



General By-Laws

LAURENTIAN BANK OF CANADA GENERAL BY-LAWS

BY-LAW I DEFINITIONS

1. Definitions

In these by-laws, unless otherwise required or if the context indicates otherwise:

- a) "Act" means the Bank Act (Canada) and any other statute which may be substituted therefor, as amended from time to time;
- b) "by-laws" means the General By-Laws of the Bank, as amended from time to time;
- c) "charter" means the Act and the letters patent, as amended from time to time, in respect of the amalgamation, continuance, reorganization, dissolution, reconstitution or arrangement of the Bank.

2. Other Definitions

Subject to the foregoing, terms defined in the Act shall have the same meaning when used in these by-laws.

BY-LAW II NAME, HEAD OFFICE AND SEAL

1. Name

The name of the Bank shall be in English, Laurentian Bank of Canada and in French, Banque Laurentienne du Canada.

2. Head Office

The head office of the Bank shall be situated in Montreal, Quebec.

3. Seal

The seal of the Bank shall be circular in form and shall bear the name of the Bank.

The Chairman of the Board, any Vice-Chairman of the Board, the President, any Executive Vice-President, the Secretary or any Assistant Secretary, and any employee of the Bank as the Board of Directors may appoint and authorize, shall have authority to affix the seal to any document.

BY-LAW III SHAREHOLDERS

1. Annual Meetings

The annual meeting of shareholders shall be held no later than six months after the end of each financial year of the Bank, on such date as the directors determine by resolution.

[1993-01-29]

2. Special Meetings

A special meeting of shareholders may be called at any time by the Board of Directors or any four of its members or by the shareholders as provided in the Act.

3. Place of Meetings

Meetings of shareholders shall be held at the head office of the Bank or at such other place in Canada as determined by the directors.

4. Notice of Meeting

Notice of the time and place of a meeting of shareholders of the Bank shall be:

- a) published for at least four consecutive weeks before the date of the meeting in a newspaper published at the place where the head office of the Bank is situated; and
- b) sent not less than 21 days nor more than 50 days before the date of the meeting i) to each shareholder entitled to vote at the meeting, ii) to each director, and iii) to the auditors of the Bank.

A notice of a meeting of shareholders must also state all other information prescribed by the Act.

5. Chairman of Meeting

The Chairman of the Board or, in his absence, the President shall chair any meeting of shareholders; in the event of the absence or incapacity of such persons, the shareholders present may select a person from their number to act as chairman of the meeting.

6. Quorum and Adjournment

A quorum shall be present at any meeting of shareholders if two holders holding at least 25% of the outstanding shares of the Bank entitled to be voted at the meeting are present in person or represented by proxy. However, where the provisions relating to a class or series of shares otherwise provide for the quorum for meetings of the holders thereof, such provisions shall apply to meetings of such shareholders.

If a quorum is not present at the opening of a meeting of shareholders, the shareholders present may by resolution adjourn the meeting to a fixed time and place, but may not transact any other business.

If a meeting of shareholders is adjourned for less than 30 days, it is not necessary to give notice of the adjourned meeting, other than by the announcement at the said meeting.

[2016-04-06]

7. Vote

Unless the Act, charter or by-laws otherwise provide, any matter submitted at a meeting of shareholders shall be decided by a majority of the votes cast.

8. Right to Vote

Unless the Act, charter or by-laws otherwise provide, voting at a meeting of shareholders of any class or series shall be by show of hands except where, before or after any vote by show of hands, a ballot is demanded by the Chairman or any shareholder or proxyholder entitled to vote at the meeting; on a vote by show of hands, each shareholder present and entitled to vote or his proxyholder shall be entitled to one vote. On a vote by ballot, each shareholder present and entitled to vote or his proxyholder shall be entitled to one vote for each share of a specific class or series carrying the right to vote.

8.1 [Repealed 2016-04-06]

9. Proxies and Proxies Solicitation

Any shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or one or more alternate proxyholders who are not required to be shareholders, to attend and to act at the meeting within the limits provided in the proxy.

The directors may specify in the notice of a meeting of shareholders a time not exceeding 48 hours, excluding Saturdays and holidays, preceding the meeting or an adjournment thereof before which time proxies to be used at the meeting must be deposited with the Bank or its agent.

