

Update Plan of Arrangement - No Amendment - Proof of Filing

Alberta Amendment Date: 2021/09/03

Service Request Number: 36109550
Corporate Access Number: 2023611417
Business Number: 788796506
Legal Entity Name: RUBELLITE ENERGY INC.
Legal Entity Status: Active

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2021/07/12
Restrictions on Share Transfers	ELECTRONIC	2021/07/12
Other Rules or Provisions	ELECTRONIC	2021/07/12
Other Rules or Provisions	ELECTRONIC	2021/08/30
Articles/Plan of Arrangement/Court Order	10000407135643427	2021/09/03

Registration Authorized By: AUSTIN FRUSON
SOLICITOR

The Registrar of Corporations certifies that the information contained in this proof of filing is an accurate reproduction of the data contained in the specified service request in the official public records of Corporate Registry.



10000407135643427

2023611417

ARTICLES OF ARRANGEMENT

Business Corporations Act
(Alberta)
Sections 193

1. Name of Corporation: Rubellite Energy Inc.	2. Corporate Access Number: 2023611417
--	---

3. In accordance with the Order approving the Arrangement, the Articles of the Corporation are amended as follows:

In accordance with the Order of the Court of Queen's Bench of Alberta dated September 3, 2021 approving an arrangement pursuant to section 193 of the *Business Corporations Act* (Alberta), the Plan of Arrangement, a copy of which is attached hereto as Schedule "A" (which is incorporated into and forms a part hereof), involving Perpetual Energy Inc., Rubellite Energy Inc. and the shareholders of Perpetual Energy Inc. shall be effected upon the filing hereof. The Articles of the Corporation are unamended by the Plan of Arrangement.

BURNET, DUCKWORTH & PALMER LLP

09/03/2021

FILED: ML

Austin Fruson

Name of Person Authorizing (please print)

Solicitor

Title (please print)

Signature

September 3, 2021

Date

This information is being collected for purposes of corporate registry records in accordance with the Business Corporations Act. Questions about the collection of this information can be directed to the Freedom of Information and Protection of Privacy Co-ordinator for Alberta Registries, Research and Program Support, 3rd Floor, Commerce Place, 10155 – 102 Street, Edmonton, Alberta T5J 4L4, (780) 422-7330.

SD.... 34 2 7
2323611417

Schedule "A"

See attached.

**PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

"**197Co**" means 1974918 Alberta Ltd., a corporation incorporated under the ABCA;

"**ABCA**" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;

"**AIMCo**" means Alberta Investment Management Corporation, an Alberta crown corporation formed under the *Alberta Investment Management Corporation Act*;

"**AIMCo Bonus Shares**" means the 680,485 Newco Common Shares to be issued to Perpetual pursuant to subsection 2.2(l) and which will be transferred to AIMCo pursuant to the AIMCo Debt Settlement Agreement;

"**AIMCo Interest Debt**" means the interest debt of \$1.361 million debt owing to AIMCo by Perpetual;

"**AIMCo Interest Debt Note**" means the demand promissory note by Newco in favour of Perpetual having a principal amount of \$1.361 million;

"**AIMCo Debt Settlement Agreement**" means the debt settlement and contingent payment agreement dated July 12, 2021 between Perpetual and AIMCo whereby, among other things, AIMCo has agreed to exercise all of its Newco Warrants received pursuant to the Arrangement and Perpetual has agreed to transfer the AIMCo Bonus Shares to AIMCo pursuant to the terms and conditions of such agreement;

"**Arrangement**" means the arrangement involving Perpetual, its Shareholders and Newco under the provisions of Section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement;

"**Arrangement Agreement**" means the agreement dated July 15, 2021 between Perpetual and Newco with respect to this Plan of Arrangement, and all amendments thereto;

"**Brokered Private Placement**" means the \$30 million brokered private placement by Newco of Subscription Receipts entitling the holder to acquire Newco Common Shares in accordance with the terms of the Subscription Receipt Agreement;

"**Clearwater Co-POT Note**" means the secured demand promissory note by Newco in favor of POT, having a principal amount of \$36.167 million, bearing interest only after demand of 10% per annum;

"**Clearwater Co-PEI Note 1**" means the secured demand promissory note in favor of Perpetual, having a principal amount of \$20.072 million, bearing interest only after demand of 10% per annum;

"**Clearwater Co-PEI Note 2**" means the demand promissory note in favour of Perpetual, having a principal amount of \$17.433 million and having the same terms as the Clearwater Co-PEI Note 1;

"**Common Share Weighted Average Trading Price**" shall be determined by dividing (i) the aggregate dollar trading value of all Common Shares sold on the TSX over the twenty trading days immediately preceding the Effective Date by (ii) the total number of Common Shares sold on the TSX during such period;

"Common Shares" means the Common Shares in the capital of Perpetual;

"Court" means the Court of Queen's Bench of Alberta;

"Dissent Shares" means the Common Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"Dissenting Perpetual Shareholders" means registered Shareholders who validly exercise the Dissent Rights, which exercise of Dissent Rights has not been withdrawn, or is not deemed to have been withdrawn, before the Effective Time;

"Distribution Record Date" means the record date to be determined by Newco in accordance with the policies of the TSX following the Effective Date or the date that a letter of transmittal is provided to the holders of the Newco Common Shares and Newco Warrants;

"Effective Date" means the date the Arrangement is effective under the ABCA;

