person to whom it is addressed which are to be redeemed and the Redemption Price and shall also set out the date on which the redemption is to take place. On and after the date so specified for redemption, the Partnership shall pay or cause to be paid to the Holders to be redeemed the Redemption Price on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series 10 Preferred Limited Partnership Units so called for redemption, subject to the provisions of Section Part VII17. Such payment (less any tax required to be deducted and withheld by the Partnership) shall be made by cheque payable at par at any branch in Canada of the Partnership's bankers for the time being or by any other reasonable means the Partnership deems desirable and shall be a full and complete discharge of the Partnership's obligation to pay the Redemption Price owed to the Holders of Series 10 Preferred Limited Partnership Units so called for redemption unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series 10 Preferred Limited Partnership Units called for redemption shall cease to be entitled to Series 10 Distributions and the Holders thereof shall not be entitled to exercise any of the rights of unitholders in respect thereof, except to receive the Redemption Price therefor, provided that if payment of the Redemption Price shall not be duly made by the Partnership on or before the redemption date, the Partnership shall forthwith thereafter return the Holder's deposited unit certificate or certificates to the Holder. At any time after notice of redemption is given as aforesaid, the Partnership shall have the right to deposit the Redemption Price of any or all Series 10 Preferred Limited Partnership Units called for redemption (less any tax required to be deducted and withheld by the Partnership), or such part thereof as at the time of deposit has not been claimed by the Holders entitled thereto, with any chartered bank or banks or with any trust company or trust companies in Canada named in the notice of redemption to the credit of a special account or accounts in trust for the respective Holders of such units, to be paid to them respectively upon surrender to such bank or banks or trust company or trust companies of the certificate or certificates representing the same, subject to the provisions of Section Part VII17. Upon such deposit or deposits being made, such units shall be deemed to be redeemed on the redemption date specified in the notice of redemption. After the Partnership has made a deposit as aforesaid with respect to any units, the Holders thereof

shall not, from and after the redemption date, be entitled to exercise any of the rights of unitholders in respect thereof and the rights of the Holders thereof shall be limited to receiving a proportion of the amounts so deposited applicable to such units, without interest. Any interest allowed on such deposit shall belong to the Partnership. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Partnership's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of two years from the date specified for redemption shall be forfeited to the Partnership.

## **5. Reclassification of Series 10 Preferred Limited Partnership Units**

### **5.1 Reclassification into Series 9 Preferred Limited Partnership Units at the Option of the Holder**

- (a) Holders of Series 10 Preferred Limited Partnership Units will have the right, at their option, on each Series 10 Reclassification Date, to reclassify, subject to the applicable law and the terms and provisions hereof, all or any part of the then Outstanding Series 10 Preferred Limited Partnership Units registered in the name of the Holder into Series 9 Preferred Limited Partnership Units on the basis of one (1) Series 9 Preferred Limited Partnership Unit for each Series 10 Preferred Limited Partnership Unit. The Partnership will provide written notice not less than 25 and not more than 60 days prior to the applicable Series 10 Reclassification Date to the Holders of the reclassification privilege provided for herein (the “**Reclassification Privilege**”). Such notice shall (i) set out the Series 10 Reclassification Date, and (ii) include instructions to such Holders as to the method by which such Reclassification Privilege may be exercised, as described in Section Schedule APart VII5.3. On the 30<sup>th</sup> day prior to the first day of a Subsequent Fixed Rate Period, the Partnership will provide to the Holders written notice of the Floating Quarterly Distribution Rate applicable to the Series 10 Preferred Limited Partnership Units for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Distribution Rate applicable to the Series 9 Preferred Limited Partnership Units for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Partnership.
- (b) If the Partnership gives notice as provided in Section 4 to the Holders of the redemption of all the Series 10 Preferred Limited Partnership Units, the Partnership will not be required to give notice as provided in this Section Schedule APart VII5.1 to the Holders of the Floating Quarterly Distribution Rate, Annual Fixed Distribution Rate or Reclassification Privilege and the right of any Holder of Series 10 Preferred Limited Partnership Units to reclassify such Series 10 Preferred Limited Partnership Units as herein provided will cease and terminate in that event.
- (c) Holders of Series 10 Preferred Limited Partnership Units shall not be entitled to reclassify their units into Series 9 Preferred Limited Partnership Units on a Series 10 Reclassification Date if the Partnership determines that there would remain Outstanding on the Series 10 Reclassification Date less than 1,000,000 Series 9 Preferred Limited Partnership Units after taking into account all Series 10 Preferred