10. Scrutineers

The Chairman of any meeting of shareholders may appoint one or several persons, whether or not they are shareholders, to act as scrutineers at such meeting.

BY-LAW IV BOARD OF DIRECTORS

1. Number of Directors

The Board of Directors shall consist of no fewer than seven and no more than thirteen directors, at least three-quarters of whom shall be Canadian citizens ordinarily residing in Canada.

The number of directors to be elected at any annual meeting of shareholders shall be determined by resolution of the Board of Directors prior to the meeting. The directors may, furthermore, at any time provided there is a quorum, appoint additional directors during the year, within the limits allowed by the Act and this By-Law.

[1989-01-27, 1992-01-24, 1993-01-29, 1995-02-03, 1996-02-29, 1997-03-04, 2001-04-12, 2004-03-17, 2016-04-06]

2. Election and Term of Office

Unless the by-laws provide otherwise, each director shall be elected at the annual meeting of shareholders. Each director shall hold office until the close of the first annual meeting of shareholders following his election or appointment or until the election or appointment of his successor.

[2016-04-06]

2.1 Eligibility of Directors

Is not eligible to reelection as director the director who did not attend at least 60% of meetings of the Board of Directors during the two complete financial years preceding the annual meeting at which his reelection is proposed, except if the absences are justified by serious health reasons.

[2000-04-05]

3. Powers of Directors

Subject to the Act, the directors shall manage the business and affairs of the Bank without the necessity for a by-law to be passed in order to confer upon them any particular power.

Subject to the Act, the directors may declare and pay dividends to the shareholders in accordance with their respective rights as they consider advisable.

4. Date of Meetings and Notice

Immediately after each annual meeting of shareholders and without the need of prior notice, a meeting of the new directors who are then present may be held, provided that such directors constitute a quorum, for the election or appointment of officers and the transaction of any other business.

Regular meetings of the Board of Directors shall be held at the time and place fixed by the Board of Directors and communicated to the directors in writing, without the necessity of any other notice.

Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, the President or five directors. Notice of the time and place of each special meeting shall be sent by mail or telegram or communicated by telephone to each director at least 24 hours before the time and the date fixed for the meeting.

Special meetings of the Board of Directors may be held without notice when all the directors are present or when those absent have waived in writing a notice of such meeting.

Any meeting of the Board of Directors or of any of its committees may be held by means of such telephone or other communications facilities as permit all persons participating in the meeting to hear each other; directors participating in such meeting shall be deemed to be present at that meeting.

5. Place of Meeting

Any meeting of the Board of Directors may be held at the head office of the Bank or at any other place determined by the Board of Directors.

6. Chairman of Meeting

The Chairman of the Board or, in his absence, any other person as may be designated from time to time by the directors by resolution, shall act as Chairman at all meetings of the Board of Directors; in the event of the absence or incapacity of such persons, the directors present may select one of them to act as chairman of the meeting.

7. Quorum

The majority of directors in office shall constitute a quorum.

Business submitted at any meeting of directors shall be decided by the majority vote of the directors present.

[2004-03-17]

8. Vacancy

Unless the Act provides otherwise, the directors in office, if they constitute a quorum, may fill any vacancy on the Board.

9. Removal of Directors

Unless the Act provides otherwise, the shareholders may by ordinary resolution at a special meeting of shareholders remove any director from office; any vacancy created by the removal of a director may be filled at such special meeting of shareholders.

10. Remuneration of Directors

Subject to a by-law fixing the aggregate of all amounts that may be paid to all directors as directors during a fixed period of time, confirmed by special resolution of the shareholders, each director shall receive such remuneration as determined, from time to time, by resolution of the Board of Directors.

BY-LAW V COMMITTEES

1. Executive Committee

The Board of Directors may by resolution appoint an executive committee of not less than five directors, the majority of whom shall be Canadian citizens ordinarily resident in Canada and not officers of the Bank, and, subject to the Act, may delegate any of its powers to such committee.

2. Audit Committee

In accordance with the Act, the Board of Directors shall appoint an audit committee composed of not less than three directors, none of whom are officers or employees of the Bank or any of its affiliates, to carry out the duties prescribed by the Act and any other duties determined by the Board of Directors.

