

SHAREHOLDER DIVIDEND REINVESTMENT AND SHARE PURCHASE PLAN (“DRIP”)

January 12, 2017

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1.1 Important Notice

The Common Shares (as defined herein) and the DRIP Shares (as defined herein) to be issued to Participants (as defined herein) are not, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and accordingly, the DRIP Shares are not being publicly offered for sale in the United States or in any of the territories or possessions thereof. Subject to certain exceptions noted in the DRIP (as defined herein), participation in the DRIP will not be accepted from any person or person's agent who appears to be, or who the Corporation (as defined herein) or the DRIP Agent (as defined herein) have reason to believe, is resident in the United States or any of the territories or possessions thereof.

As a holder of Common Shares, you should read this document carefully before making any investment decision regarding the DRIP.

Home Capital Group Inc.

Dividend Reinvestment Plan

1.2 Purpose

The Home Capital Group Inc. Dividend Reinvestment Plan permits eligible holders of Common Shares who hold at least one share to automatically reinvest all cash dividends paid on Common Shares into additional Common Shares.

1.3 Definitions

Unless the context otherwise requires, capitalized terms used in this DRIP have the following definitions:

“Anti-Money Laundering Act” means *The Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the regulations made thereunder, as amended from time to time;

“Average Combined Price” has the meaning set forth in Section 1.6.4;

“Average Market Price” has the meaning set forth in Section 1.6.4;

“Beneficial Shareholders” means beneficial holders of Common Shares who hold their Common Shares through an intermediary such as a financial institution, broker or nominee;

“Business Day” means any day on which the DRIP Agent’s offices are generally open for the transaction of commercial business, but does not in any event include a Saturday, Sunday, civic or statutory holiday in the Province of Ontario or a day on which the Toronto Stock Exchange does not publicly trade;

“Common Shares” means common shares of the Corporation;

“Corporation” means Home Capital Group Inc.;

“Dividend Payment Date” means a date on which cash dividends are paid on Common Shares;

“Dividend Record Date” means a record date for the payment of dividends on Common Shares;

“DRIP” means this Home Capital Group Inc. Dividend Reinvestment Plan, as amended from time to time;

“DRIP Agent” means Computershare Trust Company of Canada, or such other agent that is appointed by the Company from time to time to administer the DRIP;

“DRIP Shares” means Common Shares purchased under the DRIP;

“DRS Advice” means Direct Registration System Advice, a record of a security transaction affecting a shareholder’s account, as part of the DRIP Agent’s Direct Registration System service;

“Enrollment Form” means the Reinvestment Enrollment — Participant Declaration Form, available on Computershare’s self-service web portal at www.investorcentre.com or www.homecapital.com;

“**Market Price**” has the meaning set forth in Section 1.6.4;

“**Market Purchase**” means Common Shares purchased on the open market which includes the facilities of the Toronto Stock Exchange, as applicable;

“**Participant**” means a registered or beneficial holder of at least one (1) Common Share who, on the applicable record date for a cash Dividend, is enrolled in the DRIP;

“**Proposed Amendments**” has the meaning set forth in Section 1.13;

“**Registered Participant**” means a Participant who holds a certificate or certificates registered in his or her own name, in each case for Common Shares enrolled in the DRIP;

“**Tax Act**” has the meaning set forth in Section 1.13;

“**Treasury Price**” has the meaning set forth in Section 1.6.4; and

“**Treasury Purchase**” means newly issued Common Shares from the Corporation treasury.

1.4 Participation in the DRIP

1.4.1 General

The provisions of this DRIP apply to all Participants, but are subject to the administrative practices and requirements of intermediaries through whom Common Shares are held by Beneficial Shareholders. Those administrative practices and requirements may vary, and Beneficial Shareholders should contact their intermediary to determine the requirements of such intermediary regarding participation in the DRIP, inquire about any fees the intermediary may charge and confirm if fractional Common Shares will be provided by the intermediary.