Limited Partnership Units in respect of which a notice of reclassification into Series 9 Preferred Limited Partnership Units has been provided and all Series 9 Preferred Limited Partnership Units in respect of which a notice for reclassification into Series 10 Preferred Limited Partnership Units has been provided. The Partnership will give written notice thereof to all affected Holders of Series 10 Preferred Limited Partnership Units at least seven (7) days prior to the applicable Series 10 Reclassification Date and, subject to the provisions of Section Part VII17, will issue and deliver, or cause to be delivered, prior to such Series 10 Reclassification Date, at the expense of the Partnership, to such Holders of Series 10 Preferred Limited Partnership Units, who have surrendered for reclassification any endorsed certificate or certificates representing Series 10 Preferred Limited Partnership Units, new certificates representing the Series 10 Preferred Limited Partnership Units represented by any certificate or certificates surrendered as aforesaid.

## 5.2 Automatic Reclassification

If the Partnership determines that there would remain Outstanding on a Series 10 Reclassification Date less than 1,000,000 Series 10 Preferred Limited Partnership Units after taking into account all Series 10 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 9 Preferred Limited Partnership Units has been provided and all Series 9 Preferred Limited Partnership Units in respect of which a notice of reclassification into Series 10 Preferred Limited Partnership Units has been provided, then, all, but not part, of the remaining Outstanding Series 10 Preferred Limited Partnership Units will automatically be reclassified into Series 9 Preferred Limited Partnership Units on the basis of one (1) Series 9 Preferred Limited Partnership Unit for each Series 10 Preferred Limited Partnership Unit on the applicable Series 10 Reclassification Date. The Partnership shall give notice in writing thereof to the Holders of such remaining Series 10 Preferred Limited Partnership Units at least seven (7) days prior to the Series 10 Reclassification Date.

## 5.3 Manner of Reclassification

- (a) Subject to the provisions of Section Part VII17, the Reclassification Privilege may be exercised by notice in writing (an “**Election Notice**”) given not earlier than the 30<sup>th</sup> day prior to a Series 10 Reclassification Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series 10 Reclassification Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section Schedule A Part VII5.3; and (2) the certificate or certificates representing the Series 10 Preferred Limited Partnership Units in respect of which the Holder thereof desires to exercise the Reclassification Privilege with the notice of reclassification on the back thereof or other appropriate notice of reclassification duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to reclassify part only of the Series 10 Preferred Limited Partnership Units represented by such certificate or certificates not theretofore called for redemption in which

event the Partnership will issue and deliver or cause to be delivered to such Holder, at the expense of the Partnership, a new certificate representing the Series 10 Preferred Limited Partnership Units represented by such certificate or certificates that have not been reclassified. Each Election Notice will be irrevocable once received by the Partnership.