2.1 Risk Management Committee

In accordance with the Act, the Board of Directors shall appoint by resolution a risk management committee composed of not less than three directors, the majority of whom are not persons affiliated with the Bank, as defined in the Act, and none of whom are officers or employees of the Bank or any of its affiliates, to carry out the duties of the conduct review committee prescribed by the Act and any other duties delegated by the Board of Directors in accordance with the Act.

[1993-01-29, 2001-04-12]

3. Other Committees

The Board of Directors may by resolution appoint committees of not less than three directors, the majority of whom shall be Canadian citizens ordinarily resident in Canada and not officers of the Bank, and, subject to the Act, may delegate any of its powers to such committees.

[2001-04-12]

4. Procedure

Unless the Act and by-laws provide otherwise, the Board of Directors may by resolution make regulations concerning the appointment of committees, the calling and holding of committee meetings, the required quorum, the procedures to be followed at such meetings and the remuneration of committee members; the Board of Directors may also amend, repeal or reinstate such regulations.

BY-LAW VI OFFICERS

1. Elected Officers

At the first meeting following the annual meeting of shareholders during which the directors were elected, they may elect from their number a Chairman of the Board, one or more Vice-Chairmen of the Board and a President, and shall elect from their number a Chief Executive Officer. Other officers may also be elected as the directors deem necessary. The same person may hold more than one office.

2. Appointed Officers

The Board of Directors may appoint one or more Executive Vice-Presidents, one or more Senior Vice-Presidents, one or more Vice-Presidents, a Secretary and shall appoint officers to carry out the functions of Chief General Manager and Chief Accountant. Other officers may also be appointed as the directors deem necessary. The same person may hold more than one office.

3. Powers and Duties of Officers

In addition to the powers and duties provided in the Act, each officer shall have all the powers and duties which the Board of Directors may assign to him by resolution.

BY-LAW VII SECURITIES

1. Security Certificates

Certificates representing the securities of the Bank shall be drafted in accordance with the Act and the resolutions of the Board of Directors. Such certificates shall be signed as prescribed by the Act and by any resolution of the Board of Directors pertaining thereto.

2. Securities Register

The Bank shall maintain a central register of its securities, or have such a register maintained, at its head office or at any other place in Canada designated by the directors. The Bank may also maintain one or more branch registers of its securities, or have such registers maintained, at any place in or out of Canada designated by the directors.

Unless any by-law or resolution of the Board of Directors concerning the issuing of bearer securities provides otherwise, no transfer of the securities of the Bank shall be valid or entered in the central securities register or any branch securities register, unless the certificates representing the securities so transferred are remitted together with any other documents or proof which may be required.

3. Transfer Agent

The Board of Directors may, from time to time, by resolution, appoint or replace the transfer agents for the securities of the Bank and, regulate the transfer of the securities of the Bank.

4. Lost, Destroyed or Stolen Certificates

The Bank shall issue a new security certificate to the owner claiming that one of its securities has been lost, destroyed or stolen and if such owner:

- a) so requests before the Bank has noticed that the security has been acquired by a bona fide purchaser;
- b) furnishes the Bank with a sufficient indemnity bond; and
- c) satisfies any other reasonable requirements imposed by the Bank.

5. Restrictions as to Securities and Shareholders

The directors may make such arrangements as they deem necessary to ensure the application of restrictions concerning securities and shareholders of the Bank provided under the Act, including, without limiting the generality of the foregoing, the directors may:

- a) require that any person in whose name a share of the capital of the Bank is held to submit a declaration with respect to the ownership of such share, the place in which the shareholder and any person in whose right or for whose use or benefit the share is held are ordinarily resident, the association of the shareholder with any other shareholder, and with respect to such other matter as the directors may deem necessary for the application of the Act;
- b) require that anyone desiring a transfer of a share to be recorded in his name or desiring to subscribe for a share of the capital of the Bank, submit the declaration which may be required of a shareholder; and
- c) provide for the determination of the circumstances in which any declarations shall be required, as well as their form and the times at which they are to be furnished.

The Bank may make the issuing of a share or the registration of its transfer or the exercise of any voting right in connection with such share contingent upon the presentation of such a declaration.