1.4.2 Eligibility

Subject to the provisions of this Part 1.4 holders of Common Shares residing in Canada are eligible to participate in the DRIP. **Holders of Common Shares residing outside of Canada may not participate in the DRIP.**

1.4.3 Enrollment – Registered Shareholders

Registered shareholders of Common Shares may participate in the DRIP by enrolling online through the DRIP Agent’s self-service web portal at www.investorcentre.com or by downloading the Enrollment Form and duly completing and delivering it to the DRIP Agent by 4:00 p.m. (Toronto time) on the fifth (5th) Business Day prior to a Dividend Record Date for it to be effective on such Dividend Payment Date. Any Enrollment Form received after such time will be processed for the next applicable Dividend Record Date.

Enrollment – Beneficial Shareholders

Beneficial Shareholders who hold their Common Shares through an intermediary must have such Common Shares registered in their own name and enrolled in accordance with Section 1.4.3 or instruct their intermediary to enroll their Common Shares in the DRIP on their behalf, if the intermediary allows such enrollment. The date of enrollment for Beneficial Shareholders who have instructed an intermediary to enroll their Common Shares in the DRIP will be determined by the administrative practices of the intermediary.

1.4.4 Restrictions

The Corporation may, in its sole discretion, determine from time to time that any shareholder or group of shareholders may not participate or continue to participate in the DRIP. Without limiting the generality of the foregoing, the Corporation may deny the right to participate in the DRIP to

any shareholder if the Corporation has reasons to believe that such shareholder has been engaging in market activities, or has been artificially accumulating securities of the Corporation, for the purpose of taking undue advantage of the DRIP to the detriment of the Corporation.

1.5 The DRIP Agent

1.5.1 Administration of the DRIP

The Corporation may from time to time appoint a DRIP Agent to administer the DRIP on behalf of the Corporation and the Participants, pursuant to the agreement between the Corporation and the DRIP Agent. Such agreement may be terminated by the Corporation or the DRIP Agent in accordance with its terms.

1.5.2 Dealing in Corporation Securities

The DRIP Agent or its affiliates may, from time to time, for their own account or on behalf of accounts managed by them, deal in securities of the Corporation and will not, to the extent permitted by law, be liable to account to the Corporation or to Participants in respect of such dealings.

1.5.3 Adherence to Regulation

The DRIP Agent is required to comply with applicable laws, orders or regulations of any governmental authority which impose on the DRIP Agent a duty to take or refrain from taking any action under the DRIP and to permit any properly authorized person to have access to and to examine and make copies of any records relating to the DRIP.

1.5.4 Resignation of DRIP Agent

The DRIP Agent may resign as DRIP Agent under the DRIP in accordance with the agreement between the Corporation and the DRIP Agent, in which case the Corporation will appoint another agent as the DRIP Agent.

1.6 Purchase of Common Shares under the DRIP

1.6.1 Aggregation of Dividends and Allocation to Participants' Accounts

On each Dividend Payment Date, the Corporation will pay all cash dividends payable on Common Shares enrolled in the DRIP to the DRIP Agent. Those cash dividends will be aggregated and used by the DRIP Agent to purchase Common Shares (“**DRIP Shares**”) on behalf of Registered Participants on each Dividend Payment Date. The dividends on DRIP Shares will, in turn, be reinvested in additional DRIP Shares. Following each Dividend Payment Date, each Registered Participant’s account will be credited with that number of DRIP Shares, including fractions computed to six decimal places, which is equal to the aggregate Dividend amount to be invested for such Registered Participant’s account divided by the applicable Average Market Price.

1.6.2 Source of DRIP Shares

The DRIP Shares acquired by the DRIP Agent under the DRIP will be, at the Corporation’s election determined from time to time by authorization of the Board of Directors of the Corporation, either newly issued Common Shares from the Corporation treasury (a “**Treasury Purchase**”) or Common Shares purchased on the Canadian open market, which includes the facilities of the Toronto Stock Exchange (a “**Market Purchase**”).