- (b) If the Partnership does not receive an Election Notice from a Holder of Series 10 Preferred Limited Partnership Units during the notice period therefor, then the Series 10 Preferred Limited Partnership Units shall be deemed not to have been reclassified (except in the case of an automatic reclassification pursuant to Section Part VII5.2).
- (c) Subject to the provisions of Section Part VII17, in the event the Partnership is required to reclassify all remaining Outstanding Series 10 Preferred Limited Partnership Units into Series 9 Preferred Limited Partnership Units on the applicable Series 10 Reclassification Date as provided for in Section 5.2, the Series 10 Preferred Limited Partnership Units in respect of which the Holders have not previously elected to reclassify will be reclassified on the Series 10 Reclassification Date into Series 9 Preferred Limited Partnership Units and the Holders thereof will be deemed to be Holders of Series 9 Preferred Limited Partnership Units at 5:00 p.m. (Toronto time) on the Series 10 Reclassification Date and will be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Partnership may agree, of the certificate or certificates representing Series 10 Preferred Limited Partnership Units not previously provided for reclassification, to receive a certificate or certificates representing the same number of Series 9 Preferred Limited Partnership Units in the manner and subject to the terms and provisions as provided in this Section 5.3.
- (d) Subject to the provisions of Section Part VII17, as promptly as practicable after the Series 10 Reclassification Date, the Partnership will issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series 10 Preferred Limited Partnership Units so reclassified in accordance with this Section Part VII5, a certificate or certificates, issued in the name of, or in such name or names as may be directed by, such Holder representing the number of fully-paid and non-assessable Series 9 Preferred Limited Partnership Units and the number of remaining Series 10 Preferred Limited Partnership Units, if any, to which such Holder is entitled. Such reclassification will be deemed to have been made at 5:00 p.m. (Toronto time) on the Series 10 Reclassification Date, so that the rights of the Holder of such Series 10 Preferred Limited Partnership Units as the Holder thereof will cease at such time and the person or persons entitled to receive the Series 9 Preferred Limited Partnership Units upon such reclassification will be treated for all purposes as having become the Holder or Holders of record of such Series 9 Preferred Limited Partnership Units at such time.
- (e) The Holder of any Series 10 Preferred Limited Partnership Unit on the record date for any Series 10 Distributions declared payable on such unit will be entitled to



such distributions notwithstanding that such unit is reclassified into a Series 9 Preferred Limited Partnership Unit after such record date and on or before the date of the payment of such distribution.

- (f) Subject to the provisions of Section Part VII17, the issuance of certificates for the Series 9 Preferred Limited Partnership Units upon the reclassification of Series 10 Preferred Limited Partnership Units will be made without charge to the reclassifying Holders for any fee in respect of the issuance of such certificates or the Series 9 Preferred Limited Partnership Units represented thereby; provided, however, that the Partnership will not be required to pay any tax that may be imposed upon such Holder as a result of the reclassification or the issuance of such certificate representing such Series 9 Preferred Limited Partnership Units or any security transfer taxes, and the Partnership will not be required to issue or deliver a certificate or certificates in a name or names other than that of the Holder of the Series 9 Preferred Limited Partnership Units reclassified unless the person or persons requesting the issuance thereof has paid to the Partnership the amount of any such security transfer tax or has established to the satisfaction of the Partnership that such tax has been paid.

#### 5.4 Status of Reclassified Series 10 Preferred Limited Partnership Units

The reclassification of Series 10 Preferred Limited Partnership Units into Series 9 Preferred Limited Partnership Units shall not give rise to a redemption or cancellation of such Preferred Units.

#### 5.5 Right Not to Deliver Series 9 Preferred Limited Partnership Units

On the exercise of the Reclassification Privilege by a Holder, the Partnership reserves the right not to reclassify the Series 10 Preferred Limited Partnership Units held by any Ineligible Person.

### 6. Restrictions on Distributions and Retirement and Issue of Units

Subject to the solvency requirements under Bermuda law and so long as any of the Series 10 Preferred Limited Partnership Units are Outstanding, the Partnership shall not, without the approval of the Holders:

- (a) declare, pay or set apart for payment any distributions (other than distributions payable in Junior Securities) in respect of any Junior Securities;
- (b) except out of the net cash proceeds of a substantially concurrent issue of Junior Securities, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Junior Securities;
- (c) redeem or call for redemption, purchase, or otherwise pay off or retire for value or make any return of capital in respect of less than all of the Series 10 Preferred Limited Partnership Units then Outstanding; or

- (d) except pursuant to any purchase obligation, sinking fund, retraction privilege or mandatory redemption provisions attaching thereto, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any Parity Securities;

unless, in each such case, all accrued and unpaid Series 10 Distributions up to and including the Series 10 Distribution payable for the last completed Quarterly Floating Rate Period, and all accrued and unpaid distributions up to and including the distribution payable for the last completed period for which distributions were payable on all Parity Securities and Senior Securities, have been declared and paid or set apart for payment.

## **7. Purchase for Cancellation**

Subject to applicable law, the solvency requirements under Bermuda law and to the provisions described in Section Schedule A Part VII6, the Partnership may at any time purchase for cancellation the whole or any part of the Series 10 Preferred Limited Partnership Units Outstanding from time to time, in the open market through or from an investment dealer or any firm holding membership on a recognized stock exchange, or by private agreement or otherwise, at the lowest price or prices at which, in the opinion of the General Partner, such units are obtainable.

