

# MEMORIAL

Journal Officiel  
du Grand-Duché de  
Luxembourg



# MEMORIAL

Amtsblatt  
des Großherzogtums  
Luxemburg

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## RECUEIL DES SOCIÉTÉS ET ASSOCIATIONS

Le présent recueil contient les publications prévues par la loi modifiée du 10 août 1915 concernant les sociétés commerciales et par la loi modifiée du 21 avril 1928 sur les associations et les fondations sans but lucratif.

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C — N° 764

15 mars 2016

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### SOMMAIRE

**Brookfield Office Properties (Luxembourg)**  
**Branch** ..... **36626**

**Brookfield Office Properties (Luxembourg) Branch, Succursale d'une société de droit étranger.**

Adresse de la succursale: L-1931 Luxembourg, 13-15, avenue de la Liberté.

R.C.S. Luxembourg B 163.613.

*(N.B. Pour des raisons techniques, le début de l'acte est publié au Mémorial C-N° 763 du 15 mars 2016.)*

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series G Shares to each person who at the date of giving such notice is the Holder of Series G Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series G Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series G Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series G Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series G Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series G Shares called for redemption shall cease to be entitled to Series G Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made, by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series G Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 shares, 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. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

## 4. Conversion of Series G Shares

### 4.1 Conversion at the Option of the Corporation

The Series G Shares shall not be convertible at the option of the Corporation prior to June 30, 2011. On and after June 30, 2011, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series G Shares into that number of freely tradeable Common Shares (per Series G Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of US\$2.00 and 95% of the weighted average trading price of the Common Shares on the New York Stock Exchange (or, if the Common Shares do not trade on the New York Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "Current Market Price"). Fractional Common Shares will not be issued on any conversion of Series G Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series G Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series G Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or

its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the “Corporation’s Conversion Notice”) shall specify the number of Series G Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the “Corporation’s Conversion Date”), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation’s Conversion Date.

If less than all of the then outstanding Series G Shares are at any time to be converted at the option of the Corporation, then the particular Series G Shares to be so converted shall be selected on a pro rata basis.

Series G Shares that are the subject of a Corporation’s Conversion Notice shall be converted effective on the Corporation’s Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series G Shares that are the subject of a Holder’s Conversion Notice under Section 4.2 below.

#### 4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation’s Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. (“BPY”) shall have the overriding right (the “Corporation Conversion Call Right”), notwithstanding the proposed conversion of the Series G Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation’s Conversion Date all but not less than all of the Series G Shares to be converted into Common Shares (the “Corporation Conversion Shares”) on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series G Share) determined by dividing the Redemption Price that would be applicable on the Corporation’s Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation’s Conversion Date) up to but excluding the Corporation’s Conversion Date, by the greater of US\$2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation’s Conversion Date (the “Corporation Conversion Consideration”) which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series G Shares who has received a Corporation’s Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation’s Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation’s Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a “BPY Corporation Conversion Call Notice”) at least five business days prior to the Corporation’s Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation’s Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series G Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation’s Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation’s Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation’s Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series G Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series G Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation’s Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation’s

Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.2 Conversion at the Option of the Holder

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after September 30, 2015, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series G Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series G Share) by dividing US\$25.00, together with all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of US\$2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series G Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series G Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto (the "Holder's Conversion Notice"), which Holder's Conversion Notice shall specify the number of Series G Shares (the "Subject Shares") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "Holder's Conversion Date"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series G Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series G Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series G Shares as herein provided shall cease and terminate in that event.

##### 4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "Shareholder Conversion Call Right"), notwithstanding the proposed Holder's conversion of the Series G Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "Shareholder Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series G Share) by dividing US\$25.00, together with all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of US\$2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "Holder Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series G Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Shareholder Conversion Call Notice") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series G Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder

Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series G Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series G Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.3 Delivery of Certificates Representing Common Shares

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series G Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series G Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series G Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of US\$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series G Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series G Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series G Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series G Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Option of the Corporation

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "Substitute Purchaser") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject

Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series G Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to US\$25.00 plus all accrued and unpaid Series G Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

#### 4.5 Payment by Cheque

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of the United States at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

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

So long as any of the Series G Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series G Shares) on any shares of the Corporation ranking as to dividends junior to the Series G Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series G Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series G Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series G Shares then outstanding;

(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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series G Shares; or

(e) issue any additional Series G Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series G Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series G Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series G Shares with respect to the payment of dividends have been declared paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series G Shares 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 directors of the Corporation such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to US\$25.00 per Series G Share, plus an amount equal to all accrued and

unpaid Series G Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series G Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

#### 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series G Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series G Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series G Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series G Share until all such arrears of Series G Dividends shall have been paid whereupon such rights shall 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 G Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

#### 10. Approval of Holders of Series G Shares

##### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series G Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series G Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series G Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series G Share held.

##### 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 by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one vote in respect of each Series G Share held.

#### 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Income Tax Act (Canada), under Subsection 191.2(1) of the said Act, or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay or cause payment of tax under Part VI.1 of such Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series G Shares under Section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

#### 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders of the Series G Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series G Shares pursuant to paragraph (b) is returned on three consecutive occasions because the holder cannot be found, the Cor-

poration shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or cleats to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series G Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

### 13. Interpretation

In the provisions herein contained attaching to the Series G Shares:

(a) "accrued and unpaid dividends" means the aggregate of: (i) all unpaid dividends on the Series G Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series G Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) "in priority to", "on a parity with" and "junior to" have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) in the event that any date on which any dividend on the Series G Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "Common Shares" means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

### 14. Book-Entry Only System

If the Series G Shares are held through the book-entry only system of the Canadian Depository for Securities ("CDS"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series G Shares. Beneficial owners of Series G Shares will not have the right to receive share certificates representing their ownership of the shares.

## **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series H**

**9. Class AAA preference shares, Series H.** The eighth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series H (hereinafter referred to as the "Series H Shares") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### 1. Consideration for Issue

The consideration for the issue of each Series H Share shall be \$25.00.

#### 2. Dividends

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

(a) "Dividend Payment Date" in respect of the dividends payable on the Series H Shares means the last day of each of March, June, September and December in each year.

(b) "Dividend Period" means the period from and including the date of initial issue of the Series H Shares up to but excluding December 31, 2003 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

#### 2.1 Payment of Dividends



Holders of Series H Shares (the “Holders”) shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the “Series H Dividends”) payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of \$1.4375 per Series H Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation’s bankers for the time being or by any other reasonable means the Corporation deems desirable.

#### 2.2 Method of Payment

Series H Dividends shall (except in case of redemption in which case payment of Series H Dividends shall be made on surrender of the certificate representing the Series H Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series H Dividends (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation’s bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

#### 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series H Dividends accrued to such date are not paid in full on all of the Series H Shares then outstanding, such Series H Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series H Dividends. The Holders shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

#### 2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends for any period which is more or less than a full Dividend Period as follows:

(a) in respect of the period beginning on and including the date of initial issue of the Series H Shares up to but excluding December 31, 2003 (the “Initial Dividend Period”), a dividend in an amount per Series H Share equal to the amount obtained (rounded to four decimal places) when \$1.4375 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series H Shares up to but excluding December 31, 2003 and the denominator of which is 365. The Series H Dividend payable for the Initial Dividend Period, payable as of September 30, 2003, as calculated by this method shall be \$0.30325 per Series H Share; and

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series H Share equal to the amount obtained (rounded to four decimal places) when \$1.4375 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

### 3. Redemption

#### 3.1 Optional Redemption

The Corporation may not redeem any of the Series H Shares prior to December 31, 2011. On or after this date, subject to the terms of any shares ranking prior to the Series H Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series H Shares by the payment of an amount in cash for each such Series H Share so redeemed equal to:

- (a) \$26.00 if redeemed before December 31, 2012;
- (b) \$25.67 if redeemed on or after December 31, 2012, but before December 31, 2013;
- (c) \$25.33 if redeemed on or after December 31, 2013, but before December 31, 2014; and
- (d) \$25.00 if redeemed on or after December 31, 2014;

in each case, together with all accrued and unpaid Series H Dividends (far greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the “Redemption Price”) (less any tax required to be deducted and withheld by the Corporation).

#### 3.2 Partial Redemption

If less than all of the then outstanding Series H Shares are at any time to be redeemed, then the particular Series H Shares to be redeemed shall be selected on a pro rata basis.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series H Shares to each person who at the date of giving such notice is the Holder of Series H Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series H Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series H Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series H Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series H Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series H Shares called for redemption shall cease to be entitled to Series H Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series H Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 shares, 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. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

#### 4. Conversion of Series H Shares

##### 4.1 Conversion at the Option of the Corporation

The Series H Shares shall not be convertible at the option of the Corporation prior to December 31, 2011. On and after December 31, 2011, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series H Shares into that number of freely tradeable Common Shares (per Series H Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "Current Market Price"). Fractional Common Shares will not be issued on any conversion of Series H Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series H Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series H Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "Corporation's Conversion Notice") shall specify the number of Series H Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "Corporation's Conversion Date"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series H Shares are at any time to be converted at the option of the Corporation, then the particular Series H Shares to be so converted shall be selected on a pro rata basis.

Series H Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series H Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

#### 4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("BPY") shall have the overriding right (the "Corporation Conversion Call Right"), notwithstanding the proposed conversion of the Series H Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series H Shares to be converted into Common Shares (the "Corporation Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series H Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "Corporation Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series H Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Corporation Conversion Call Notice") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series H Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series H Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series H Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.2 Conversion at the Option of the Holder

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2015, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series H Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series H Share) by dividing \$25.00, together with all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of \$2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series H Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series H Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto (the "Holder's Conversion Notice"), which Holder's Conversion Notice shall specify the number of Series H Shares (the "Subject Shares") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "Holder's Conversion Date"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series H Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series H Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series H Shares as herein provided shall cease and terminate in that event.