"Effective Time" means the time at which the articles of arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

"Encumbrance" includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"Exchange Fraction" has the meaning given to such term in subsection 2.2(e);

"Expiry Time" means the time the Newco Warrants expire in accordance with their terms;

"Final Order" means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Information Circular" means the information circular prepared by Perpetual and forwarded as part of the proxy solicitation materials to Shareholders in respect of the Meeting;

"Interim Order" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Meeting" means the special meeting of Shareholders to be held to consider the Arrangement, and any adjournment thereof;

"Newco" means Rubellite Energy Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of Perpetual;

"Newco Common Shares" means the common shares in the capital of Newco;

"Newco Warrants" means the share purchase warrants of Newco entitling the holders thereof to purchase Newco Common Shares at a price of \$2.00 per share and expiring on the date outlined in the Information Circular, the terms of which are established under a warrant indenture between Newco and Odyssey Trust Company, which warrant indenture will provide for a "basic" and "additional" subscription privilege;

"PEI-197Co Note" means the demand grid promissory note from Perpetual in the initial principal amount of \$5.6 million, bearing interest of 10% per annum and secured against the Figure Lake Assets;

"PEI-Clearwater Co Note" means an unsecured demand promissory note having a principal amount equal to the aggregate repurchase price of \$2.64 million for Common Shares repurchased pursuant to subsection 2.2(j), which bears interest only after demand at a rate of 10% per annum;

"Perpetual" means Perpetual Energy Inc., a corporation incorporated under the ABCA;

"POT" means Perpetual Operating Trust, a trust formed under the laws of Alberta, whose sole beneficiary is Perpetual and whose trustee is Perpetual Operating Corp., a corporation formed under the ABCA;

"Registrar" means the Registrar appointed under section 263 of the ABCA;

"Remaining Fraction" means the fraction of a Common Share remaining after the transfer of the Exchange Fraction pursuant to subsection 2.2(e), being equal to one minus the Exchange Fraction;

"Shareholders" means the holders of Common Shares;

"Spinout Assets Transfer Agreement" means an agreement between Perpetual, POT and Newco providing for the transfer of the Spinout Assets from Perpetual and POT to Newco;

"Standby Purchase Agreement" means the agreement dated July 15, 2021 between Dreamworks Investment Holdings Ltd. and Newco providing for the backstop of the exercise of the Newco Warrants;

"Subscription Receipt Agreement" means the subscription receipt agreement between Newco and Odyssey Trust Company, as subscription receipt agent, establishing the terms of the Subscription Receipts;

"Subscription Receipts" means the subscription receipts of Newco issued pursuant to the Brokered Private Placement; and

"TSX" means the Toronto Stock Exchange.

1.2 Sections and Headings

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.

1.3 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.4 Currency

All references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provisions of the Arrangement Agreement.

2.2 Arrangement and Related Transactions at the Effective Time

At the Effective Time, the following transactions shall occur and shall be deemed to occur in the following order:

Dissenting Shareholders

- (a) Subject to Article 3, the Common Shares held by Dissenting Perpetual Shareholders shall be deemed to have been transferred to Perpetual (free and clear of all any Encumbrances) and cancelled, and such Dissenting Perpetual Shareholders shall cease to have any rights as Shareholders, other than the right to be paid the fair value of their Common Shares in accordance with Article 3, and the names of such holders shall be removed from the register of Shareholders;

Consolidation of Common Shares

- (b) The Common Shares will be consolidated on the basis of one post-consolidation Common Share ("**Post-Consolidation Common Share**") for a number between 500 and 1,000 pre-consolidation Common Shares, which number will be determined by Perpetual in advance of the Effective Date in its sole discretion ("**Pre-Consolidation Common Share**");
- (c) Any holder of less than one Post-Consolidation Common Share will cease to hold Common Shares and will be entitled to be paid cash consideration equal to that number of Pre-Consolidation Common Shares held by the holder multiplied by the Common Share Weighted Average Trading Price, rounded to the nearest whole cent;

Split of Common Shares

- (d) Immediately following step 2.2(c) above, the remaining Common Shares will be split on the basis of a number between 500 and 1,000 post-split Common Shares for each one Post-Consolidation Common Share, which number will equal the number determined by Perpetual in step 2.2(b);

Fractions of Common Shares are Exchanged for Newco Common Shares

- (e) Each holder of a Common Share will exchange a fraction (the "**Exchange Fraction**") of each issued and outstanding Common Share (other than a Dissent Share) for a fraction of a Newco Common Share being the fraction determined by dividing $1/46^{\text{th}}$ of the fair market value of a Newco Common Share by the Common Share Weighted Average Trading Price such that each holder of a Common Share will then have the Remaining Fraction of a Common Share and $1/46^{\text{th}}$ of a Newco Common Share;
- (f) An amount equal to the aggregate value of the Exchange Fractions will be added to the stated capital of the Newco Common Shares.

Issuance of Newco Warrants

- (g) Newco shall issue Newco Warrants to all of the holders of Newco Common Shares, on the basis of 12 Newco Warrants for each Newco Common Share;

Change to Remaining Common Shares

- (h) The Remaining Fraction of each issued and outstanding Common Share shall be changed into one Common Share, with the result that the holders of Common Shares shall then hold the same number of Common Shares as they held prior to the exchange pursuant to subsection 2.2(e);

Cancellation of Initial Newco Common Shares

- (i) The three issued and outstanding Newco Common Shares held by Perpetual shall be, and shall be deemed to be, transferred to Newco in exchange for the payment by Newco to Perpetual of \$2.00 per Newco Common Share, whereupon such Newco Common Shares shall be cancelled;

Common Shares will be Repurchased in Exchange for the PEI-Clearwater Co Note

- (j) The Common Shares held by Newco will be repurchased in exchange for Perpetual issuing to Newco the PEI-Clearwater Co Note.