**BY-LAW VIII
RECORD DATE**

1. Record Date for Notices

The Board of Directors may by resolution fix in advance a date as the record date for the purpose of determining shareholders entitled to receive notice of a meeting, but such record date shall not precede by more than 50 days or by less than 21 days the date on which the meeting is to be held. Notice of the record date must be given in accordance with the Act. Only those shareholders registered on the records of the Bank or of its transfer agent on the record date shall be entitled to receive notice of the meeting, but failure to receive a notice shall not deprive a shareholder of the right to vote.

2. Record Date for Purposes of Dividends, Liquidation Distribution or Any Other Purpose

The Board of Directors may by resolution fix in advance a date as the record date for the purpose of determining shareholders:

- a) entitled to receive payment of a dividend;
- b) entitled to participate in a liquidation distribution; or
- c) for any other purpose except to the right to receive notice of or to vote at a meeting;

but such record date shall not precede by more than 50 days the particular action to be taken. Notice of the record date shall be given in accordance with the Act. Only those shareholders registered on the records of the Bank or of its transfer agent on the record date shall be entitled to the above rights.

**BY-LAW IX
ISSUE OF SHARES**

Subject to the Act, the issuance of shares of a class or series of the capital of the Bank shall be subject to the discretion of the directors who may, from time to time, accept subscriptions, allot, distribute, and issue, in whole or in part, or otherwise dispose of shares of a class or series of the Bank, in any manner whatsoever, and grant options pertaining thereto, to any person, according to the terms and subject to the conditions, for such consideration and at such time as they may prescribe, and without being required to first offer them to shareholders of a class or series of the capital of the Bank.

**BY-LAW X
INDEMNIFICATION OF DIRECTORS AND OFFICERS**

Subject to the Act, directors and officers of the Bank and any person who acts or acted at the request of the Bank as a director or officer of a corporation of which the Bank is or was a shareholder or creditor, and his heirs and legal representatives, respectively shall be indemnified against:

- a) all costs, charges and reasonable expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Bank or such corporation, except in respect of an action by or on behalf of the Bank or such corporation to procure a judgement in its favour, if:
 - i) he acted honestly and in good faith with a view to the best interests of the Bank; and
 - ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful;
- b) all costs, charges and expenses reasonably incurred by him in connection with an action by or on behalf of the Bank or corporation to procure a judgement in its favour, to which he is made a party by reason of being or having been a director or officer of the Bank or corporation, if he fulfils the conditions set out in i) and ii) above and if the approval of the court has been obtained; and
- c) all other costs, charges and expenses reasonably incurred by him in connection with the defence of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Bank or corporation, if the person seeking indemnity was substantially successful on the merits of his defence of the action or proceedings and fulfils the conditions set out in paragraph i) and ii) above;

except, however, for costs, charges and expenses resulting from his own fault, negligence or wilful omission.

Subject to the Act, the Bank may purchase and maintain insurance for the benefit of any person referred to above against any liability provided in the Act, on such terms determined by the Board of Directors.

BY-LAW XI AMENDMENT AND REPEAL OF BY-LAWS

The directors may, from time to time, make, amend or repeal by-laws not contrary to the Act or the charter, including by-laws concerning the business and affairs of the Bank.

The by-laws (except those which, under the Act, need to be confirmed by the shareholders before taking effect) and every amendment or repeal thereof shall be effective from the date of the resolution of the directors; the by-laws, amendment or repeal of a by-law, shall, however, be submitted to the shareholders at the next meeting of shareholders of the Bank, and the shareholders may, by ordinary or special resolution, as required under the Act, confirm, reject or amend the by-law, amendment or repeal.

If a by-law, amendment or repeal of a by-law is rejected by the shareholders, or if the directors do not submit a by-law, amendment or repeal to the shareholders, the by-law, amendment or repeal shall cease to be effective from the date of the shareholders meeting following the date of the resolution of the directors.

BY-LAW XII AGGREGATE ANNUAL REMUNERATION OF THE DIRECTORS OF THE BANK

The aggregate amount of the remuneration which may be paid to all the directors of the Bank as directors during each financial year of the Bank shall not exceed the aggregate amount of \$2,000,000.

[1990-01-26, 1992-01-24, 1996-02-29, 1998-03-03, 2003-03-20, 2013-03-19]

BY-LAW XIII CAPITAL

1. Authorized Capital

The authorized capital of the Bank shall consist of i) an unlimited number of class A preferred shares, without par value, which may be issued in series and ii) an unlimited number of ordinary shares, without par value.