#### 4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "Shareholder Conversion Call Right"), notwithstanding the proposed Holder's conversion of the Series H Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "Shareholder Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series H Share) by dividing \$25.00, together with all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of \$2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "Holder Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series H Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Shareholder Conversion Call Notice") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series H Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series H Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series H Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.3 Delivery of Certificates Representing Common Shares

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series H Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series H Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series H Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of \$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series H Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series H Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series H Share on the record data for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series H Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Option of the Corporation

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "Substitute Purchaser") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series H Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to \$25.00 plus all accrued and unpaid Series H Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

#### 4.5 Payment by Cheque

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

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

So long as any of the Series H Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series H Shares) on any shares of the Corporation ranking as to dividends junior to the Series H Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return a capital and dividends junior to the Series H Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series H Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series H Shares then outstanding;

(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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series H Shares; or

(e) issue any additional Series H Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series H Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series H Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series H Shares with respect to the payment of dividends have been declared paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series H Shares 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 directors of the Corporation such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series H Share, plus an amount equal to all accrued and unpaid Series H Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series H Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

## 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series H Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series H Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series H Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series H Share until all such arrears of Series H Dividends shall have been paid whereupon such rights shall 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 H Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

## 10. Approval of Holders of Series H Shares

### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series H Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series H Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series H Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series H Share held.

### 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 by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one vote in respect of each Series H Share held.

## 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Income Tax Act (Canada), under Subsection 191.2(1) of the said Act, or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay or cause payment of tax under Part VI.1 of such Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series H Shares under Section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders of the Series H Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series H Shares pursuant to paragraph (b) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether

in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series H Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

### 13. Interpretation

In the provisions herein contained attaching to the Series H Shares:

(a) “accrued and unpaid dividends” means the aggregate of: (i) all unpaid dividends on the Series H Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series H Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) “in priority to”, “on a parity with” and “junior to” have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) in the event that any date on which any dividend on the Series H Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A “business day” shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) “Common Shares” means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

### 14. Book-Entry Only System

If the Series H Shares are held through the book-entry only system of the Canadian Depository for Securities (“CDS”), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series H Shares. Beneficial owners of Series H Shares will not have the right to receive share certificates representing their ownership of the shares.

## **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series I**

**10. Class AAA preference shares, Series I.** The ninth series of Class AAA Preference Shares of the Corporation shall consist of nil Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series I (hereinafter referred to as the “Series I Shares”) and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### 1. Consideration for Issue

The consideration for the issue of each Series I Share shall be \$25.00.

#### 2. Dividends

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

(a) “Dividend Payment Date” in respect of the dividends payable on the Series I Shares means the last day of each of March, June, September and December in each year.

(b) “Dividend Period” means the period from and including the date of initial issue of the Series I Shares up to but excluding March 31, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

#### 2.1 Payment of Dividends

Holders of Series I Shares (the “Holders”) shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the “Series I Dividends”) payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of \$1.30 per Series I Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by



the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

## 2.2 Method of Payment

Series I Dividends shall (except in case of redemption in which case payment of Series I Dividends shall be made on surrender of the certificate representing the Series I Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series I Dividends (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

## 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series I Dividends accrued to such date are not paid in full on all of the Series I Shares then outstanding, such Series I Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series I Dividends. The Holders shall not be entitled to any dividend other than or in excess of the cumulative preferential cash dividends herein provided for.

## 2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends for any period which is more or less than a full Dividend Period as follows:

(a) in respect of the period beginning on and including the date of initial issue of the Series I Shares up to but excluding March 31, 2004 (the "Initial Dividend Period"), a dividend in an amount per Series I Share equal to the amount obtained (rounded to four decimal places) when \$1.30 is divided by four. The Series I Dividend payable for the Initial Dividend Period, payable as of March 31, 2004, as calculated by this method shall be \$0.3250 per Series I Share; and

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series I Share equal to the amount obtained (rounded to four decimal places) when \$1.30 divided by four and then multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such quarter falls.

## 3. Redemption

### 3.1 Optional Redemption

The Corporation may not redeem any of the Series I Shares prior to December 31, 2008. On or after this date, subject to the terms of any shares ranking prior to the Series I Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series I Shares by the payment of an amount in cash for each such Series I Share so redeemed equal to:

(a) \$25.75 if redeemed before December 31, 2009;

(b) \$25.50 if redeemed on or after December 31, 2009, but before December 31, 2010; and

(c) \$25.00 if redeemed on or after December 31, 2010;

in each case, together with all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "Redemption Price") (less any tax required to be deducted and withheld by the Corporation).

### 3.2 Partial Redemption

If less than all of the then outstanding Series I Shares are at any time to be redeemed, then the particular Series I Shares to be redeemed shall be selected on a pro rata basis.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series I Shares to each person who at the date of giving such notice is the Holder of Series I Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series I Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series I Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price

(less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series I Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable a, par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series I Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series I Shares called for redemption shall cease to be entitled to Series I Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series I Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 shares, 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. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

#### 4. Conversion of Series I Shares

##### 4.1 Conversion at the Option of the Corporation

The Series I Shares shall not be convertible at the option of the Corporation prior to December 31, 2008. On and after December 31, 2008, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series I Shares into that number of freely tradeable Common Shares (per Series I Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the weighted average trading price of, the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "Current Market Price"). Fractional Common Shares will not be issued on any conversion of Series I Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series I Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series I Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "Corporation's Conversion Notice") shall specify the number of Series I Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "Corporation's Conversion Date"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series I Shares are at any time to be converted at the option of the Corporation, then the particular Series I Shares to be so converted shall be selected on a pro rata basis.

Series I Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series I Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

##### 4.2 Conversion at the Option of the Holder

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2010, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series I Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series I Share) by dividing \$25.00, together with all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of \$2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series I Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series I Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated far all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series I Shares in the City of Toronto (the "Holder's Conversion Notice"), which Holder's Conversion Notice shall specify the number of Series I Shares (the "Subject Shares") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "Holder's Conversion Date"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series I Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series I Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series I Shares as herein provided shall cease and terminate in that event.

#### 4.3 Delivery of Certificates Representing Common Shares

The Corporation shall, on presentation and surrender at, the head office of the Corporation, the principal transfer office of the transfer agent for the Series I Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series I Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series I Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series I Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of \$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series I Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series I Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series I Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series I Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Option of the Corporation

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "Substitute Purchaser") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series I Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to \$25.00 plus all accrued and unpaid Series I Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and- each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

#### 4.5 Payment by Cheque

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and with held by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

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

So long as any of the Series I Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series I Shares) on any shares of the Corporation ranking as to dividends junior to the Series I Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series I Shares, redeem or call for redemption, purchase or otherwise pay off retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series I Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series I Shares then outstanding;

(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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series I Shares; or

(e) issue any additional Series I Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series I Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series I Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series I Shares with respect to the payment of dividends have been declared paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series I Shares 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 directors of the Corporation such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series I Share, plus an amount equal to all accrued and unpaid Series I Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series I Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

#### 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series I Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series I Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series I Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series I Share until all such arrears of Series I Dividends shall have been paid whereupon such rights shall 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 I Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

#### 10. Approval of Holders of Series I Shares

##### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series I Shares, are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series I Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series I Shares represented in Person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series I Share held.

##### 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 by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one vote in respect of each Series I Share held.

#### 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Income Tax Act (Canada), under Subsection 191.2(1) of the said Act, or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay or cause payment of tax under Part VI.1 of such Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series I Shares under Section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

#### 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders of the Series I Shares shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such holder or holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a holder of Series I Shares pursuant to paragraph (b) is returned on three consecutive occasions because the holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such shareholder until the holder informs the Corporation in writing of such holder's new address.

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series I Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such, cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

### 13. Interpretation

In the provisions herein contained attaching to the Series I Shares:

(a) "accrued and unpaid dividends" means the aggregate of: (i) all unpaid dividends on the Series I Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series I Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) "in priority to", "on a parity with" and "junior to" have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) in the event that any date on which any dividend on the Series I Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A "business day" shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) "Common Shares" means common shares of the Corporation.

### 14. Book-Entry Only System

If the Series I Shares are held through the book-entry only system of the Canadian Depository for Securities ("CDS"), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series I Shares. Beneficial owners of Series I Shares will not have the right to receive share certificates representing their ownership of the shares.

## **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series J**

**11. Class AAA preference shares, Series J.** The tenth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series J (hereinafter referred to as the "Series J Shares") and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### 1. Consideration for Issue

The consideration for the issue of each Series J Share shall be \$25.00.

#### 2. Dividends

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

(a) "Dividend Payment Date" in respect of the dividends payable on the Series J Shares means the last day of each of March, June, September and December in each year.

(b) "Dividend Period" means the period, from and including the date of initial issue of the Series J Shares up to but excluding June 30, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

#### 2.1 Payment of Dividends

Holders of Series J Shares (the “Holders”) shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the “Series J Dividends”) payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of \$1.25 per Series J Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at my branch in Canada of the Corporation’s bankers for the time being or by any other reasonable means the Corporation deems desirable.

## 2.2 Method of Payment

Series J Dividends shall (except in case of redemption in which case payment of Series J Dividends shall be made on surrender of the certificate representing the Series J Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series J Dividends (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation’s bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

## 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series J Dividends accrued to such date are not paid in full on all of the Series J Shares then outstanding, such Series J Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series J Dividends. The Holders shall not be entitled to any dividends other than or in excess of the cumulative preferential Cash dividends herein provided for.

## 2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends for any period which is more or less than a full Dividend Period as follows:

(a) in respect of the period beginning on and including the date of initial issue of the Series J Shares up to but excluding June 30, 2004 (the “Initial Dividend Period”), a dividend in an amount per Series J Share equal to the amount obtained (rounded to five decimal places) when \$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series J Shares up to but excluding June 30, 2004 and the denominator of which is 366. The Series J Dividend payable for the Initial Dividend Period, payable as of June 30, 2004, as calculated by this method shall be \$0.20833 per Series J Share;

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series J Share equal to the amount obtained (rounded to five decimal places) when \$1.25 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

## 3. Redemption

### 3.1 Optional Redemption

The Corporation may not redeem any of the Series J Shares prior to June 30, 2010. On or after this date, subject to the terms of any shares ranking prior to the Series J Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series J Shares by the payment of an amount in cash for each such Series J Share so redeemed equal to:

- (a) \$26.00 if redeemed before June 30, 2011;
- (b) \$25.75 if redeemed on or after June 30, 2011, but before June 30, 2012;
- (c) \$25.50 if redeemed on or after June 30, 2012, but before June 30, 2013
- (d) \$25.25 if redeemed on or after June 30, 2013, but before June 30, 2014; and
- (e) \$25.00 if redeemed on or after June 30, 2014;

in each case, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the “Redemption Price”) (less any tax required to be deducted and withheld by the Corporation).