Certain Indebtedness of Perpetual and Newco will be set-off

- (k) Perpetual and Newco will set-off \$2.64 million (being the aggregate principal amount of the PEI-Clearwater Note) of the Clearwater Co-PEI Note 1 against the PEI-Clearwater Co Note, and the remaining amount will be evidenced by the Clearwater Co-PEI Note 2 and the Clearwater Co-PEI Note 1 will be cancelled.

Issuance of Bonus Shares to Perpetual

- (l) Perpetual will subscribe for the AIMCo Bonus Shares at a subscription price of \$2.00 per Newco Common Share in satisfaction of the AIMCo Interest Debt Note and the principal amount of the AIMCo Interest Debt will be added to the stated capital of Newco.

Reduction of Stated Capital of Common Shares

- (m) Perpetual shall reduce the stated capital account maintained for the Common Shares to \$0.01 per Common Share.

2.3 Arrangement and Related Transactions at the Expiry Time

At the Expiry Time, the following transactions shall occur and shall be deemed to occur concurrently:

- (a) Newco Common Shares will be issued for any Newco Warrants that have been validly exercised (including those exercised pursuant to the terms of the AIMCo Debt Settlement Agreement) and Newco Common Shares will be issued pursuant to the terms of the Standby Purchase Agreement for any remaining Newco Warrants not validly exercised at the Expiry Time resulting in freely-tradeable Newco Common Shares being issued in respect of all of the Newco Warrants; and
- (b) the Subscription Receipts issued pursuant to the Brokered Private Placement will be converted into freely-tradeable Newco Common Shares.

For greater certainty, pursuant to the terms of the AIMCo Debt Settlement Agreement, AIMCo is only permitted and/or obligated to subscribe for or otherwise acquire Newco Common Shares (including, without limitation, the AIMCo Bonus Shares and upon exercise of Newco Warrants) if its Deemed Beneficial Ownership (as such term is defined in the AIMCo Debt Settlement Agreement) does not then exceed 9.99%, and then only to the extent that such rights or obligations would not cause its Deemed Beneficial Ownership (as such term is defined in the AIMCo Debt Settlement Agreement) to exceed 9.99% (the "**AIMCo Beneficial Ownership Restriction**") and, accordingly the foregoing transactions will be deemed to be effected in such a manner as to comply with the terms of the AIMCo Debt Settlement Agreement and having regard at all times to the AIMCo Beneficial Ownership Restriction.

2.4 Fractional Shares

Notwithstanding anything herein contained, the issuance of Newco Common Shares pursuant to subsection 2.2(e) shall not result in any fractional Newco Common Shares being issued. Where the aggregate number

of Newco Common Shares to be issued to a holder of Common Shares would otherwise result in a fraction of a Newco Common Share being issued,

- (a) subject to subparagraph (b) below, the number of Newco Common Shares to be issued to such holder shall be rounded to the nearest whole number of Newco Common Shares (with fractions equal to exactly 0.5 being rounded up); and
- (b) in no circumstance shall a holder of Common Shares receive less than one Newco Common Share.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Shareholders may exercise rights of dissent in the manner set forth in Section 191 of the ABCA in connection with the Arrangement, subject to the following provisions:

- (a) Shareholders who exercise their rights of dissent and who are ultimately entitled to be paid fair value shall be deemed to have transferred their Common Shares to Perpetual for cancellation as of the Effective Time and such shares shall be deemed to have no longer been issued and outstanding as of the Effective Time; and
- (b) Shareholders who exercise such rights of dissent and who are ultimately not entitled for any reason to be paid fair value for their Common Shares or Shareholders who withdraw their dissent in accordance with Section 191 of the ABCA shall be deemed to have participated in the Arrangement as of and from the Effective Time on the same basis as the non-dissenting Shareholders, provided that such Shareholders shall have no claim against any parties to the Arrangement as a result of the timing of the determination of their status resulting in their being unable to either exercise or otherwise deal with the Newco Warrants to which they were entitled under the Arrangement, prior to the expiry thereof.

ARTICLE 4 SHARE AND WARRANT CERTIFICATES

4.1 Common Share Certificates

From and after the Effective Time, share certificates representing Common Shares outstanding immediately prior to the Effective Time (other than Dissent Shares) shall for all purposes be deemed to be share certificates representing the Common Shares resulting from the Arrangement, and no new share certificates shall be issued with respect to the transactions affecting the Common Shares pursuant to the Arrangement.

4.2 Interim Period

Subject to section 4.4, from the Effective Time to the close of business on the Distribution Record Date, share certificates representing Common Shares shall also be deemed for all purposes to represent the Newco Common Shares and Newco Warrants issued pursuant to the Arrangement which correspond to the Common Shares represented by such certificates.