## **8. Voting Rights**

The Holders shall not have any right or authority to act for or bind the Partnership or to take part or in any way to interfere in the conduct or management of the Partnership or (except as otherwise provided by law and except for meetings of the holders of Class A Preferred Limited Partnership Units as a class and meetings of the Holders as a series, in each case in respect of matters which limited partners may properly vote under Bermuda law) be entitled to receive notice of, attend, or vote at any meeting of unitholders of the Partnership unless and until the Partnership shall have failed to pay eight quarterly Series 10 Distributions, whether or not consecutive and whether or not such distributions have been declared and whether or not there are any monies of the Partnership legally available for distributions under Bermuda law. In the event of such non payment, and for only so long as any such distributions remain in arrears, the Holders will be entitled to receive notice of and to attend each meeting of unitholders of the Partnership (other than any meetings at which only holders of another specified class or series are entitled to vote) and such Holders shall have the right, at any such meeting, to one vote for each Series 10 Preferred Limited Partnership Unit held. No other voting rights shall attach to the Series 10 Preferred Limited Partnership Units in any circumstances. Upon payment of the entire amount of all Series 10 Distributions in arrears, the voting rights of the Holders shall forthwith cease (unless and until the same default shall again arise under the provisions of this Section Part VII8).

## **9. Modifications**

The provisions attaching to the Series 10 Preferred Limited Partnership Units as a series may be repealed, altered, modified or amended from time to time with such approval as

may then be required by applicable law, subject to a minimum requirement that such approval be passed by of the requisite affirmative vote of the votes cast at a meeting of the Holders of the Series 10 Preferred Limited Partnership Units duly called and held for that purpose, or given by resolution signed by the requisite percentage of Holders of Series 10 Preferred Limited Partnership Units, in each case, in accordance with Section Part VII10, hereof.

## **10. Approval of Holders of Series 10 Preferred Limited Partnership Units**

### **10.1 Approval**

Notwithstanding Section 14.8 of the Agreement, and except as otherwise provided herein, any approval of the Holders as a series with respect to any matters requiring the consent of the Holders as a series may be given in such manner as may then be required by applicable law, subject to a minimum requirement that such approval be (i) given by a resolution signed by the Holders of Series 10 Preferred Limited Partnership Units owning not less than the percentage of the Series 10 Preferred Limited Partnership Units that would be necessary to authorize such action at a meeting at which all holders of Series 10 Preferred Limited Partnership Units were present and voted or represented by proxy or (ii) passed by the affirmative vote of at least 66<sup>2/3</sup>% of the votes cast by the Holders of the Series 10 Preferred Limited Partnership Units at a meeting of the Holders duly called for that purpose and at which the Holders of at least 25% of the Outstanding Series 10 Preferred Limited Partnership Units are present or represented by proxy. If at any such meeting the Holders of at least 25% of the then Outstanding Series 10 Preferred Limited Partnership Units are not present or represented by proxy within one half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date not less than 5 days thereafter and to such time and place as may be designated by the chairman of such meeting, and no notice need be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series 10 Preferred Limited Partnership Units represented in person or by proxy may transact the business for which the meeting was originally called and the Holders of Series 10 Preferred Limited Partnership Units then represented in person or by proxy shall form the necessary quorum.

Each Series 10 Preferred Limited Partnership Unit shall entitle the Holder thereof to one vote for the purposes of any approval at a meeting of the Holders of the Series 10 Preferred Limited Partnership Units or by written consent.

### **10.2 Formalities, etc.**

The proxy rules applicable to, the formalities to be observed in respect of the giving notice of, and the formalities to be observed in respect of the conduct of, any meeting or any adjourned meeting of Holders shall be those from time to time prescribed by the Agreement with respect to meetings of unitholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each such Holder entitled to vote thereat shall be entitled to one vote in respect of each Series 10 Preferred Limited Partnership Unit held.