### 3.2 Partial Redemption

If less than all of the then outstanding Series J Shares are at any time to be redeemed, then the particular Series J Shares to be redeemed shall be selected on a pro rata basis.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series J Shares to each person who at the date of giving such notice is the Holder of Series J Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series J Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series J Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series J Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the holders of Series J Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series J Shares called for redemption shall cease to be entitled to Series J Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series J Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 shares, 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. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

## 4. Conversion of Series J Shares

### 4.1 Conversion at the Option of the Corporation

The Series J Shares shall not be convertible at the option of the Corporation prior to June 30, 2010. On and after June 30, 2010, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series J Shares into that number of freely tradeable Common Shares (per Series J Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "Current Market Price"). Fractional Common Shares will not be issued on any conversion of Series J Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date, so that the rights of the Holder of such Series J Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series J Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "Corporation's Conversion Notice") shall specify the number of Series J Shares held by such Holder that will be converted



and the date fixed by the Corporation for conversion (the “Corporation’s Conversion Date”), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation’s Conversion Date.

If less than all of the then outstanding Series J Shares are at any time to be converted at the option of the Corporation, then the particular Series J Shares to be so converted shall be selected on a pro rata basis.

Series J Shares that are the subject of a Corporation’s Conversion Notice shall be converted effective on the Corporation’s Conversion Date.

The Corporation cannot exercise its conversion rights hereunder in respect of any Series J Shares that are the subject of a Holder’s Conversion Notice under Section 4.2 below.

#### 4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation’s Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. (“BPY”) shall have the overriding right (the “Corporation Conversion Call Right”), notwithstanding the proposed conversion of the Series J Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation’s Conversion Date all but not less than all of the Series J Shares to be converted into Common Shares (the “Corporation Conversion Shares”) on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series J Share) determined by dividing the Redemption Price that would be applicable on the Corporation’s Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation’s Conversion Date) up to but excluding the Corporation’s Conversion Date, by the greater of \$2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation’s Conversion Date (the “Corporation Conversion Consideration”) which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series J Shares who has received a Corporation’s Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation’s Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation’s Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a “BPY Corporation Conversion Call Notice”) at least five business days prior to the Corporation’s Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation’s Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series J Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation’s Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation’s Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation’s Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series J Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series J Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation’s Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation’s Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.2 Conversion at the Option of the Holder

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2014, Holders, upon notice as hereinafter described, may convert all or any part of the then outstanding Series J Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series J Share) by dividing \$25.00, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of \$2.00 and 95% of the Current Market Price. Fractional Common Shares will not be issued on any conversion of Series J Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series J Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights, the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto (the "Holder's Conversion Notice"), which Holder's Conversion Notice shall specify the number of Series J Shares (the "Subject Shares") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "Holder's Conversion Date"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series J Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series J Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series J Shares as herein provided shall cease and terminate in that event.

##### 4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "Shareholder Conversion Call Right"), notwithstanding the proposed Holder's conversion of the Series J Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "Shareholder Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series J Share) by dividing \$25.00, together with all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of \$2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "Holder Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series J Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4 specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Shareholder Conversion Call Notice") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series J Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series J Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series J Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.3 Delivery of Certificates Representing Common Shares

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series J Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series J Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series J Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of \$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series J Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series J Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series J Share on the record data for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series J Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Option of the Corporation

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "Substitute Purchaser") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series J Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to \$25.00 plus all accrued and unpaid Series J Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase, of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

#### 4.5 Payment by Cheque

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional Common Share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

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

So long as any of the Series J Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series J Shares) on any shares of the Corporation ranking as to dividends junior to the Series J Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return a capital and dividends junior to the Series J Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series J Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series J Shares then outstanding;

(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 payoff, retire or make any return of capital in respect of any Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series J Shares; or

(e) issue any additional Series J Shares or any Shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series J Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series J Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series J Shares with respect to the payment of dividends have been declared paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series J Shares 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 directors of the Corporation such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series J Share, plus an amount equal to all accrued and unpaid Series J Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series J Shares. Upon payment of such amount, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

## 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class AAA Preference Shares as a class and meetings of the holders of the Series J Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series J Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series J Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate meeting of the holders of another series or class of shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series J Share until all such arrears of Series J Dividends shall have been paid whereupon such rights shall 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 J Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

## 10. Approval of Holders of Series J Shares

### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series J Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series J Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series J Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one vote in respect of each Series J Share held.

### 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 by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each Series J Share held.

## 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Income Tax Act (Canada), under Subsection 191.2(1) of the said Act, or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay or cause payment of tax under Part VI.1 of such Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series J Shares under Section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

## 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a Holder pursuant to paragraph (b) is returned on three consecutive occasions because the Holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such Holder until the Holder informs the Corporation in writing of such Holder's new address.

If directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether

in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series J Shares at its principal offices in the cities of Vancouver, Toronto and Montreal, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as, soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

### 13. Interpretation

In the provisions herein contained attaching to the Series J Shares:

(a) “accrued and unpaid dividends” means the aggregate of: (i) all unpaid dividends on the Series J Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series J Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) “in priority to”, “on a parity with” and “junior to” have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) in the event that any date on which any dividend on the Series J Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A “business day” shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) “Common Shares” means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

### 14. Book-Entry Only System

If the Series J Shares are held through the book-entry only system of the Canadian Depository for Securities (“CDS”), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series J Shares. Beneficial owners of Series J Shares will not have the right to receive share certificates representing their ownership of the shares.

## **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series K**

**12. Class AAA preference shares, Series K.** The tenth series of Class AAA Preference Shares of the Corporation shall consist of 8,000,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series K (hereinafter referred to as the “Series K Shares”) and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### 1. Consideration for Issue

The consideration for the issue of each Series K Share shall be \$25.00.

#### 2. Dividends

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

(a) “Dividend Payment Date” in respect of the dividends payable on the Series K Shares means the last day of each of March, June, September and December in each year.

(b) “Dividend Period” means the period from and including the date of initial issue of the Series K Shares up to but excluding December 31, 2004 and, thereafter, the period from and including a Dividend Payment Date up to but excluding the next succeeding Dividend Payment Date.

#### 2.1 Payment of Dividends

Holder of Series K Shares (the “Holder”) shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, fixed cumulative preferential cash dividends (the “Series K Dividends”) payable quarterly, with respect to each Dividend Period, on the Dividend Payment Date immediately following each such Dividend Period at the rate of \$1.30 per Series K Share per annum accruing daily from the date of issue (less any tax required to be deducted and withheld by

the Corporation) which shall be calculated on a 365 or 366 day basis, being the actual number of days in the year in which the amount is to be ascertained, by cheque at par in lawful money of Canada at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means the Corporation deems desirable.

## 2.2 Method of Payment

Series K Dividends shall (except in case of redemption in which case payment of Series K Dividends shall be made on surrender of the certificate representing the Series K Shares to be redeemed) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series K Dividends, (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

## 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series K Dividends accrued, to such date are not paid in full on all of the Series K Shares then outstanding, such Series K Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series K Dividends. The Holders shall not be entitled to any dividends other than or in excess of the cumulative preferential cash dividends herein provided for.

## 2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if; as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends for any period which is more or less than a full Dividend Period as follows:

(a) in respect of the period beginning on and including the date of initial issue of the Series K Shares up to but excluding December 31, 2004 (the "Initial Dividend Period"), a dividend in an amount per Series K Share, equal to the amount obtained (rounded to five decimal places) where \$1.30 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series K Shares up to but excluding December 31, 2004 and the denominator of which is 366. The Series K Dividend payable for the Initial Dividend Period, payable as of December 31, 2004, as calculated by this method shall be \$0.24863 per Series K Share;

(b) in respect of any period other than the Initial Dividend Period that is more or less than a full Dividend Period, a dividend in an amount per Series K Share equal to the amount obtained (rounded to five decimal places) when \$1.30 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first day of such period but exclude the last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

## 3. Redemption

### 3.1 Optional Redemption

The Corporation may not redeem any of the Series K Shares prior to December 31, 2012. On or after this date, subject to the terms of any shares ranking prior to the Series K Shares, to applicable law and to the provisions described in Section 5 below, the Corporation may, upon giving notice as hereinafter provided, at its option, at any time redeem all, or from time to time any part, of the then outstanding Series K Shares by the payment of an amount in cash for each such Series K Share so redeemed equal to:

- (a) \$26.00 if redeemed before December 31, 2013;
- (b) \$25.67 if redeemed on or after December 31, 2013, but before December 31, 2014;
- (c) \$25.33 if redeemed on or after December 31, 2014, but before December 31, 2015;
- (d) \$25.00 if redeemed on or after December 31, 2015;

in each case, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the date fixed for redemption) up to but excluding the date fixed for redemption (the "Redemption Price") (less any tax required to be deducted and withheld by the Corporation).

### 3.2 Partial Redemption

If less than all of the then outstanding Series K Shares are at any time to be redeemed, then the particular Series K Shares to be redeemed shall be selected on a pro rata basis.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the date on which the redemption is to take place of its intention to redeem such Series K Shares to each person who at the date of giving such notice is the Holder of Series K Shares to be redeemed. Any such notice shall be validly and effectively given on the date

on which it is sent to each Holder of Series K Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series K Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series K Shares so called for redemption. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series K Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series K Shares called for redemption shall cease to be entitled to Series K Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series K Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by 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 shares, 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. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

#### 4. Conversion of Series K Shares

##### 4.1 Conversion at the Option of the Corporation

The Series K Shares shall not be convertible at the option of the Corporation prior to December 31, 2012. On and after December 31, 2012, the Corporation may, subject to applicable law and, if required, to other regulatory approvals, and upon notice as hereinafter described, convert all, or from time to time any part, of the then outstanding Series K Shares into that number of freely tradeable Common Shares (per Series K Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date (as hereinafter defined), together with accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the weighted average trading price of the Common Shares on the Toronto Stock Exchange (or, if the Common Shares do not trade on the Toronto Stock Exchange on the date specified for conversion, on the exchange or trading system with the greatest volume of Common Shares traded during the 20 trading day period referred to below) for the 20 consecutive trading days ending on: (i) the fourth day prior to the Corporation's Conversion Date, or (ii) if such fourth day is not a trading day, the immediately preceding trading day (the "Current Market Price"). Fractional Common Shares will not be issued on any conversion of Series K Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Corporation's Conversion Date so that the rights of the Holder of such Series K Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

Upon exercise by the Corporation of its right to convert Series K Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

The Corporation shall give written notice to each Holder whose shares are to be converted, which notice (the "Corporation's Conversion Notice") shall specify the number of Series K Shares held by such Holder that will be converted and the date fixed by the Corporation for conversion (the "Corporation's Conversion Date"), and which notice shall be given not more than 60 days and not less than 30 days prior to such Corporation's Conversion Date.