4.3 Newco Common Share and Warrant Certificates

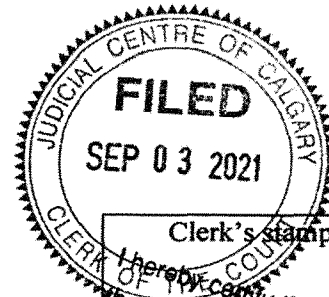
Subject to section 4.4, as soon as practicable following the Distribution Record Date, Newco shall caused to be issued to the registered holders of Newco Common Shares and Newco Warrants at the close of business on the Distribution Record Date (being the same as the registered holders of Common Shares) share certificates and warrant certificates representing the Newco Common Shares and Newco Warrants of which each such person is the registered holder at the close of business on the Distribution Record Date, and shall cause such share and warrant certificates to be delivered or mailed to such registered holders.

4.4 Alternative Distribution of Newco Certificates

Notwithstanding sections 4.2 and 4.3, Newco may cause share and warrant certificates representing Newco Common Shares and Newco Warrants issued pursuant to the Arrangement to be issued and delivered or mailed prior to the Distribution Record Date to any Shareholder of record on the Effective Date who (i) provides to Newco a request for such certificates and (ii) deposits with Perpetual's registrar and transfer agent the certificates representing the Common Shares held by such Shareholder on the Effective Date in respect of which the Shareholder is requesting the early delivery of certificates for Newco Common Shares and Newco Warrants. Upon share and warrant certificates representing Newco Common Shares and Newco Warrants being so issued, the share certificates representing the corresponding Common Shares shall no longer also represent such Newco Common Shares and Newco Warrants. Following the Distribution Record Date, any share certificates representing Common Shares which were deposited with Perpetual's registrar and transfer agent shall be returned to the applicable Shareholder.

ARTICLE 5 RELEASES

On the Effective Date, the Shareholders shall, and hereby do, forever and irrevocably release and discharge Perpetual, Newco and each of their respective present and former directors, officers, employees, representatives, advisors (including legal and financial advisors) and agents (each a "**Released Party**") from all present and future demands, actions, causes of action, suits, damages, judgements, executions, expenses, obligations, liabilities and claims of any kind or nature whatsoever (other than liabilities or claims attributable to gross negligence, fraud or willful misconduct of the applicable Released Party as determined by the final non-appealable judgement of a court of competent jurisdiction), whether known or unknown, matured or unmatured, or foreseen or unforeseen, based in whole or in part on any act, omission, transaction, duty, responsibility, liability, obligation, dealing or other occurrence, arising on or prior to the Effective Date in connection with the Common Shares, the Arrangement proceedings, the Arrangement Agreement, this Plan, the transactions contemplated hereunder, the business, affairs, administration and management of Perpetual and Newco, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this Article 5 shall release or discharge any Released Party from or in respect of its obligations under this Plan.



COURT FILE NUMBER 2101-09593

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER

IN THE MATTER OF SECTION 193 OF THE *BUSINESS CORPORATIONS ACT*, RSA 2000, c B-9, AS AMENDED

AND IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING PERPETUAL ENERGY INC., RUBELLITE ENERGY INC. AND THE SHAREHOLDERS OF PERPETUAL ENERGY INC.

APPLICANT **PERPETUAL ENERGY INC.**

RESPONDENT NOT APPLICABLE

DOCUMENT **FINAL ORDER**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT

BURNET, DUCKWORTH & PALMER LLP
Suite 2400, 525 – 8th Avenue S.W.
Calgary, Alberta T2P 1G1
Lawyer: Paul G. Chiswell / Michael Deyholos
Phone: (403) 260-0201
Fax: (403) 260-0332
Email: pchiswell@bdplaw.com
File No.: 59140-50

DATE ON WHICH ORDER WAS PRONOUNCED: September 2, 2021

NAME OF JUDGE WHO MADE THIS ORDER: Justice Lema

LOCATION OF HEARING: Edmonton, Alberta

UPON the Originating Application (the **Originating Application**) of Perpetual Energy Inc. (the **Applicant** or **Perpetual**) for approval of an arrangement (the **Arrangement**) involving the Applicant, the holders (the **Shareholders**) of common shares of the Applicant and Rubellite Energy Inc. (**Rubellite**) pursuant to section 193 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the **ABCA**);

AND UPON reading the Originating Application, the interim Order of this Court granted

- 2 -

August 4, 2021 (the **Interim Order**) and the affidavits of Ryan Shay sworn August 4, 2021, August 16, 2021 and August 31, 2021 and the exhibits referred to therein;

AND UPON being advised that service of notice of this application has been effected in accordance with the Interim Order or as otherwise accepted by the Court;

AND UPON being advised by counsel to the Applicant that notices of intention to appear have been filed in respect of this application by PricewaterhouseCoopers Inc., LIT, in its capacity as the Trustee in Bankruptcy of Sequoia Resources Corp. (**PwC**) and the Orphan Well Association (the **OWA**);

AND UPON the Court being satisfied that the special meeting (the **Meeting**) of the Shareholders was called and conducted in accordance with the terms of the Interim Order and the required quorum of Shareholders was present at the Meeting;

AND UPON the Court being satisfied that the Applicant has sought and obtained the approval of the Arrangement by the Shareholders in the manner and by the requisite majority required by the Interim Order;

AND UPON it appearing that it is impracticable to effect the transactions contemplated by the Arrangement under any other provision of the *ABCA*;

AND UPON the Court being satisfied that the statutory requirements to approve the Arrangement have been fulfilled and that the Arrangement has been put forward in good faith;