1.6.3 Purchases of Common Shares

On each Dividend Payment Date, the DRIP Agent will buy DRIP Shares either through a Market Purchase or a Treasury Purchase, as directed by the Corporation.

1.6.4 Price of Common Shares

Neither the Corporation nor the DRIP Agent will exercise any direct or indirect control over the price paid for DRIP Shares purchased under the DRIP.

The price allocated to each DRIP Share acquired by the DRIP Agent under the DRIP on each Dividend Payment Date will be determined as follows:

- A. For a Market Purchase, the price will be the average of the applicable best efforts open market purchase price paid per Common Share by the DRIP Agent for all Common Shares purchased for that Dividend Payment Date under the DRIP (the “**Market Price**”). The Common Shares will be purchased at any point during the five (5) trading days following the Dividend Payment Date;
- B. For a Treasury Purchase in connection with the reinvestment of dividends, the price will be the volume weighted average price of the Common Shares on the Toronto Stock Exchange for the five (5) trading days preceding the Dividend Payment Date, and may also include the applicable discount of up to 5% from such price (the “**Treasury Price**”). The Corporation will from time to time in its sole discretion determine the amount of any applicable discount;
- C. A combination of a Treasury Purchase and a Market Purchase will be the average of the Market Price and the Treasury Price, taking into consideration the percentage allocation between the Treasury Purchase and Market Purchase (the “**Average Combined Price**”);

and the “**Average Market Price**” shall mean either of the Market Price, the Treasury Price or the Average Combined Price, as the case may be.

The Corporation will announce by way of press release and in dividend announcements whether purchases of Common Shares under the DRIP will be made by way of a Treasury Purchase or a Market Purchase and any applicable discount for Treasury Purchases in connection with the reinvestment of dividends.

1.7 Withdrawal of Common Shares

1.7.1 Withdrawal of DRIP Shares

Registered Participants whose Common Shares are enrolled in the DRIP may withdraw some or all of their whole DRIP Shares at any time without terminating their participation in the DRIP by completing the withdrawal portion of the voucher located on the reverse of the Registered Participant’s periodic statement of account, and by sending such completed voucher to the DRIP Agent. Alternatively, Participants may withdraw DRIP Shares at the DRIP Agent’s self-service web portal at www.investorcentre.com. The DRIP Agent will confirm such withdrawal in the next statement of account mailed to the Registered Participant following receipt of such request. The DRIP Agent will deliver a share certificate or a DRS Advice for the whole DRIP Shares withdrawn from the DRIP by the Registered Participant, as soon as practicable. Participation will continue in the DRIP as per the enrollment instructions.

Beneficial Shareholders who have enrolled in the DRIP should contact their intermediary to determine the procedures for withdrawing DRIP Shares from the DRIP.

1.7.2 Sale of DRIP Shares

Registered Participants may request to sell some or all of their DRIP Shares by completing the withdrawal or termination portion of the voucher located on the reverse of the Registered Participant’s periodic statement of account, and by sending such completed voucher to the DRIP Agent. Upon receipt of such a request, the DRIP Agent will as soon as practicable arrange for the sale of such DRIP Shares through a registered broker-dealer selected by the DRIP Agent from time to time, provided that written request for a termination sale of DRIP

Shares received less than five Business Days prior to a Dividend Record Date will not be processed until after the relating Dividend Payment Date. Any requests for sale of whole DRIP Shares without terminating participation in the DRIP will be processed as soon as practicable. The Registered Participant will be charged brokerage commissions and transfer taxes, if any, which will be deducted from the cash proceeds of the sale to be paid to the Registered Participant. Commissions charged on such sales will be charged at the customary rates charged from time to time by the registered broker-dealer. DRIP Shares that are sold may be commingled with DRIP Shares of other Participants to be sold on the open market and the sale price of such DRIP Shares will be the average sale price of all DRIP Shares commingled and sold on the same day. The DRIP Agent can only sell Common Shares acquired under the DRIP. The above procedures are exclusive to any other program under which DRIP Shares can be sold.