If less than all of the then outstanding Series K Shares are at any time to be converted at the option of the Corporation, then the particular Series K Shares to be so converted shall be selected on a pro rata basis.

Series K Shares that are the subject of a Corporation's Conversion Notice shall be converted effective on the Corporation's Conversion Date.



The Corporation cannot exercise its conversion rights hereunder in respect of any Series K Shares that are the subject of a Holder's Conversion Notice under Section 4.2 below.

#### 4.1.1 BPY Corporation Conversion Call Rights

Notwithstanding the foregoing, in the event that the Corporation delivers a Corporation's Conversion Notice pursuant to Section 4.1, and subject to the limitations set forth in this Section 4.1.1, Brookfield Property Partners L.P. ("BPY") shall have the overriding right (the "Corporation Conversion Call Right"), notwithstanding the proposed conversion of the Series K Shares by the Corporation pursuant to Section 4.1 hereof, to purchase from such holder on the Corporation's Conversion Date all but not less than all of the Series K Shares to be converted into Common Shares (the "Corporation Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares (per Series K Share) determined by dividing the Redemption Price that would be applicable on the Corporation's Conversion Date together with accrued and unpaid dividends (for greater certainty excluding declared dividends with a record date prior to the Corporation's Conversion Date) up to but excluding the Corporation's Conversion Date, by the greater of \$2.00 and 95% of the Current Market Price, applicable on the last business day prior to the Corporation's Conversion Date (the "Corporation Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Corporation Conversion Consideration. In the event of the exercise of a Corporation Conversion Call Right, a holder of Series K Shares who has received a Corporation's Conversion Notice shall be obligated to sell all the Corporation Conversion Shares to BPY on the Corporation's Conversion Date on payment by BPY of an amount per share equal to the Corporation Conversion Consideration for each such share in the form of Common Shares.

Upon delivery by the Corporation to a Holder of a Corporation's Conversion Notice, the Corporation shall immediately notify BPY thereof. In order to exercise its Corporation Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Corporation Conversion Call Notice") at least five business days prior to the Corporation's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Corporation Conversion Call Right. If BPY delivers a BPY Corporation Conversion Call Notice prior to such five business day period and duly exercises its Corporation Conversion Call Right in accordance with this Section 4.1.1, the obligation of the Corporation to convert the Corporation Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Corporation's Conversion Date the Corporation Conversion Shares for the Corporation Conversion Consideration in the form of Common Shares. Provided that the aggregate Corporation Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series K Shares as provided in this Section 4.1.1, the closing of the purchase and sale of the Corporation Conversion Shares pursuant to the Corporation Conversion Call Right shall be deemed to have occurred as at the close of business on the Corporation's Conversion Date and, for greater certainty, no conversion by the Corporation of such Corporation Conversion Shares shall take place on the Corporation's Conversion Date. In the event that BPY does not deliver a BPY Corporation Conversion Call Notice prior to such five business day period, the Corporation shall convert the Corporation Conversion Shares on the Corporation's Conversion Date and in the manner otherwise contemplated in Section 4.1.

For the purpose of completing a purchase of Series K Shares pursuant to the exercise of a Corporation Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant Holder, at the address of the holder recorded in the register of the Corporation for the Series K Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Corporation Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Corporation Conversion Consideration to the extent that the same is represented by such Common Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Corporation's Conversion Date, the holder of the Corporation Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Corporation Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Corporation Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Corporation Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Corporation's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Corporation Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Corporation Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.2 Conversion at the Option of the Holder

Subject to applicable law and to the option of the Corporation in Section 4.4, on each Dividend Payment Date on or after December 31, 2016, Holders, upon notice as hereinafter described, may convert all, or any part of, the then outstanding Series K Shares registered in the name of the Holder into that number of freely tradeable Common Shares determined (per Series K Share) by dividing \$25.00, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date (as hereinafter defined), by the greater of \$2.00 and 95% of the Current Market Price. Fractional Common Shares

will not be issued on any conversion of Series K Shares but in lieu thereof the Corporation will make cash payments in the manner set out in Sections 4.3 and 4.5 below. Such conversion shall be deemed to have been made at the close of business on the Holder's Conversion Date, so that the rights of the Holder of such Series K Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive Common Shares upon such conversion shall be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

In order to exercise its conversion rights the Holder shall give written notice to the Corporation at the registered office of the Corporation or the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto (the "Holder's Conversion Notice"), which Holder's Conversion Notice shall specify the number of Series K Shares (the "Subject Shares") held by such Holder which shall be converted on the Dividend Payment Date chosen by the Holder for conversion, or if such Dividend Payment Date is not a business day the immediately succeeding business day (the "Holder's Conversion Date"). The Holder's Conversion Notice shall be given at least 30 calendar days prior to such Holder's Conversion Date and shall be irrevocable.

Upon exercise by the Holder of its right to convert Series K Shares into Common Shares, the Corporation is not required to (but may at its option) issue Common Shares to any person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada, to the extent that such issue would require compliance by the Corporation with the securities or other laws of such jurisdiction.

If the Corporation gives notice as provided in Section 3 to a Holder of the redemption of Series K Shares prior to that Holder giving a Holder's Conversion Notice to the Corporation, the right of that Holder to convert such Series K Shares as herein provided shall cease and terminate in that event.

#### 4.2.1 BPY Shareholder Conversion Call Rights

Notwithstanding the foregoing, but subject to Section 4.4, in the event that a Holder delivers a Holder's Conversion Notice pursuant to Section 4.2, BPY shall have the overriding right (a "Shareholder Conversion Call Right"), notwithstanding the proposed Holder's conversion of the Series K Shares pursuant to Section 4.2 hereof, to purchase from such holder on the Holder's Conversion Date all but not less than all of the Subject Shares to be converted into Common Shares (the "Shareholder Conversion Shares") on payment by BPY of an amount per share equal to that number of freely tradeable Common Shares determined (per Series K Share) by dividing \$25.00, together with all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date by the greater of \$2.00 and 95% of the Current Market Price, on the last business day prior to the Holder's Conversion Date (the "Holder Conversion Consideration") which shall be satisfied in full by BPY causing to be delivered to such holder the Common Shares representing the Holder Conversion Consideration. In the event of the exercise of a Shareholder Conversion Call Right, a holder of Series K Shares who has delivered a Holder's Conversion Notice shall be obligated to sell all the Shareholder Conversion Shares to BPY on the Holder's Conversion Date on payment by BPY of an amount per share equal to the Holder Conversion Consideration for each such share in the form of Common Shares.

Upon receipt by the Corporation of a Holder's Conversion Notice the Corporation shall (a) immediately notify BPY thereof and (b) not less than 20 calendar days prior to the Holder's Conversion Date, provide the notice given to all Holders of Subject Shares pursuant to Section 4.4, specifying, among other things, the number of Shareholder Conversion Shares. In order to exercise its Shareholder Conversion Call Right, BPY must notify the Corporation in writing of its determination to do so (a "BPY Shareholder Conversion Call Notice") at least five business days prior to the Holder's Conversion Date. If BPY does not notify the Corporation prior to such five business day period, the Corporation shall notify the holder as soon as possible thereafter that BPY will not exercise the Shareholder Conversion Call Right. If BPY delivers a BPY Shareholder Conversion Call Notice prior to such five business day period and duly exercises its Shareholder Conversion Call Right in accordance with this Section 4.2.1, the obligation of the Corporation to convert the Shareholder Conversion Shares shall terminate and BPY shall purchase from such holder and such holder shall sell to BPY on the Holder's Conversion Date the Shareholder Conversion Shares for the Holder Conversion Consideration in the form of Common Shares. For greater certainty, BPY shall not purchase from the Holder any Subject Shares that are, pursuant to Section 4.4, to be redeemed by the Corporation or sold to another purchaser. Provided that the aggregate Holder Conversion Consideration in the form of Common Shares has been so deposited with the transfer agent for the Series K Shares as provided in this Section 4.2.1, the closing of the purchase and sale of the Shareholder Conversion Shares pursuant to the Shareholder Conversion Call Right shall be deemed to have occurred as at the close of business on the Holder's Conversion Date, and, for greater certainty, no conversion by the Corporation of such Shareholder Conversion Shares shall take place on the Holder's Conversion Date. In the event that BPY does not deliver a BPY Shareholder Conversion Call Notice prior to such five business day period, the Corporation shall convert the Shareholder Conversion Shares on the Holder's Conversion Date and in the manner otherwise contemplated in Section 4.2, as applicable.

For the purpose of completing a purchase of Series K Shares pursuant to the exercise of a Shareholder Conversion Call Right, BPY shall deliver or cause to be delivered to the relevant holder, at the address of the holder recorded in the register of the Corporation for the Series K Shares or by holding for pick-up by the holder at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other places in Canada as BPY may agree, the Common Shares representing the Holder Conversion Consideration to which such holder is entitled. Such delivery of Common Shares on behalf of BPY shall be deemed to be payment of and shall satisfy and discharge all liability for the Holder Conversion Consideration to the extent that the same is represented by such Common

Shares, unless, to the extent that the Corporation is required to make cash payments in lieu of fractional Common Shares by cheque, such cheque is not paid on due presentation.