AND UPON the Court being satisfied that the terms and conditions of the Arrangement and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Shareholders and other affected persons and that the Arrangement ought to be approved;

AND UPON being advised that the approval of the Arrangement by this Court will constitute the basis for an exemption from the registration requirements of the *United States Securities Act of 1933*, as amended, pursuant to Section 3(a)(10) thereof, with respect to the issuance of common shares of Rubellite and the common share purchase warrants of Rubellite to Shareholders pursuant to the Arrangement;

- 3 -

AND UPON reading the material filed by PwC and the OWA, including the affidavit of Betty Johnson sworn August 24, 2021 and the affidavit of Lars de Pauw sworn August 24, 2021;

AND UPON hearing from counsel to the Applicant, counsel to PwC, and counsel to the OWA;

IT IS HEREBY ORDERED THAT:

1. The Arrangement proposed by the Applicant, on the terms set forth in Schedule "A" to this order (**Order**), is hereby approved by the Court under Section 193 of the *ABCA* and will, upon the filing of the articles of arrangement in respect of the Arrangement (the **Articles of Arrangement**) under the *ABCA*, become effective in accordance with its terms and be binding on Perpetual, each Shareholder, Rubellite and all other affected persons.
2. The terms and conditions of the Arrangement, and the procedures relating thereto, are fair and reasonable, substantively and procedurally, to the Shareholders and all other affected persons.
3. The Articles of Arrangement shall be filed pursuant to Section 193 of the *ABCA* on such date as the Applicant determines in accordance with the terms of the Arrangement.
4. Service of notice of the Originating Application, the notice in respect of the Meeting and the Interim Order is hereby deemed good and sufficient service. Service of this Order shall be made on all persons who appeared on this application, either by counsel or in person, but is otherwise dispensed with.
5. The Applicant may, on notice to such parties as the Court may order, seek leave at any time prior to the filing of the Articles of Arrangement to vary this Order or seek advice and directions as to the implementation of this Order.


Justice of the Court of Queen's Bench of Alberta

SD.... 34 2 7
2023011417

SCHEDULE "A"
PLAN OF ARRANGEMENT

11137127.1

SCHEDULE 1

PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE BUSINESS CORPORATIONS ACT (ALBERTA)ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, the following terms have the following meanings:

"197Co" means 1974918 Alberta Ltd., a corporation incorporated under the ABCA;

"ABCA" means the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended;

"AIMCo" means Alberta Investment Management Corporation, an Alberta crown corporation formed under the *Alberta Investment Management Corporation Act*;

"AIMCo Bonus Shares" means the 680,485 Newco Common Shares to be issued to Perpetual pursuant to subsection 2.2(l) and which will be transferred to AIMCo pursuant to the AIMCo Debt Settlement Agreement;

"AIMCo Interest Debt" means the interest debt of \$1.361 million debt owing to AIMCo by Perpetual;

"AIMCo Interest Debt Note" means the demand promissory note by Newco in favour of Perpetual having a principal amount of \$1.361 million;

"AIMCo Debt Settlement Agreement" means the debt settlement and contingent payment agreement dated July 12, 2021 between Perpetual and AIMCo whereby, among other things, AIMCo has agreed to exercise all of its Newco Warrants received pursuant to the Arrangement and Perpetual has agreed to transfer the AIMCo Bonus Shares to AIMCo pursuant to the terms and conditions of such agreement;

"Arrangement" means the arrangement involving Perpetual, its Shareholders and Newco under the provisions of Section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement;

"Arrangement Agreement" means the agreement dated July 15, 2021 between Perpetual and Newco with respect to this Plan of Arrangement, and all amendments thereto;

"Brokered Private Placement" means the \$30 million brokered private placement by Newco of Subscription Receipts entitling the holder to acquire Newco Common Shares in accordance with the terms of the Subscription Receipt Agreement;

"Clearwater Co-POT Note" means the secured demand promissory note by Newco in favor of POT, having a principal amount of \$36.167 million, bearing interest only after demand of 10% per annum;

"Clearwater Co-PEI Note 1" means the secured demand promissory note in favor of Perpetual, having a principal amount of \$20.072 million, bearing interest only after demand of 10% per annum;

"Clearwater Co-PEI Note 2" means the demand promissory note in favour of Perpetual, having a principal amount of \$17.433 million and having the same terms as the Clearwater Co-PEI Note 1;

"Common Share Weighted Average Trading Price" shall be determined by dividing (i) the aggregate dollar trading value of all Common Shares sold on the TSX over the twenty trading days immediately preceding the Effective Date by (ii) the total number of Common Shares sold on the TSX during such period;

"Common Shares" means the Common Shares in the capital of Perpetual;

"Court" means the Court of Queen's Bench of Alberta;

"Dissent Shares" means the Common Shares in respect of which rights of dissent are exercised as provided in section 3.1 and in respect of which the holders thereof are ultimately entitled to be paid fair value;

"Dissenting Perpetual Shareholders" means registered Shareholders who validly exercise the Dissent Rights, which exercise of Dissent Rights has not been withdrawn, or is not deemed to have been withdrawn, before the Effective Time;

"Distribution Record Date" means the record date to be determined by Newco in accordance with the policies of the TSX following the Effective Date or the date that a letter of transmittal is provided to the holders of the Newco Common Shares and Newco Warrants;

"Effective Date" means the date the Arrangement is effective under the ABCA;