## **11. Tax Matters**

The Series 10 Distribution, whether paid or accrued, shall be treated as a guaranteed payment within the meaning of Section 707(c) of the Code, including for the purpose of determining income, gain, loss, and expense of the Partnership and maintaining capital accounts, unless there is a change in Tax law or administrative practice that requires treatment other than as a guaranteed payment for U.S. federal income tax purposes, as determined in the sole discretion of the General Partner. For U.S. federal income tax purposes, the deduction attributable to any amount treated as a guaranteed payment under this Section Part VII1 shall be specially allocated to the Partners in a manner determined by the General Partner in its sole discretion that is not inconsistent with the applicable provisions of the Code and Treasury Regulations.

## **12. Unissued or Reclassified Units**

Series 10 Preferred Limited Partnership Units not issued or that have been issued and reclassified by the Partnership shall be restored to the status of authorized but unissued Class A Preferred Limited Partnership Units.

## **13. No Sinking Fund**

Series 10 Preferred Limited Partnership Units are not subject to the operation of a sinking fund.

## **14. Notices**

If the General Partner determines that mail service is or is threatened to be interrupted at the time when the Partnership is required or elects to give or send any Notice (including any cheque or any unit certificate) by mail to a Holder of Series 10 Preferred Limited Partnership Units, whether in connection with the redemption or reclassification of such Series 10 Preferred Limited Partnership Units or otherwise, notwithstanding provisions hereof, the Partnership may fulfill the requirement to send such Notice by arranging for the delivery thereof to such Holder by the Transfer Agent at its principal office(s), and such Notice shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in the Agreement, provided that as soon as the General Partner determines that mail service is no longer interrupted or threatened to be interrupted, such Notice, if not theretofore delivered to such Holder, shall be sent by mail or other means as herein provided.

Accidental failure to give Notice, including invitation for tenders or other communication to one or more Holders shall not affect the validity of the Notices properly given or any action taken pursuant to such Notice but, upon such failure being discovered, such Notice shall be given forthwith to such Holder or Holders.

## **15. Preemption**

Holders of Series 10 Preferred Limited Partnership Units shall not have any rights of preemption with regard to any Partnership Interests.

## 16. Interpretation

### 16.1 Definitions

For the purposes hereof, the following capitalized terms shall have the following meanings, unless the context otherwise requires:

**“Annual Fixed Distribution Rate”** means, for any Subsequent Fixed Rate Period, the greater of: (i) 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 3.00%, and (ii) 5.00%.

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

**“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.

**“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 Partnership.

**“Distribution Payment Date”** in respect of the distributions payable on the Series 10 Preferred Limited Partnership Units means the last day of each Quarterly Floating Rate Period in each year.

**“Election Notice”** has the meaning attributed to it in Section Schedule A Part VII.5.3(a).

**“Fixed Rate Calculation Date”** means, for any Subsequent Fixed Rate Period, the 30<sup>th</sup> day prior to the first day of such Subsequent Fixed Rate Period.

**“Floating Quarterly Distribution Rate”** means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 3.00% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate Period divided by 365.

**“Floating Rate Calculation Date”** means, for any Quarterly Floating Rate Period, the 30<sup>th</sup> day prior to the first day of such Quarterly Floating Rate Period.

**“Government of Canada Yield”** on any date means the yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen

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

**“Holder”** has the meaning attributed to it in Section Part VII2.1.

**“Ineligible Person”** means any person whose address is in, or whom the Partnership or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 9 Preferred Limited Partnership Units or Series 10 Preferred Limited Partnership Units would require the Partnership to take any action to comply with securities or analogous laws of that jurisdiction.

**“Issue Date”** means the date on which the Series 10 Preferred Limited Partnership Units are first issued.

**“Quarterly Commencement Date”** means the 1<sup>st</sup> day of each of April, July, October and January in each year.

**“Quarterly Floating Rate Period”** means, for the initial Quarterly Floating Rate Period, the period commencing on April 1, 2023 and ending on and including June 30, 2023, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

**“Reclassification Privilege”** has the meaning attributed to it in Section Schedule APart VII5.1(a).

**“Redemption Price”** has the meaning attributed to it in Section Part VII4.

**“Series 9 Preferred Limited Partnership Units”** means the Cumulative Class A Preferred Limited Partnership Units, Series 9.