On and after the close of business on the Holder's Conversion Date, the holder of the Shareholder Conversion Shares shall not be entitled to exercise any of the rights of a holder in respect thereof, other than the right to receive the Holder Conversion Consideration unless upon presentation and surrender of certificates in accordance with the foregoing provisions, payment of the aggregate Holder Conversion Consideration payable to such holder shall not be made, in which case the rights of such holder shall remain unaffected until such aggregate Holder Conversion Consideration has been paid in the manner hereinbefore provided. On and after the close of business on the Holder's Conversion Date, provided that presentation and surrender of certificates and payment of such aggregate Holder Conversion Consideration has been made in accordance with the foregoing provisions, the holder of the Shareholder Conversion Shares so purchased by BPY shall thereafter be treated for all purposes as having become the holder or holders of record of such Common Shares at such time.

#### 4.3. Delivery of Certificates Representing Common Shares

The Corporation shall, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing the Series K Shares being converted by the Corporation or the Holder, give or cause to be given, on the applicable Corporation's Conversion Date or Holder's Conversion Date, as the case may be, to each Holder of Series K Shares being converted or as such Holder may have otherwise directed:

(a) a certificate representing the whole number of Common Shares into which such Series K Shares being converted are to be converted, registered in the name of the Holder, or as such Holder may have otherwise directed; and

(b) in lieu of the issuance of a fractional Common Share, a cheque in an amount equal to the product of the fractional remainder, if any (rounded to four decimal places), produced by the conversion formula set forth in Section 4.1 or Section 4.2 above, as the case may be, multiplied by the greater of \$2.00 and 95% of the then Current Market Price.

If on any conversion under Section 4.1 or 4.2, less than all of the Series K Shares represented by any certificate are to be converted, a new certificate representing the balance of such Series K Shares shall be issued by the Corporation without cost to the Holder.

The Holder of any Series K Share on the record date for any dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Common Shares after such record date and on or before the date of the payment of such dividend.

The issuance of certificates for the Common Shares upon the conversion of Series K Shares shall be made without charge to the Holders for any fee or tax in respect of the issuance of such certificates or the Common Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Common Shares are issued in respect of the issuance of such Common Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Option of the Corporation

If a Holder gives a Holder's Conversion Notice to the Corporation, subject to the provisions described in Section 5 below, as applicable, the Corporation may, at its option, on notice to such Holder in the manner described in this Section 4.4, either (i) redeem for cash on the Holder's Conversion Date all or any part of the Subject Shares, or (ii) cause the Holder to sell on the Holder's Conversion Date all or any part of the Subject Shares to another purchaser or purchasers (a "Substitute Purchaser") in the event that a purchaser or purchasers willing to purchase any or all of such Subject Shares is or are found by the Corporation pursuant to this Section 4.4. The proportion of the Subject Shares which are either redeemed, purchased or converted on that Conversion Date shall, to the extent practicable, be the same for each Holder delivering a Conversion Notice.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall, not less than 20 calendar days prior to the Holder's Conversion Date, give written notice to all Holders of the Subject Shares stating the number of Subject Shares to be redeemed for cash by the Corporation, the number of Subject Shares to be sold to another purchaser, and the number of Subject Shares to be converted into Common Shares pursuant to the Holder's Conversion Notice, such that all of the Subject Shares are either redeemed, purchased or converted on the Holder's Conversion Date.

If the Corporation elects to redeem for cash or arrange for the purchase of any Subject Shares, then the Corporation shall pay or cause to be paid, in respect of those Subject Shares to be redeemed for cash or purchased, on presentation and surrender at the head office of the Corporation, the principal transfer office of the transfer agent for the Series K Shares in the City of Toronto, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing such Subject Shares, on the Holder's Conversion Date, to the Holder of the Subject Shares or as such Holder may have otherwise directed, an amount equal to \$25.00 plus all accrued and unpaid Series K Dividends (for greater certainty excluding declared dividends with a record date prior to the Holder's Conversion Date) up to but excluding the Holder's Conversion Date for each Subject Share being redeemed or purchased (less any tax required to be deducted and

withheld by the Corporation), and each such Subject Share shall be deemed to have been redeemed or purchased, but not converted, as the case may be, on the Holder's Conversion Date. Payment under this Section 4.4 shall be made by cheque in accordance with Section 4.5 hereof.

If the Corporation elects to redeem for cash or arrange for the purchase of some, but not all, of the Subject Shares, then the Corporation shall, in respect of those Subject Shares to be converted into Common Shares, give or cause to be given to the Holder of such Subject Shares the certificate or certificates representing such Common Shares and, if applicable, a cheque in lieu of a fractional Common Share, all in accordance with the procedures set forth in Section 4.3.

#### 4.5 Payment by Cheque

Any amounts that are paid by the Corporation to Holders in respect of the payment of (i) a redemption or purchase amount under Section 4.4, or (ii) a cash amount in lieu of the issuance of a fractional Common Share under Sections 4.1 or 4.2, shall be paid by cheques drawn on a Canadian chartered bank and payable in lawful money of Canada at any branch of such bank in Canada and the delivery or mailing of any such cheque to a Holder shall constitute a full and complete discharge of the Corporation's obligation to pay the amount represented by such cheque (plus any tax required to be and in fact deducted and withheld by the Corporation from the related redemption or purchase amount or cash in lieu of a fractional common share and remitted to the proper taxing authority), unless such cheque is not honoured when presented for payment.

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

So long as any of the Series K Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series K Shares) on any shares of the Corporation ranking as to dividends junior to the Series K Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series K Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series K Shares;

(c) redeem or call for redemption, purchase or otherwise retire for value or make any return of capital in respect of less than all of the Series K Shares then outstanding;

(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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series K Shares; or

(e) issue any additional Series K Shares or any shares ranking as to the payment of dividends or the return of capital prior to or on a parity with the Series K Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the dividend payable for the last completed period for which dividends were payable on the Series K Shares and on all other shares of the Corporation ranking prior to or on a parity with the Series K Shares with respect to the payment of dividends have been declared paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase (if obtainable) for cancellation the whole or any part of the Series K Shares 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 directors of the Corporation such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series K Share, plus an amount equal to all accrued and unpaid Series K Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series K Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

#### 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the Holders of Class AAA Preference Shares as a class and meetings of the holders of the Series K Shares as a series) to receive notice of, attend at, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series K Dividends, whether or not consecutive and whether or not such dividends have been declared and whether or not there are any moneys of the Corporation properly applicable to the payment of Series K Dividends. In the event of such non-payment, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation which takes place more than 60 days after the date on which the failure first occurs (other than a separate

meeting of the holders of another series or class of Shares) and such Holders shall have the right, at any such meeting, to one (1) vote for each Series K Share until all such arrears of Series K Dividends shall have been paid whereupon such rights shall 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 K Shares as a series may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

#### 10. Approval of Holders of Series K Shares

##### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series K Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series K Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall, be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series K Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series K Share held.

##### 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 by-laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each Series K Share held,

#### 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Income Tax Act (Canada), under Subsection 191.2(1) of the said Act, or any successor or replacement provision of similar effect, and take all other necessary action under such Act, to pay or cause payment of tax under Part VI.1 of such Act at a rate such that the corporate Holders will not be required to pay tax on dividends received on the Series K Shares under Section 187.2 of Part IV.1 of such Act or any successor or replacement provision of similar effect.

#### 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a Holder pursuant to paragraph (b) is returned on three consecutive occasions because the Holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such Holder until the Holder informs the Corporation in writing of such Holder's new address.

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the transfer agent for the Series K Shares at its principal offices in the cities of Vancouver, Toronto and Montreal,

and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in

(a) above, provided that as soon as the Board of Directors determines that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

### 13. Interpretation

In the provisions herein contained attaching to the Series K Shares:

(a) “accrued and unpaid dividends” means the aggregate of: (i) all unpaid dividends on the Series K Shares for any quarterly period; and (ii) the amount calculated as though dividends on each Series K Share had been accruing on a day-to-day basis from and including the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) “in priority to”, “on a parity with” and “junior to” have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding up of the Corporation; whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs; and

(c) in the event that any date on which any dividend on the Series K Shares is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A “business day” shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario; and

(d) “Common Shares” means the non-voting limited partnership units of Brookfield Property Partners L.P., a Bermuda exempted limited partnership.

### 14. Book-Entry Only System

If the Series K Shares are held through the book-entry only system of the Canadian Depository for Securities (“CDS”), then the beneficial owner thereof shall provide instructions only by such beneficial owner providing instructions to the CDS Participant through whom such beneficial owner holds such Series K Shares. Beneficial owners of Series K Shares will not have the right to receive share certificates representing their ownership of the shares.

## **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series L**

**13. Class AAA preference shares, Series L.** The eleventh series of Class AAA Preference Shares of the Corporation shall consist of 11,500,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series L (hereinafter referred to as the “Series L Shares”) and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

#### 1. Consideration for Issue

The consideration for the issue of each Series L Share shall be \$25.00.

#### 2. Dividends

##### 2.1 Payment of Dividends

Holders of Series L Shares (the “Holders”) shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends (the “Series L Dividends”) payable quarterly on the last day of March, June, September and December (each, a “Dividend Payment Date”) at the rates herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Corporation’s bankers for the time being or by any other reasonable means the Corporation deems desirable.

(a) During the Initial Fixed Rate Period, the Series L Dividends payable on the Series L Shares will be in an annual amount per share equal to the Initial Fixed Dividend Rate, and shall be payable quarterly on each Dividend Payment Date. The initial Series L Dividend will be payable December 31, 2009 and will be an amount in cash equal to \$0.45308 per Series L Share. For greater certainty, no amount will be payable on September 30, 2009. On each Dividend Payment Date during the Initial Fixed Rate Period, (other than September 30, 2009 and December 31, 2009) the Series L Dividend will be equal to \$0.421875 per share.

(b) During each Subsequent Fixed Rate Period, Series L Dividends payable on the Series L Shares will be in an annual amount per share determined by multiplying the Annual Fixed Dividend Rate applicable to such Subsequent Fixed Rate Period by \$25.00, and shall be payable quarterly on each Dividend Payment Date during such Subsequent Fixed Rate Period.