"Effective Time" means the time at which the articles of arrangement to give effect to the Arrangement are filed with the Registrar on the Effective Date;

"Encumbrance" includes any mortgage, pledge, assignment, charge, lien, security interest, adverse interest in property, other third party interest or encumbrance of any kind whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

"Exchange Fraction" has the meaning given to such term in subsection 2.2(e);

"Expiry Time" means the time the Newco Warrants expire in accordance with their terms;

"Final Order" means the final order of the Court approving the Arrangement under subsection 193(9) of the ABCA, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Information Circular" means the information circular prepared by Perpetual and forwarded as part of the proxy solicitation materials to Shareholders in respect of the Meeting;

"Interim Order" means the interim order of the Court under subsection 193(4) of the ABCA containing declarations and directions with respect to the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Meeting" means the special meeting of Shareholders to be held to consider the Arrangement, and any adjournment thereof;

"Newco" means Rubellite Energy Inc., a corporation incorporated under the ABCA and a wholly-owned subsidiary of Perpetual;

"Newco Common Shares" means the common shares in the capital of Newco;

"Newco Warrants" means the share purchase warrants of Newco entitling the holders thereof to purchase Newco Common Shares at a price of \$2.00 per share and expiring on the date outlined in the Information Circular, the terms of which are established under a warrant indenture between Newco and Odyssey Trust Company, which warrant indenture will provide for a "basic" and "additional" subscription privilege;

"PEI-197Co Note" means the demand grid promissory note from Perpetual in the initial principal amount of \$5.6 million, bearing interest of 10% per annum and secured against the Figure Lake Assets;

"**PEI-Clearwater Co Note**" means an unsecured demand promissory note having a principal amount equal to the aggregate repurchase price of \$2.64 million for Common Shares repurchased pursuant to subsection 2.2(j), which bears interest only after demand at a rate of 10% per annum;

"**Perpetual**" means Perpetual Energy Inc., a corporation incorporated under the ABCA;

"**POT**" means Perpetual Operating Trust, a trust formed under the laws of Alberta, whose sole beneficiary is Perpetual and whose trustee is Perpetual Operating Corp., a corporation formed under the ABCA;

"**Registrar**" means the Registrar appointed under section 263 of the ABCA;

"**Remaining Fraction**" means the fraction of a Common Share remaining after the transfer of the Exchange Fraction pursuant to subsection 2.2(e), being equal to one minus the Exchange Fraction;

"**Shareholders**" means the holders of Common Shares;

"**Spinout Assets Transfer Agreement**" means an agreement between Perpetual, POT and Newco providing for the transfer of the Spinout Assets from Perpetual and POT to Newco;

"**Standby Purchase Agreement**" means the agreement dated July 15, 2021 between Dreamworks Investment Holdings Ltd. and Newco providing for the backstop of the exercise of the Newco Warrants;

"**Subscription Receipt Agreement**" means the subscription receipt agreement between Newco and Odyssey Trust Company, as subscription receipt agent, establishing the terms of the Subscription Receipts;

"**Subscription Receipts**" means the subscription receipts of Newco issued pursuant to the Brokered Private Placement; and

"**TSX**" means the Toronto Stock Exchange.

1.2 Sections and Headings

The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless reference is specifically made to some other document or instrument, all references herein to articles, sections and subsections are to articles, sections and subsections of this Plan of Arrangement.

1.3 Number, Gender and Persons

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

1.4 Currency

All references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provisions of the Arrangement Agreement.

2.2 Arrangement and Related Transactions at the Effective Time

At the Effective Time, the following transactions shall occur and shall be deemed to occur in the following order:

Dissenting Shareholders

- (a) Subject to Article 3, the Common Shares held by Dissenting Perpetual Shareholders shall be deemed to have been transferred to Perpetual (free and clear of all any Encumbrances) and cancelled, and such Dissenting Perpetual Shareholders shall cease to have any rights as Shareholders, other than the right to be paid the fair value of their Common Shares in accordance with Article 3, and the names of such holders shall be removed from the register of Shareholders;

Consolidation of Common Shares

- (b) The Common Shares will be consolidated on the basis of one post-consolidation Common Share ("Post-Consolidation Common Share") for a number between 500 and 1,000 pre-consolidation Common Shares, which number will be determined by Perpetual in advance of the Effective Date in its sole discretion ("Pre-Consolidation Common Share");
- (c) Any holder of less than one Post-Consolidation Common Share will cease to hold Common Shares and will be entitled to be paid cash consideration equal to that number of Pre-Consolidation Common Shares held by the holder multiplied by the Common Share Weighted Average Trading Price, rounded to the nearest whole cent;

Split of Common Shares

- (d) Immediately following step 2.2(c) above, the remaining Common Shares will be split on the basis of a number between 500 and 1,000 post-split Common Shares for each one Post-Consolidation Common Share, which number will equal the number determined by Perpetual in step 2.2(b);

Fractions of Common Shares are Exchanged for Newco Common Shares

- (e) Each holder of a Common Share will exchange a fraction (the "Exchange Fraction") of each issued and outstanding Common Share (other than a Dissent Share) for a fraction of a Newco Common Share being the fraction determined by dividing $1/46^{\text{th}}$ of the fair market value of a Newco Common Share by the Common Share Weighted Average Trading Price such that each holder of a Common Share will then have the Remaining Fraction of a Common Share and $1/46^{\text{th}}$ of a Newco Common Share;
- (f) An amount equal to the aggregate value of the Exchange Fractions will be added to the stated capital of the Newco Common Shares.