**“Series 10 Distributions”** has the meaning attributed to it in Section Part VII2.1.

**“Series 10 Preferred Limited Partnership Units”** has the meaning attributed to it in the introductory paragraph to these Series 10 Preferred Limited Partnership Units Provisions.

**“Series 10 Preferred Limited Partnership Unit Provisions”** has the meaning attributed to it in the introductory paragraph to these terms and conditions.

**“Series 10 Reclassification Date”** has the meaning attributed to it in Section 4.

**“Subsequent Fixed Rate Period”** means for the initial Subsequent Fixed Rate Period, the period commencing on April 1, 2023 and ending on and including March 31, 2028 and for

each succeeding Subsequent Fixed Rate Period, the period commencing on the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period and ending on and including March 31 in the fifth year thereafter.

**“T-Bill Rate”** means, for any Quarterly Floating Rate Period, the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills, as reported by the Bank of Canada, for the most recent treasury bills auction preceding the applicable Floating Rate Calculation Date.

**“Transfer Agent”** means Computershare Investor Services Inc., a company incorporated under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 10 Preferred Limited Partnership Units.

## 16.2 Interpretation of terms

In the provisions herein contained attaching to the Series 10 Preferred Limited Partnership Units:

- (a) **“accrued and unpaid distributions”** means the aggregate of (i) all unpaid Series 10 Distributions for any completed Quarterly Floating Rate Period; and (ii) a cash amount calculated as though Series 10 Distributions had been accruing on a day to day basis from but excluding the date on which the last quarterly distribution was payable up to and including the date to which the computation of accrued distributions is to be made; provided in the case of each of (i) and (ii), no amount shall be included in the accrued and unpaid Series 10 Distributions that would result in the duplication in payment by the Partnership of the amount of any distribution on the Series 10 Preferred Limited Partnership Units;
- (b) in the event that any date on which any Series 10 Distribution is payable by the Partnership, or any date on or by which any other action is required to be taken by the Partnership or the Holders hereunder, is not a Business Day, then such distribution shall be payable, or such other action shall be required to be taken, on or by the next succeeding day that is a Business Day;
- (c) in the event of the non-receipt of a cheque by a Holder of Series 10 Preferred Limited Partnership Units entitled to the cheque, or the loss or destruction of the cheque, the Partnership, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Partnership, will issue to the Holder a replacement cheque for the amount of the original cheque; and
- (d) the Partnership will be entitled to deduct or withhold from any amount payable to a Holder of Series 10 Preferred Limited Partnership Units under these Series 10 Preferred Limited Partnership Units Provisions any amount required by law to be deducted and withheld from that payment.

## **17. Book-Entry System**

### **17.1 Transfers etc. Through Participants**

If the Series 10 Preferred Limited Partnership Units are held through the Book-Entry System then the beneficial owner thereof shall provide instructions with respect to Series 10 Preferred Limited Partnership Units only to the Depository participant through whom such beneficial owner holds such Series 10 Preferred Limited Partnership Units and registrations of ownership, transfers, purchases, surrenders and exchanges of Series 10 Preferred Limited Partnership Units will be made only through the Book-Entry System. Beneficial owners of Series 10 Preferred Limited Partnership Units will not have the right to receive unit certificates representing their ownership of the Series 10 Preferred Limited Partnership Units.

### **17.2 Depository is Registered Holder**

For the purposes of these Series 10 Preferred Limited Partnership Unit Provisions, as long as the Depository, or its nominee, is the registered Holder of the Series 10 Preferred Limited Partnership Units, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series 10 Preferred Limited Partnership Units for the purpose of receiving notices or payments on or in respect of the Series 10 Preferred Limited Partnership Units, including payments of Series 10 Distributions, the Redemption Price or accrued and unpaid Series 10 Distributions, and the delivery of Series 9 Preferred Limited Partnership Units and certificates for those units on the reclassification into Series 9 Preferred Limited Partnership Units.

## **18. Reclassification of Series 10 Preferred Limited Partnership Units**

In accordance with the terms and limitations of such Preferred Units, each Series 10 Preferred Limited Partnership Unit may be reclassified into a Series 9 Preferred Limited Partnership Unit. Any such Preferred Units that are reclassified into Series 9 Preferred Limited Partnership Units shall have the rights, privileges, restrictions and conditions set out herein.