(c) The Corporation will calculate on each Fixed Rate Calculation Date the Annual Fixed Dividend Rate for such Subsequent Fixed Rate Period and will, on the Fixed Rate Calculation Date, give written notice thereof to the Holders.

Each such determination by the Corporation of the Annual Fixed Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

## 2.2 Method of Payment

Series L Dividends shall (except in case of redemption or conversion in which case payment of Series L Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series L Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series L Dividends (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed for a period of six years from the date on which they were declared to be payable shall be forfeited to the Corporation.

## 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series L Dividends accrued to such date are not paid in full on all of the Series L Shares then outstanding, such Series L Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series L Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series L Dividends.

## 2.4 Dividend for Other than a Full Dividend Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series L Dividends for any period which is more or less than a full Dividend Period as follows:

(a) in respect of the period beginning on and including the date of initial issue of the Series L Shares up to and including December 31, 2009 (the "Initial Dividend Period"), a dividend in an amount per Series L Share equal to the amount obtained (rounded to five decimal places) where \$1.6875 is multiplied by a fraction, the numerator of which is the number of calendar days from and including the date of issue of the Series L Shares up to and including December 31, 2009 and the denominator of which is 365. The Series L Dividend payable for the Initial Dividend Period, payable as of December 31, 2009, as calculated by this method shall be \$0.45308 per Series L Share;

(b) in respect of any period other than the Initial Dividend Period that is less than a full Dividend Period, a dividend in an amount per Series L Share equal to the amount obtained (rounded to five decimal places) when the product of the Annual Fixed Dividend Rate and \$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

## 3. Redemption

### 3.1 Optional Redemption

The Corporation may not redeem any of the Series L Shares prior to September 30, 2014. On September 30, 2014 and on September 30 every five years thereafter (each, a "Series L Conversion Date"), the Corporation may, subject to the terms of any shares ranking prior to the Series L Shares, to applicable law and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and without the consent of the Holders, redeem all, or any part, of the then outstanding Series L Shares by the payment of an amount in cash for each such Series L Share so redeemed equal to \$25.00 per Series L Share, together with all accrued and unpaid Series L Dividends up to but excluding the date fixed for redemption (the "Redemption Price") (less any tax required to be deducted and withheld by the Corporation).

### 3.2 Partial Redemption

If less than all of the then outstanding Series L Shares are at any time to be redeemed, then the particular Series L Shares to be redeemed shall be selected on a pro rata basis disregarding fractions or, with the consent of the Toronto Stock Exchange, if the Series L Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series L Conversion Date of its intention to redeem such Series L Shares to each person who at the date of giving such notice is the Holder of Series L Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series L Shares to be redeemed in the manner provided for in Section 3.3. Such notice shall set out the number of such Series L Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series L Shares so called for redemption, subject to the

provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series L Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series L Shares called for redemption shall cease to be entitled to Series L Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series L Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), or such part thereof as at the time of deposit has not been claimed by 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 shares, 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 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice of redemption. After the Corporation has made a deposit as aforesaid with respect to any shares, the Holders thereof shall not, from and after the redemption date, be entitled to exercise any of the rights of shareholders 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 shares, without interest. Any interest allowed on such deposit shall belong to the Corporation. Subject to applicable law, redemption monies that are represented by a cheque which has not been presented to the Corporation's bankers for payment or that otherwise remain unclaimed (including monies held in deposit as provided for above) for a period of six years from the date specified for redemption shall be forfeited to the Corporation.

#### 4. Conversion of Series L Shares

##### 4.1 Conversion at the Option of the Holder

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series L Conversion Date, to convert, all, or any part of, the then outstanding Series L Shares registered in the name of the Holder into Class AAA Preference Shares, Series M ("Series M Shares") on the basis of one (1) Series M Share for each Series L Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series L Conversion Date to the Holders of the conversion privilege provided for herein (the "Conversion Privilege"). Such notice shall (i) set out the Series L Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30<sup>th</sup> day prior to each Series L Conversion Date, the Corporation will provide to the Holders written notice of the Annual Fixed Dividend Rate applicable to the Series L Shares for the next succeeding Subsequent Fixed Rate Period and the Floating Quarterly Dividend Rate applicable to the Series M Shares for the next succeeding Quarterly Floating Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series L Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series L Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series M Shares on a Series L Conversion Date if the Corporation determines that there would remain outstanding on the Series L Conversion Date less than 1,000,000 Series M Shares after taking into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series L Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered prior to such Series L Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series L Shares, new certificates representing the Series L Shares represented by any certificate or certificates surrendered as aforesaid.

##### 4.2 Automatic Conversion

If the Corporation determines that there would remain outstanding on a Series L Conversion Date less than 1,000,000 Series L Shares after taking into account all Series L Shares tendered for conversion into Series M Shares and all Series M Shares tendered for conversion into Series L Shares, then, all, but not part, of the remaining outstanding Series L Shares shall automatically be converted into Series M Shares on the basis of one (1) Series M Share for each Series L Share on the applicable Series L Conversion Date. The Corporation shall give notice in writing thereof to the Holders of such remaining Series L Shares at least seven (7) days prior to the Series L Conversion Date.

##### 4.3 Manner of Conversion

(a) Subject to the provisions of Section 14, the Conversion 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 L Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series L Conversion Date during usual business hours at any principal transfer



office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series L Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series L Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series L Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series L Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series L Shares into Series M Shares on the applicable Series L Conversion Date as provided for in Section 4.2, the Series L Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series L Conversion Date into Series M Shares and the Holders thereof shall be deemed to be holders of Series M Shares at 5:00 p.m. (Toronto time) on the Series L Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series L Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series M Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series L Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series L Shares so surrendered in accordance with this Section 4, 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 M Shares and the number of remaining Series L Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series L Conversion Date, so that the rights of the Holder of such Series L Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series M Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series M Shares at such time.

(e) The Holder of any Series L Share on the record date for any Series L Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series M Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series M Shares upon the conversion of Series L Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series M Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series M Shares are issued in respect of the issuance of such Series M Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Status of Converted Series L Shares

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

#### 4.5 Right Not to Deliver Series M Shares

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series M Shares to any Ineligible Person.

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

So long as any of the Series L Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series L Shares) on any shares of the Corporation ranking as to dividends junior to the Series L Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series L Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series L Shares;

(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 L Shares 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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series L Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the Series L Dividend payable for the last completed Dividend Period and on all other shares of the Corporation ranking prior to or on a parity with the Series L Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

#### 6. Purchase for Cancellation

Subject to applicable law and to the provisions described in Section 5 above, the Corporation may at any time purchase for cancellation the whole or any part of the Series L Shares 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 directors such shares are obtainable.

#### 7. Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the Holders shall be entitled to payment of an amount equal to \$25.00 per Series L Share, plus an amount equal to all accrued and unpaid Series L Dividends up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Corporation), before any amounts shall be paid or any assets of the Corporation distributed to the holders of any shares ranking junior as to capital to the Series L Shares. Upon payment of such amounts, the Holders shall not be entitled to share in any further distribution of the assets of the Corporation.

#### 8. Voting Rights

The Holders will not be entitled (except as otherwise provided by law and except for meetings of the Holders of Class AAA Preference Shares as a class and meetings of the Holders as a series) to receive notice of, attend, or vote at any meeting of shareholders of the Corporation unless and until the Corporation shall have failed to pay eight quarterly Series L Dividends whether or not consecutive. In the event of such non-payment, and for only so long as any such dividends remain in arrears, the Holders shall have the right to receive notice of and to attend each meeting of shareholders of the Corporation, other than 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 (1) vote for each Series L Share held. No other voting rights shall attach to the Series L Shares in any circumstances. Upon payment of the entire amount of all Series L Dividends 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

These Series L share provisions may be repealed, altered, modified or amended from time to time with such approval as may then be required by the Canada Business Corporations Act, any such approval to be given in accordance with Section 10.

#### 10. Approval of Holders

##### 10.1 Approval

Except as otherwise provided herein, any approval of the Holders with respect to any matters requiring the consent of the Holders may be given in such manner as may then be required by law, subject to a minimum requirement that such approval be given by a resolution signed by all the Holders or passed by the affirmative vote of at least 66 2/3% of the votes cast by the Holders who voted in respect of that resolution at a meeting of the Holders duly called for that purpose and at which the Holders of a majority of the outstanding Series L Shares are present or represented by proxy. If at any such meeting the Holder(s) of a majority of the outstanding Series L Shares 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 15 days thereafter and to such time and place as may be designated by the chairman of such meeting, and not less than 10 days' written notice shall be given of such adjourned meeting. At such adjourned meeting, the Holders(s) of Series L Shares represented in person or by proxy may transact the business for which the meeting was originally called and the Holders represented in person or by proxy shall form the necessary quorum. At any meeting of Holders as a series, each Holder shall be entitled to one (1) vote in respect of each Series L Share held.

##### 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 by laws of the Corporation with respect to meetings of shareholders or, if not so prescribed, as required by law. On every poll taken at every meeting of Holders, each Holder entitled to vote thereat shall have one (1) vote in respect of each Series L Share held.

#### 11. Tax Election

The Corporation shall elect, in the manner and within the time provided under the Tax Act, under Subsection 191.2(1) of Part VI.1 of the Tax Act, or any successor or replacement provision of similar effect, and take all other necessary action under the Tax Act, to pay or cause payment of tax under Part VI.1 of the Tax Act at a rate such that the corporate Holders

will not be required to pay tax on dividends received on the Series L Shares under Section 187.2 of Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

## 12. Communications with Holders

Except as specifically provided elsewhere in these share conditions, any notice, cheque, invitation for tenders or other communication from the Corporation herein provided for shall be sufficiently given, sent or made if delivered or if sent by first class unregistered mail, postage prepaid, to each Holder at the last address of such Holder as it appears on the securities register of the Corporation or, in the case of joint Holders, to the address of the Holder whose name appears first in the securities register of the Corporation as one of such joint Holders, or, in the event of the address of any of such Holders not so appearing, then to the last address of such Holder known to the Corporation. Accidental failure to give such notice, invitation for tenders or other communication to one or more Holders shall not affect the validity of the notices, invitations for tenders or other communications properly given or any action taken pursuant to such notice, invitation for tender or other communication but, upon such failure being discovered, the notice, invitation for tenders or other communication, as the case may be, shall be sent forthwith to such Holder or Holders.