Issuance of Newco Warrants

- (g) Newco shall issue Newco Warrants to all of the holders of Newco Common Shares, on the basis of 12 Newco Warrants for each Newco Common Share;

Change to Remaining Common Shares

- (h) The Remaining Fraction of each issued and outstanding Common Share shall be changed into one Common Share, with the result that the holders of Common Shares shall then hold the same number of Common Shares as they held prior to the exchange pursuant to subsection 2.2(e);

Cancellation of Initial Newco Common Shares

- (i) The three issued and outstanding Newco Common Shares held by Perpetual shall be, and shall be deemed to be, transferred to Newco in exchange for the payment by Newco to Perpetual of \$2.00 per Newco Common Share, whereupon such Newco Common Shares shall be cancelled;

Common Shares will be Repurchased in Exchange for the PEI-Clearwater Co Note

- (j) The Common Shares held by Newco will be repurchased in exchange for Perpetual issuing to Newco the PEI-Clearwater Co Note.

Certain Indebtedness of Perpetual and Newco will be set-off

- (k) Perpetual and Newco will set-off \$2.64 million (being the aggregate principal amount of the PEI-Clearwater Note) of the Clearwater Co-PEI Note 1 against the PEI-Clearwater Co Note, and the remaining amount will be evidenced by the Clearwater Co-PEI Note 2 and the Clearwater Co-PEI Note 1 will be cancelled.

Issuance of Bonus Shares to Perpetual

- (l) Perpetual will subscribe for the AIMCo Bonus Shares at a subscription price of \$2.00 per Newco Common Share in satisfaction of the AIMCo Interest Debt Note and the principal amount of the AIMCo Interest Debt will be added to the stated capital of Newco.

Reduction of Stated Capital of Common Shares

- (m) Perpetual shall reduce the stated capital account maintained for the Common Shares to \$0.01 per Common Share.

2.3 Arrangement and Related Transactions at the Expiry Time

At the Expiry Time, the following transactions shall occur and shall be deemed to occur concurrently:

- (a) Newco Common Shares will be issued for any Newco Warrants that have been validly exercised (including those exercised pursuant to the terms of the AIMCo Debt Settlement Agreement) and Newco Common Shares will be issued pursuant to the terms of the Standby Purchase Agreement for any remaining Newco Warrants not validly exercised at the Expiry Time resulting in freely-tradeable Newco Common Shares being issued in respect of all of the Newco Warrants; and
- (b) the Subscription Receipts issued pursuant to the Brokered Private Placement will be converted into freely-tradeable Newco Common Shares.

For greater certainty, pursuant to the terms of the AIMCo Debt Settlement Agreement, AIMCo is only permitted and/or obligated to subscribe for or otherwise acquire Newco Common Shares (including, without limitation, the AIMCo Bonus Shares and upon exercise of Newco Warrants) if its Deemed Beneficial Ownership (as such term is defined in the AIMCo Debt Settlement Agreement) does not then exceed 9.99%, and then only to the extent that such rights or obligations would not cause its Deemed Beneficial Ownership (as such term is defined in the AIMCo Debt Settlement Agreement) to exceed 9.99% (the "AIMCo Beneficial Ownership Restriction") and, accordingly the foregoing transactions will be deemed to be effected in such a manner as to comply with the terms of the AIMCo Debt Settlement Agreement and having regard at all times to the AIMCo Beneficial Ownership Restriction.

2.4 Fractional Shares

Notwithstanding anything herein contained, the issuance of Newco Common Shares pursuant to subsection 2.2(e) shall not result in any fractional Newco Common Shares being issued. Where the aggregate number

of Newco Common Shares to be issued to a holder of Common Shares would otherwise result in a fraction of a Newco Common Share being issued,

- (a) subject to subparagraph (b) below, the number of Newco Common Shares to be issued to such holder shall be rounded to the nearest whole number of Newco Common Shares (with fractions equal to exactly 0.5 being rounded up); and
- (b) in no circumstance shall a holder of Common Shares receive less than one Newco Common Share.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Shareholders may exercise rights of dissent in the manner set forth in Section 191 of the ABCA in connection with the Arrangement, subject to the following provisions:

- (a) Shareholders who exercise their rights of dissent and who are ultimately entitled to be paid fair value shall be deemed to have transferred their Common Shares to Perpetual for cancellation as of the Effective Time and such shares shall be deemed to have no longer been issued and outstanding as of the Effective Time; and
- (b) Shareholders who exercise such rights of dissent and who are ultimately not entitled for any reason to be paid fair value for their Common Shares or Shareholders who withdraw their dissent in accordance with Section 191 of the ABCA shall be deemed to have participated in the Arrangement as of and from the Effective Time on the same basis as the non-dissenting Shareholders, provided that such Shareholders shall have no claim against any parties to the Arrangement as a result of the timing of the determination of their status resulting in their being unable to either exercise or otherwise deal with the Newco Warrants to which they were entitled under the Arrangement, prior to the expiry thereof.

ARTICLE 4 SHARE AND WARRANT CERTIFICATES

4.1 Common Share Certificates

From and after the Effective Time, share certificates representing Common Shares outstanding immediately prior to the Effective Time (other than Dissent Shares) shall for all purposes be deemed to be share certificates representing the Common Shares resulting from the Arrangement, and no new share certificates shall be issued with respect to the transactions affecting the Common Shares pursuant to the Arrangement.