[1990-01-26), 1993-01-29]

2. Class A Preferred Shares

The Class A Preferred Shares (the "Class A Preferred Shares") shall as a class, carry and be subject to the rights, privileges, restrictions and conditions hereinafter set out:

2.1 Issuance in Series

Subject to the Act, the Class A Preferred Shares shall be issuable in series, as hereinafter provided, and such series shall rank pari passu as to dividends and return of capital. The Board of Directors shall have the right, by resolution, but subject to the Act and subject to the provisions herein contained and to any conditions attaching to any outstanding series of Class A Preferred Shares, to fix the number of shares in, and to determine the respective designations, rights, privileges, restrictions and conditions of, each series of Class A Preferred Shares, including the rate, the amount or the method of calculation and terms of payment of dividends, cumulative or not, the terms and conditions of redemption (including redemption at the option of the holder), purchase or conversion and sinking funds or purchase funds provisions.

[2016-04-06]

2.2 Dividends

The holders of any series of Class A Preferred Shares shall have priority over the holders of common shares and shares of any other class of shares of the Bank ranking junior to the Class A Preferred Shares, as to the right to receive dividends, as declared by the Board of Directors of the Bank, for the amounts indicated or to be determined in accordance with the provisions of any such series and said dividends may be cumulative or not and payable in cash or in the form of share dividends or in any other way that may be authorized.

In the case of cumulative dividends, the priority shall cover all the prior completed periods for which such dividends are payable as well as any other amounts in respect of dividends, if any, that may be indicated in the provisions attaching to any particular series. In the case of non-cumulative dividends, the priority shall cover all declared and unpaid dividends.

The holders of any series of Class A Preferred Shares shall not be entitled to any additional dividend or dividend other than those expressly provided for in the rights, privileges, restrictions and conditions attached to such series of Class A Preferred Shares.

2.3 Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Bank or any other distribution of its assets amongst its shareholders for the purpose of winding-up its affairs, the holders of each series of Class A Preferred Shares shall be entitled to, before any amount is paid or any property distributed to the holders of common shares or shares of any other class of shares of the Bank ranking junior to the Class A Preferred Shares, and to the extent provided for in respect of a series, i) an amount equal to the price at which such shares were issued, ii) such premium, if any, as has been provided for with respect to such series, and iii) in the case of cumulative Class A Preferred Shares, all cumulative unpaid dividends (which for such purpose shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends were paid up to and including the date of distribution) and, in the case of non-cumulative Class A Preferred Shares, all non-cumulative declared and unpaid dividends. After payment to the holders of the Class A Preferred Shares of the amounts so payable to them, they shall not participate in any further distribution of the property or assets of the Bank.

2.4 Voting Rights

Subject to the Act and except as otherwise provided herein or in the rights, privileges, restrictions and conditions attaching to any series of Class A Preferred Shares, the holders of Class A Preferred Shares shall not, as such, have any voting rights for the election of the directors of the Bank or for any other purpose, nor shall they be entitled to receive any notice of or attend meetings of shareholders.

2.5 Creation or Issue of Shares Ranking in Priority to or *pari passu* with the Class A Preferred Shares

The Bank shall not, without the prior approval of the holders of Class A Preferred Shares as a class given as hereinafter specified (but subject to such approvals as may be required by the Act or any other legal requirement), create any additional Class A Preferred Shares or shares of any other class ranking in priority to or *pari passu* with the Class A Preferred Shares. The Bank shall not, without the prior approval of the holders of the Class A Preferred Shares as a class given as hereinafter specified (but subject to such approvals as may be required by the Act or any other legal requirement), issue any additional series of Class A Preferred Shares or shares of any other class ranking in priority to or *pari passu* with the Class A Preferred Shares, unless at the date of such issuance all cumulative dividends up to and including the last completed period for which such cumulative dividends were payable, have been declared and paid or set aside for payment in respect of each series of cumulative Class A Preferred Shares then issued and outstanding and all declared and unpaid non-cumulative dividends have been paid or set aside for payment in respect of each series of non-cumulative Class A Preferred Shares then issued and outstanding.