If any notice, cheque, invitation for tenders or other communication from the Corporation given to a Holder pursuant to paragraph (b) is returned on three consecutive occasions because the Holder cannot be found, the Corporation shall not be required to give or mail any further notices, cheques, invitations for tenders or other communications to such Holder until the Holder informs the Corporation in writing of such Holder's new address.

If the directors determine that mail service is or is threatened to be interrupted at the time when the Corporation is required or elects to give any notice hereunder by mail, or is required to send any cheque or any share certificate to a Holder, whether in connection with the redemption or conversion of such share or otherwise, the Corporation may, notwithstanding the provisions hereof:

(a) give such notice by publication thereof once in a daily English language newspaper of general circulation published in each of Vancouver, Calgary, Winnipeg, Toronto, Montreal and Halifax, and once in a daily French language newspaper published in Montreal and such notice shall be deemed to have been validly given on the day next succeeding its publication in all of such cities; and

(b) fulfill the requirement to send such cheque or such share certificate by arranging for the delivery thereof to such Holder by the Transfer Agent, and such cheque and/or share certificate shall be deemed to have been sent on the date on which notice of such arrangement shall have been given as provided in (a) above, provided that as soon as the directors determine that mail service is no longer interrupted or threatened to be interrupted, such cheque or share certificate, if not theretofore delivered to such Holder, shall be sent by mail as herein provided.

## 13. Interpretation

### 13.1 Definitions

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

“Annual Fixed Dividend Rate” means, for any Subsequent Fixed Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 4.17%.

“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 Only System” means the record book-entry only 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.

“Conversion Privilege” has the meaning attributed to it in Section 4.1(a).

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

“Dividend Payment Date” in respect of the dividends payable on the Series L Shares means the last day of each of March, June, September, and December in each year.

“Dividend Period” means the period from and including the Issue Date up to and including December 31, 2009 and, thereafter, the period from the date following a Dividend Payment Date up to and including the next succeeding Dividend Payment Date.

“Election Notice” has the meaning attributed to it in Section 4.3.

“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 Dividend Rate” means, for any Quarterly Floating Rate Period, the rate (expressed as a percentage rate rounded down to the nearest one hundred-thousandth of one percent (with 0.000005% being rounded up)) equal to the sum of the T-Bill Rate on the applicable Floating Rate Calculation Date plus 4.17% calculated on the basis of the actual number of days elapsed in such Quarterly Floating Rate 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 Corporation, as being the yield to maturity on such date (assuming semiannual 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 Corporation or the Transfer Agent for the Series L Shares has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series L Shares or Series M Shares would require the Corporation to take any action to comply with securities or analogous laws of that jurisdiction.

“Initial Dividend Period” has the meaning ascribed thereto in Section 2.4.

“Initial Fixed Dividend Rate” means 6.75% per annum.

“Initial Fixed Rate Period” means the period commencing on the Issue Date and ending on and including September 30, 2014.

“Issue Date” means the date on which Series L Shares 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, 2014 and ending on and including December 31, 2014, and thereafter the period from and including the day immediately following the end of the immediately preceding Quarterly Floating Rate Period to but excluding the next succeeding Quarterly Commencement Date.

“Redemption Price” has the meaning attributed to it in Section 3.1.

“Series L Conversion Date” has the meaning attributed to it in Section 3.1.

“Series L Dividends” has the meaning attributed to it in Section 2.1.

“Series L Shares” has the meaning attributed to it in the introductory paragraph to these Series L share provisions.

“Series M Shares” means the Class AAA Preference Shares, Series M. “Subsequent Fixed Rate Period” means for the initial Subsequent Fixed Rate Period, the period commencing on October 1, 2014 and ending on and including September 30, 2019 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.

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

“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 CIBC Mellon Trust Corporation, a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series L Shares.

### 13.2 Interpretation of Terms

In these Series L share provisions:

(a) “accrued and unpaid dividends” means the aggregate of (i) all unpaid Series L Dividends for any completed Dividend Period; and (ii) a cash amount calculated as though Series L Dividends had been accruing on a day to day basis from but excluding the date on which the last quarterly dividend was payable up to and including the date to which the computation of accrued dividends is to be made;

(b) “in priority to”, “on a parity with” and “junior to” have reference to the order of priority in payment of dividends and in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs;

(c) in the event that any date on which any Series L Dividend is payable by the Corporation, or any date on or by which any other action is required to be taken by the Corporation or the Holders hereunder, is not a business day (as hereinafter defined), then such dividend 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. A “business day” shall be a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the province of Ontario;

(d) in the event of the non-receipt of a cheque by a Holder entitled to the cheque, or the loss or destruction of the cheque, the Corporation, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Corporation, will issue to the Holder a replacement cheque for the amount of the original cheque;

(e) the Corporation will be entitled to deduct or withhold from any amount payable to a Holder under these Series L share provisions any amount required by law to be deducted or withheld from that payment;

(f) 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;

(g) if it is necessary to convert any amount into Canadian dollars, the directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars; and

(h) all references herein to a Holder shall be interpreted as referring to a registered Holder.

#### 14. Book-Entry Only System

##### 14.1 Transfers etc. Through Participants

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

##### 14.2 Depository is Registered Holder

For the purposes of these Series L share provisions, as long as the Depository, or its nominee, is the registered Holder of the Series L Shares, the Depository, or its nominee, as the case may be, will be considered the sole Holder of the Series L Shares for the purpose of receiving notices or payments on or in respect of the Series L Shares, including payments of Series L Dividends, the Redemption Price or accrued and unpaid dividends, and the delivery of Series M Shares and certificates for those shares on the conversion into Series M Shares.

### **Number and Designation of and Rights, Privileges, Restrictions and Conditions Attaching to the Class AAA Preference Shares, Series M**

#### **14. Class AAA preference shares, Series M.** Brookfield Properties Corporation (the “Corporation”)

The twelfth series of Class AAA Preference Shares of the Corporation shall consist of 11,500,000 Class AAA Preference Shares which shall be designated as Class AAA Preference Shares, Series M (hereinafter referred to as the “Series M Shares”) and which, in addition to the rights, privileges, restrictions and conditions attaching to the Class AAA Preference Shares as a class, shall have attached thereto the following rights, privileges, restrictions and conditions:

##### 1. Consideration for Issue

The consideration for the issue of each Series M Share shall be \$25.00.

##### 2. Dividends

###### 2.1 Payment of Dividends

Holders of Series M Shares (the “Holders”) shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the directors of the Corporation, out of moneys of the Corporation properly applicable to the payment of dividends, cumulative preferential cash dividends (the “Series M Dividends”) payable quarterly on the last day of March, June, September and December (each, a “Dividend Payment Date”) at the rates herein provided by cheque at par in lawful money of Canada at any branch in Canada of the Corporation’s bankers for the time being or by any other reasonable means the Corporation deems desirable.

(a) During each Quarterly Floating Rate Period, Series M Dividends will be in an annual amount per share determined by multiplying the Floating Quarterly Dividend Rate applicable to such Quarterly Floating Rate Period by \$25.00, and shall be payable quarterly on each Dividend Payment Date during such Quarterly Floating Rate Period.

(b) The Corporation will calculate on each Floating Rate Calculation Date the Floating Quarterly Dividend 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 Corporation of the Floating Quarterly Dividend Rate will, in the absence of manifest error, be final and binding upon the Corporation and upon all Holders.

###### 2.2 Method of Payment

Series M Dividends shall (except in case of redemption or conversion in which case payment of Series M Dividends shall, subject to the provisions of Section 14, be made on surrender of the certificate representing the Series M Shares to be redeemed or converted) be paid by sending to each Holder (in the manner provided for in Section 12) a cheque for such Series M Dividends (less any tax required to be deducted and withheld by the Corporation) 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. The posting or delivery of such cheque on or before the date on which such dividend 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 dividends to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation from the related dividends as aforesaid and remitted to the proper taxing authority) unless such cheque is not honoured when presented for payment. Subject to applicable law, dividends which are represented by a cheque which has not been

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

### 2.3 Cumulative Payment of Dividends

If on any Dividend Payment Date, the Series M Dividends accrued to such date are not paid in full on all of the Series M Shares then outstanding, such Series M Dividends, or the unpaid part thereof, shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient monies properly applicable to the payment of such Series M Dividends. The Holders shall not be entitled to any dividends other than or in excess of the Series M Dividends.

### 2.4 Dividend for Other than a Full Quarterly Rate Period

The Holders shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the directors, out of moneys of the Corporation properly applicable to the payment of dividends, Series M Dividends for any period which is less than a full Quarterly Floating Rate Period, a dividend in an amount per Series M Share equal to the amount obtained (rounded to five decimal places) when the product of the Floating Quarterly Dividend Rate and \$25.00 is multiplied by a fraction, the numerator of which is the number of calendar days in the relevant period (which shall include the first and last day of such period) and the denominator of which is the number of calendar days in the year in which such period falls.

## 3. Redemption

### 3.1 Optional Redemption

The Corporation may not redeem any of the Series M Shares prior to September 30, 2014. Thereafter, the Corporation may, subject to the terms of any share ranking prior to the Series M Shares, to applicable laws and to the provisions described under Section 5 below, upon giving notice as hereinafter provided, at its option and at any time without the consent of the Holders, redeem all, or from time to time any part, of the then outstanding Series M Shares by -the payment of an amount in cash for each Series M Share so redeemed equal to (i) \$25.00 in the case of redemptions on September 30, 2019 and on September 30 every five years thereafter (each a "Series M Conversion Date"), or (ii) \$25.50 in the case of redemptions on any date which is not a Series M Conversion Date after September 30, 2014, in each case including all accrued and unpaid Series M Dividends up to but excluding the date fixed for redemption (the "Redemption Price") (less any tax required to be deducted and withheld by the Corporation).