Beneficial Shareholders who have enrolled in the DRIP should contact their intermediary, to determine the procedures for the sale of their DRIP Shares.

1.7.3 Disposition of DRIP Shares

DRIP Shares may not be pledged, hypothecated, assigned or otherwise disposed of or transferred. Participants who wish to pledge, hypothecate, assign, dispose of or otherwise transfer their DRIP Shares must withdraw such DRIP Shares from the DRIP prior to such pledge, hypothecation, assignment, disposal or transfer.

1.7.4 Continuation of Participation

If a Participant sells or withdraws less than the entire amount of DRIP Shares held by such Participant, cash dividends paid on the remaining DRIP Shares held by such Participant will continue to be reinvested into Common Shares under the DRIP.

1.8 Termination of Participant's Account

1.8.1 Termination by Participant

Registered Participants may terminate their participation in the DRIP by completing the termination portion of the voucher located on the reverse of the Registered Participant's periodic statement of account and by sending such completed voucher to the DRIP Agent. Alternatively, Registered Participants may terminate from the DRIP at the DRIP Agent's self-service web portal at www.investorcentre.com. The DRIP Agent must receive notice of termination no later than 4:00 p.m. (Toronto time) on the fifth (5th) Business Day prior to the applicable Dividend Record Date for the termination to be effective for the applicable Dividend Payment Date. Termination requests received after such time will be processed after the Dividend Payment Date.

The DRIP Agent will issue a share certificate (or a DRS Advice) for the number of whole DRIP Shares held in such Participant's account and a cash payment for any fraction of a DRIP Share remaining in the Participant's account. The amount of the payment for any such fraction will be determined by the prevailing market price received at the time of sale.

Beneficial Shareholders who have enrolled in the DRIP should contact their intermediary to determine the procedures for terminating their participation in the DRIP.

1.8.2 Death of a Participant

Participation in the DRIP will be terminated upon receipt by the DRIP Agent of appropriate evidence of the death of a Registered Participant from such Participant's duly appointed legal representative and written instructions to terminate such Participant's participation in the DRIP. Proof of the legal representative's authority to act must accompany the evidence of death. The DRIP Agent will terminate the account for such deceased Participant and issue a share certificate (or a DRS Advice) and a cash payment for a fractional DRIP Share as the case may

be, in the name of an estate must be accompanied by such appropriate documentation as may be reasonably requested by the DRIP Agent and the Corporation.

1.9 Administration

1.9.1 Registration of DRIP Shares

All whole and fractional DRIP Shares purchased under the DRIP will be registered in the name of the DRIP Agent or its nominee and the appropriate number of whole and fractional DRIP Shares will be credited to the account of Registered Participants or, in the case of Beneficial Shareholders, in the name of Clearing and Depository Services Inc. (CDS) or its successor, who will credit the intermediaries, as applicable.

1.9.2 Fees

Except as otherwise specifically provided herein, the Corporation will be responsible for all administrative costs of the DRIP, including any brokerage commissions or the fees or other expenses of the DRIP Agent payable in connection with the purchase of DRIP Shares under the DRIP. There are no charges payable by a Participant upon termination of participation in the DRIP; however, if a Participant's notice of termination requests the sale of all of the Common Shares held for the Participant's account in the DRIP, the participant will pay applicable brokerage commissions and transfer taxes, if any, on all dispositions of Common Shares effected for his or her account by the Agent.

Beneficial Shareholders may be charged additional fees by the intermediary through whom their DRIP Shares are held.

1.9.3 Statement of Account

The DRIP Agent will maintain an account for each Registered Participant in the DRIP. An unaudited statement of account regarding the purchases under the DRIP will be mailed to each Registered Participant on a quarterly basis and setting out, amongst other things, the number of DRIP Shares purchased through the DRIP and the applicable Average Market Price per DRIP Share. The statement of account will be mailed as soon as practicable after each Dividend Payment Date. Such statements will constitute a Registered Participant's continuing record of the date and valuation of the acquisition of DRIP Shares and should be retained for income tax purposes. Registered Participant's tax information will be mailed annually.