2.6 Modifications and Approval by the Holders of Class A Preferred Shares

The provisions contained in sections 2.1 to 2.5 and herein contained in this section 2.6 shall not be deleted or modified, in whole or in part, without the approval of the holders of the Class A Preferred Shares given as hereinafter specified in addition to any other approval as may be required by the Act.

The approval of the holders of the Class A Preferred Shares with respect to any and all matters hereinbefore referred to shall be given in writing by the holders of all of the Class A Preferred Shares then issued and outstanding or by resolution duly passed by not less than two-thirds of the votes cast by the holders of the Class A Preferred Shares at a meeting of such holders duly held. At such meeting, the holders of the majority of the issued and outstanding Class A Preferred Shares shall be present in person or represented by proxy.

However, if at any such original meeting, the holders of the majority of the Class A Preferred Shares are not present in person or so represented by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, to such time and place fixed by the Chairman of such meeting. At such adjourned meeting, the holders of Class A Preferred Shares present in person or so represented by proxy, whether or not they hold the majority of the Class A Preferred Shares then issued and outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed by not less than two-thirds of the votes cast at such adjourned meeting shall constitute the approval of the holders of the Class A Preferred Shares hereinbefore mentioned.

Notice of any such original meeting of the holders of the Class A Preferred Shares shall be given not less than 21 days nor more than 50 days prior to the date fixed for such meeting, shall be published as required by the Act and shall state the nature of the business on the agenda and the text of any special resolution to be submitted to the meeting. In the event of an adjournment for less than 30 days, no notice of any such adjourned meeting shall be necessary other than by announcement at the meeting that is adjourned. If such adjournment is 30 days or more, notice of such adjourned meeting shall be given as required by the Act. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws with respect to meetings of shareholders or by the Act.

If the deletions or modifications of the provisions referred to above affect particularly the rights of holders of any series of Class A Preferred Shares in a manner different from the manner in which they affect the rights of holders of any other series of Class A Preferred Shares, then such deletions or modifications shall, in addition to being approved by the holders of the Class A Preferred Shares as hereinabove set forth, be approved by the holders of the series of Class A Preferred Shares affected in a particular manner. Such approval shall be given in writing by the holders of all such series of Class A Preferred Shares then issued and outstanding or by resolution passed by not less than two-thirds of the votes cast at a meeting of the holders of such series of Class A Preferred Shares and the provisions of section 2.6 shall apply, *mutatis mutandis*, with respect to the conduct of such meeting.

At any meeting of the holders of Class A Preferred Shares, with or without distinction as to series, each holder shall be entitled to one vote in respect of each Class A Preferred Share held by him.

2.7 [Repealed 2016-04-06]

2.8 [Repealed 2016-04-06]

2.9 [Repealed 2016-04-06]

2.10 [Repealed 2016-04-06]

2.11 [Repealed 2016-04-06]

3. Common Shares

The Common Shares ("Common Shares"), as a class, shall carry and be subject to the rights, privileges, restrictions and conditions hereinafter set out:

3.1 Voting Right

Each Common Share shall entitle the holder thereof to one vote at all meetings of shareholders except meetings at which only holders of a specified class or series of shares are entitled to vote.

3.2 Dividends

The holders of the Common Shares shall be entitled to receive, as and when declared by the Board of Directors and from funds of the Bank available for the payment of dividends, dividends in such amounts and payable at such times as the directors shall determine.

3.3 Liquidation, Dissolution or Winding-up

In the event of the liquidation, dissolution or winding-up of the Bank, after payment to the holders of Class A Preferred Shares and shares of any other class of shares of the Bank ranking in priority to the Common Shares of the amounts which they are entitled to receive in any such event, the remaining property of the Bank shall be distributed equally and rateably among the holders of the Common Shares.

BY-LAW XIV COMMON SHARE OPTIONS PLAN

The directors can, by resolution, create a common share options plan for the Bank or its subsidiaries' senior executives and entrust the human resources committee with its management. None of the options will last for a period exceeding 10 years or be issued at a purchase price below 100% of the market value of such shares at the time the option is granted. None of the participants is allowed to receive a number of options which exceed 2% of the total number of outstanding common shares.

The directors can set aside 1,600,000 unissued common shares as part of the Bank's authorized capital and authorize their issuance in accordance with the plan.

[1992-01-24, 1998-03-03, 1999-03-03]