### 3.2 Partial Redemption

If less than all of the then outstanding Series M Shares are at any time to be redeemed, then the particular Series M Shares to be redeemed shall be selected on a pro rata basis disregarding fractions or, with the consent of the Toronto Stock Exchange, if the Series M Shares are at such time listed on such exchange, in such manner as the directors in their sole discretion may, by resolution, determine.

### 3.3 Method of Redemption

The Corporation shall give notice in writing not less than 30 days nor more than 60 days prior to the applicable Series M Conversion Date of its intention to redeem such Series M Shares to each person who at the date of giving such notice is the Holder of Series M Shares to be redeemed. Any such notice shall be validly and effectively given on the date on which it is sent to each Holder of Series M Shares to be redeemed in the manner provided for in Section 12. Such notice shall set out the number of such Series M Shares 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 Corporation shall pay or cause to be paid to the Holders to be redeemed the Redemption Price (less any tax required to be deducted and withheld by the Corporation) on presentation and surrender, at any place within Canada designated by such notice, of the certificate or certificates for such Series M Shares so called for redemption, subject to the provisions of Section 14. Such payment shall be made by cheque in the amount of the Redemption Price (less any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) payable at par at any branch in Canada of the Corporation's bankers for the time being or by any other reasonable means that the Corporation deems desirable and the delivery of such cheque in such amount shall be a full and complete discharge of the Corporation's obligation to pay the Redemption Price owed to the Holders of Series M Shares so called for redemption to the extent of the sum represented thereby (plus the amount of any tax required to be and in fact deducted and withheld by the Corporation and remitted to the proper taxing authority) unless the cheque is not honoured when presented for payment. From and after the date specified in any such notice, the Series M Shares called for redemption shall cease to be entitled to Series M Dividends and the Holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof, except to receive the Redemption Price therefor (less any tax required to be deducted and withheld by the Corporation), unless payment of the Redemption Price shall not be duly made by the Corporation. At any time after notice of redemption is given as aforesaid, the Corporation shall have the right to deposit the Redemption Price of any or all Series M Shares called for redemption (less any tax required to be deducted and withheld by the Corporation), 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 shares, 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 14. Upon such deposit or deposits being made, such shares shall be redeemed on the redemption date specified in the notice

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

#### 4. Conversion of Series M Shares

##### 4.1 Conversion at the Option of the Holder

(a) Subject to applicable law and the terms and provisions hereof, Holders will have the right, at their option, on each Series M Conversion Date, to convert all, or any part of, the then outstanding Series M Shares registered in the name of the Holder into Class AAA Preference Shares, Series L ("Series L Shares") on the basis of one (1) Series L Share for each Series M Share. The Corporation shall provide written notice not less than 30 and not more than 60 days prior to the applicable Series M Conversion Date to the Holders of the conversion privilege provided for herein (the "Conversion Privilege"). Such notice shall (i) set out the Series M Conversion Date, and (ii) include instructions to such Holders as to the method by which such Conversion Privilege may be exercised, as described in Section 4.3. On the 30<sup>th</sup> day prior to each Series M Conversion Date, the Corporation will provide to the Holders written notice of the Floating Quarterly Dividend Rate applicable to the Series M Shares for the next succeeding Quarterly Floating Rate Period and the Annual Fixed Dividend Rate applicable to the Series L Shares for the next succeeding Subsequent Fixed Rate Period, in each case as determined by the Corporation.

(b) If the Corporation gives notice as provided in Section 3 to the Holders of the redemption of all the Series M Shares, the Corporation will not be required to give notice as provided in this Section 4.1 to the Holders of the Floating Quarterly Dividend Rate, Annual Fixed Dividend Rate or Conversion Privilege and the right of any Holder to convert Series M Shares as herein provided shall cease and terminate in that event.

(c) Holders shall not be entitled to convert their shares into Series L Shares on a Series M Conversion Date if the Corporation determines that there would remain outstanding on the Series M Conversion Date less than 1,000,000 Series L Shares after taking into account all Series M Shares tendered for conversion into Series L Shares and all Series L Shares tendered for conversion into Series M Shares. The Corporation shall give written notice thereof to all affected Holders at least seven (7) days prior to the applicable Series M Conversion Date and, subject to the provisions of Section 14, shall issue and deliver, or cause to be delivered, prior to such Series M Conversion Date, at the expense of the Corporation, to the Holders who have surrendered for conversion any endorsed certificate or certificates representing Series M Shares new certificates representing the Series M Shares represented by any certificate or certificates surrendered as aforesaid.

##### 4.2 Automatic Conversion

If the Corporation determines that there would remain outstanding on a Series M Conversion Date less than 1,000,000 Series M Shares after taking into account all Series M Shares tendered for conversion into Series L Shares and all Series L Shares tendered for conversion into Series M Shares, then, all, but not part, of the remaining outstanding Series M Shares shall automatically be converted into Series L Shares on the basis of one (1) Series L Share for each Series M Share on the applicable Series M Conversion Date. The Corporation shall give notice in writing thereof to the Holders of such remaining Series M Shares at least seven (7) days prior to the Series M Conversion Date.

##### 4.3 Manner of Conversion

(a) Subject to the provisions of Section 14, the Conversion 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 M Conversion Date but not later than 5:00 p.m. (Toronto time) on the 15<sup>th</sup> day preceding the applicable Series M Conversion Date during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, accompanied by (1) payment or evidence of payment of the tax (if any) payable as provided in this Section 4.3; and (2) the certificate or certificates representing the Series M Shares in respect of which the Holder thereof desires to exercise the Conversion Privilege with the transfer form on the back thereof or other appropriate stock transfer power of attorney duly endorsed by the Holder, or his or her attorney duly authorized in writing, in which Election Notice such Holder may also elect to convert part only of the Series M Shares represented by such certificate or certificates not theretofore called for redemption in which event the Corporation will issue and deliver or cause to be delivered to such Holder, at the expense of the Corporation, a new certificate representing the Series M Shares represented by such certificate or certificates that have not been converted. Each Election Notice will be irrevocable once received by the Corporation.

(b) If the Corporation does not receive an Election Notice from a Holder during the notice period therefor, then the Series M Shares shall be deemed not to have been converted (except in the case of an automatic conversion pursuant to Section 4.2).

(c) In the event the Corporation is required to convert all remaining outstanding Series M Shares into Series L Shares on the applicable Series M Conversion Date as provided for in Section 4.2, the Series M Shares in respect of which the Holders have not previously elected to convert shall be converted on the Series M Conversion Date into Series L Shares and the Holders thereof shall be deemed to be holders of Series L Shares at 5:00 p.m. (Toronto time) on the Series M

Conversion Date and shall be entitled, upon surrender during usual business hours at any principal transfer office of the Transfer Agent, or such other place or places in Canada as the Corporation may agree, of the certificate or certificates representing Series M Shares not previously surrendered for conversion, to receive a certificate or certificates representing the same number of Series L Shares in the manner and subject to the terms and provisions as provided in this Section 4.3 and Section 14.

(d) Subject to the provisions of Section 14, as promptly as practicable after the Series M Conversion Date, the Corporation shall issue and deliver, or cause to be delivered to or upon the written order of the Holder of the Series M Shares so surrendered in accordance with this Section 4, 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 L Shares and the number of remaining Series M Shares, if any, to which such Holder is entitled. Such conversion shall be deemed to have been made at 5:00 p.m. (Toronto time) on the Series M Conversion Date, so that the rights of the Holder of such Series M Shares as the Holder thereof shall cease at such time and the person or persons entitled to receive the Series L Shares upon such conversion will be treated for all purposes as having become the holder or holders of record of such Series L Shares at such time.

(e) The Holder of any Series M Share on the record date for any Series M Dividend declared payable on such share shall be entitled to such dividend notwithstanding that such share is converted into Series L Shares after such record date and on or before the date of the payment of such dividend.

(f) Subject to the provisions of Section 14, the issuance of certificates for the Series L Shares upon the conversion of Series M Shares shall be made without charge to the converting Holders for any fee or tax in respect of the issuance of such certificates or the Series L Shares represented thereby; provided, however, that the Corporation shall not be required to pay any tax which may be imposed upon the person or persons to whom such Series L Shares are issued in respect of the issuance of such Series L Shares or the certificate therefor or which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate in the name or names other than that of the Holder or deliver such certificate unless the person or persons requesting the issuance thereof shall have paid to the Corporation the amount of such tax or shall have established to the satisfaction of the Corporation that such tax has been paid.

#### 4.4 Status of Converted Series M Shares

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

#### 4.5 Right Not to Deliver Series L Shares

On the exercise of the Conversion Privilege by a Holder, the Corporation reserves the right not to deliver Series L Shares to any Ineligible Person.

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

So long as any of the Series M Shares are outstanding, the Corporation shall not, without the approval of the Holders:

(a) declare, pay or set apart for payment any dividends (other than stock dividends payable in shares of the Corporation ranking as to capital and dividends junior to the Series M Shares) on any shares of the Corporation ranking as to dividends junior to the Series M Shares;

(b) except out of the net cash proceeds of a substantially concurrent issue of shares of the Corporation ranking as to return of capital and dividends junior to the Series M Shares, redeem or call for redemption, purchase or otherwise pay off, retire or make any return of capital in respect of any shares of the Corporation ranking as to capital junior to the Series M Shares;

(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 M Shares 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 Class AAA Preference Shares, ranking as to the payment of dividends or return of capital on a parity with the Series M Shares;

unless, in each such case, all accrued and unpaid dividends up to and including the Series M Dividend payable for the last completed Quarterly Floating Rate Period and on all other shares of the Corporation ranking prior to or on a parity with the Series M Shares with respect to the payment of dividends have been declared and paid or set apart for payment.

*(N.B. Pour des raisons techniques, la suite de l'acte est publiée au Mémorial C-N° 765 du 15 mars 2016.)*

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