Beneficial Shareholders who have enrolled in the DRIP may receive statements of account from their intermediary in accordance with the intermediary's administrative practices. Such statements will constitute a Beneficial Shareholder's continuing record of the date and valuation of the acquisition of DRIP Shares and should be retained for income tax purposes. Beneficial Shareholders should contact their intermediary to determine the procedures for requesting current statements.

1.9.4 Liabilities of the Corporation and DRIP Agent

Neither the Corporation nor the DRIP Agent will be liable for any act or omission to act, or will have any duties, responsibilities or liabilities except as expressly set forth in this DRIP or as required by law.

Neither the Corporation nor the DRIP Agent will be liable in respect of the prices at which DRIP Shares are purchased or sold on behalf of Participants under this DRIP or the timing of purchases or sales made under this DRIP.

Neither the Corporation nor the DRIP Agent can assure a profit or protect against a loss on DRIP Shares purchased or sold under this DRIP.

The Corporation and the DRIP Agent shall have the right to reject any request regarding enrollment, sale, withdrawal or termination from this DRIP if such request is not received in

proper form. Any such request will be deemed to be invalid until any irregularities have been resolved to the satisfaction of the Corporation and/or the DRIP Agent.

1.10 Miscellaneous

1.10.1 Voting of DRIP Shares

Registered Participants may vote whole DRIP Shares held by the DRIP Agent on their behalf, in the same manner as any other Common Shares of the Corporation either by proxy or in person. The DRIP Agent will forward any proxy solicitation materials to Registered Participants as soon as practicable following receipt thereof. No voting rights will attach to any fraction of a Share held for a Participant's account under the Plan.

Beneficial Shareholders should contact their intermediary to determine the procedures for voting DRIP Shares.

1.10.2 Rights Offerings, Stock Splits and Stock Dividends

If the Corporation makes available to holders of record of its Common Shares rights to subscribe for additional Common Shares or other securities, Registered Participants will be forwarded rights certificates pertaining to their whole DRIP Shares held by the DRIP Agent on their behalf, subject to the terms and conditions of the rights offering. No such rights will be made available in respect of fractions of DRIP Shares held by the DRIP Agent. Each Registered Participant's account will be adjusted for any stock splits or stock dividends declared on Common Shares.

Beneficial Shareholders should contact their intermediary with questions regarding the procedures for rights offerings, stock splits and stock dividends.

1.10.3 Termination or Amendment of DRIP

Subject to any required regulatory or stock exchange approval, the Corporation may amend or suspend, in whole or in part, or terminate the DRIP at any time upon notice thereof to all Participants, without their consent or approval. The Corporation may also amend the DRIP at any time with the prior consent of the TSX, and with the consent of the DRIP Agent if such amendment has the effect of modifying any duties, responsibilities, or liabilities of the DRIP Agent. If the DRIP is terminated by the Corporation, the DRIP Agent will remit to each Registered Participant a certificate (or a DRS Advice) for whole DRIP Shares held for such Participant under the DRIP, together with the proceeds for any fractions of such DRIP Shares. The amount of the payment for any such fraction will be determined by the prevailing market price received at the time of sale. In the event of suspension of the DRIP, the DRIP Agent will make no investments on any Dividend Payment Date following the effective date of such suspension and all dividends will be paid in cash during such suspension.

Beneficial Shareholders should contact their intermediary with questions regarding the procedures of the intermediary in the event of the suspension or termination of this DRIP.

1.10.4 Assignment

A holder of Common Shares may not assign its right to participate in the DRIP.

1.10.5 Rules

The Corporation may make rules and regulations to facilitate the administration of this DRIP and reserves the right to regulate and interpret the DRIP text as the Corporation deems necessary or desirable. The Corporation may adopt rules and regulations concerning the establishment of Internet-based or other electronic mechanisms with respect to the enrollment in this DRIP, the communication of information concerning this DRIP to the Participants and any other aspects of this DRIP.

1.10.6 Electronic Communications

References in this DRIP to the delivery of instructions, notices or other documents in writing will be deemed to include, subject to the adoption of rules or regulations by the Corporation, delivery by electronic means, including the Internet.

1.10.7 Governing Law

This DRIP will be governed by and construed in accordance with the laws of Ontario and the laws of Canada applicable therein.

1.11 Notices and Correspondence

Communications to the DRIP Agent should be addressed as follows:

Computershare Trust Company of Canada
100 University Avenue, 8th Floor, North Tower
Toronto Ontario
M5J 2Y1

Attention: Dividend Reinvestment Department
Or the National Contact Center at
North America: 1-800-564-6253
Outside of North America: 514-982-7555
Or by visiting www.investorcentre.com/service

Notices to the Corporation
Address: 145 King Street West, Suite 2300
Attention: Investor Relations
Telephone: (416) 360-4663
Facsimile: (416) 363-7611
Toll Free Phone: (800) 990-7881
Toll Free Fax: (888) 470-2092

Registered Participants must notify the DRIP Agent promptly in writing of any change of address. Notices or statements from the DRIP Agent to Registered Participants will be mailed at the last address of record for each Participant in the DRIP, and any such notice or statement will be deemed received when received by the Participant or within five (5) Business Days after mailing, whichever occurs earlier.

1.12 Effective Date

The effective date of this DRIP is January 12, 2017

1.13 Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a Participant who, at all relevant times, for purposes of the application of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the “**Tax Act**”) deals at arm’s length with and is not affiliated with the Company, holds Common Shares acquired under the DRIP as capital property, and has cash dividends paid on Common Shares reinvested under the DRIP.

This summary is based upon the current provisions of the Tax Act, and all specific proposals to amend the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”), and the current published administrative policies and assessing practices of the Canada Revenue Agency. This summary assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations, and does not take into account Canadian provincial or territorial income tax laws, or foreign tax considerations.

This summary is generally applicable to a Participant who, at all relevant times, for purposes of the application of the Tax Act, is, or is deemed to be resident in Canada.

This summary does not apply to: (i) a Participant who is subject to the “mark-to-market” property rules under the Tax Act applicable to certain “financial institutions”; (ii) a Participant an interest in which is a “tax shelter investment”; (iii) a Participant who makes or has made a functional currency reporting election pursuant to section 261 of the Tax Act; or (iv) a Participant who has entered or will enter into a “derivative forward agreement” with respect to their Commons Shares (all as defined in the Tax Act).

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Participant. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective participants should consult their own tax advisers having regard to their own particular circumstances.

All cash dividends paid on Common Shares that are reinvested on behalf of a Participant will generally be subject to the tax treatment normally applicable to taxable dividends (including “eligible dividends”, as defined in the Tax Act) from “taxable Canadian corporations”, as defined in the Tax Act. For example, in the case of a Participant who is an individual, such dividends will be subject to the normal gross-up and dividend tax credit rules or, in the case of a Participant who is a private corporation or one of certain other corporations, a refundable tax will apply to the amount of the dividend. Other taxes could apply depending on the circumstances of the Participant.

A Participant will not realize any taxable income when the Participant receives certificates, or a DRS Advice, for whole Common Shares credited to the Participant’s account, whether upon the Participant’s request, upon termination of participation or upon termination of the DRIP.

The cost to a Participant of DRIP Shares will be the price paid for such shares by the Participant. For the purpose of computing the adjusted cost base of such shares to the Participant, the cost of such shares will be averaged with the adjusted cost base of all Common Shares held by the Participant as capital property.

A Participant may realize a capital gain or capital loss on the disposition of DRIP Shares, including in circumstances where a participant receives a cash payment for any fraction of a Common Share.