4.2 Interim Period

Subject to section 4.4, from the Effective Time to the close of business on the Distribution Record Date, share certificates representing Common Shares shall also be deemed for all purposes to represent the Newco Common Shares and Newco Warrants issued pursuant to the Arrangement which correspond to the Common Shares represented by such certificates.

4.3 Newco Common Share and Warrant Certificates

Subject to section 4.4, as soon as practicable following the Distribution Record Date, Newco shall caused to be issued to the registered holders of Newco Common Shares and Newco Warrants at the close of business on the Distribution Record Date (being the same as the registered holders of Common Shares) share certificates and warrant certificates representing the Newco Common Shares and Newco Warrants of which each such person is the registered holder at the close of business on the Distribution Record Date, and shall cause such share and warrant certificates to be delivered or mailed to such registered holders.

4.4 Alternative Distribution of Newco Certificates

Notwithstanding sections 4.2 and 4.3, Newco may cause share and warrant certificates representing Newco Common Shares and Newco Warrants issued pursuant to the Arrangement to be issued and delivered or mailed prior to the Distribution Record Date to any Shareholder of record on the Effective Date who (i) provides to Newco a request for such certificates and (ii) deposits with Perpetual's registrar and transfer agent the certificates representing the Common Shares held by such Shareholder on the Effective Date in respect of which the Shareholder is requesting the early delivery of certificates for Newco Common Shares and Newco Warrants. Upon share and warrant certificates representing Newco Common Shares and Newco Warrants being so issued, the share certificates representing the corresponding Common Shares shall no longer also represent such Newco Common Shares and Newco Warrants. Following the Distribution Record Date, any share certificates representing Common Shares which were deposited with Perpetual's registrar and transfer agent shall be returned to the applicable Shareholder.

ARTICLE 5 RELEASES

On the Effective Date, the Shareholders shall, and hereby do, forever and irrevocably release and discharge Perpetual, Newco and each of their respective present and former directors, officers, employees, representatives, advisors (including legal and financial advisors) and agents (each a "Released Party") from all present and future demands, actions, causes of action, suits, damages, judgements, executions, expenses, obligations, liabilities and claims of any kind or nature whatsoever (other than liabilities or claims attributable to gross negligence, fraud or willful misconduct of the applicable Released Party as determined by the final non-appealable judgement of a court of competent jurisdiction), whether known or unknown, matured or unmatured, or foreseen or unforeseen, based in whole or in part on any act, omission, transaction, duty, responsibility, liability, obligation, dealing or other occurrence, arising on or prior to the Effective Date in connection with the Common Shares, the Arrangement proceedings, the Arrangement Agreement, this Plan, the transactions contemplated hereunder, the business, affairs, administration and management of Perpetual and Newco, and any other actions or matters related directly or indirectly to the foregoing, provided that nothing in this Article 5 shall release or discharge any Released Party from or in respect of its obligations under this Plan.

CORPORATE ACCESS NUMBER: 2023611417

**Government
of Alberta ■**

BUSINESS CORPORATIONS ACT

**CERTIFICATE
OF
AMENDMENT AND REGISTRATION
OF RESTATED ARTICLES**

RUBELLITE ENERGY INC.
AMENDED ITS ARTICLES ON 2021/08/30.



Name/Structure Change Alberta Corporation - Registration Statement

Alberta Amendment Date: 2021/08/30

Service Request Number: 36045127

Corporate Access Number: 2023611417

Business Number: 788796506

Legal Entity Name: RUBELLITE ENERGY INC.

French Equivalent Name:

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

New Legal Entity Name: RUBELLITE ENERGY INC.

New French Equivalent Name:

Nuans Number: 121306620

Nuans Date: 2021/06/17

French Nuans Number:

French Nuans Date:

Share Structure: SEE SCHEDULE "A" ATTACHED HERETO

Share Transfers Restrictions: NONE

Number of Directors:

Min Number Of Directors: 3

Max Number Of Directors: 11

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "B" ATTACHED HERETO

BCA Section/Subsection: 173(1)(L)(M)(N)

Professional Endorsement Provided:

Future Dating Required:

Annual Return

No Records returned

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Share Structure	ELECTRONIC	2021/07/12

Other Rules or Provisions	ELECTRONIC	2021/07/12
Restrictions on Share Transfers	ELECTRONIC	2021/07/12
Other Rules or Provisions	ELECTRONIC	2021/08/30

Registration Authorized By: AUSTIN K. FRUSON
SOLICITOR

The Registrar of Corporations certifies that the information contained in this statement is an accurate reproduction of the data contained in the specified service request in the official public records of Corporate Registry.

SCHEDULE "A"

The authorized capital of the Corporation shall consist of an unlimited number of Common Shares and an unlimited number of Preferred Shares which shares shall have the following rights, privileges, restrictions and conditions:

COMMON SHARES

1. Voting Rights

The holders of Common Shares shall be entitled to notice of, to attend and to one (1) vote per share held at any meeting of the shareholders of the Corporation (other than meetings of a class or series of shares of the Corporation other than the Common Shares as such).

2. Dividends

The holders of Common Shares shall be entitled to receive dividends as and when declared by the Board of Directors of the Corporation on the Common Shares as a class, subject to prior satisfaction of all preferential rights to dividends attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of dividends.

3. Liquidation

The holders of Common Shares shall be entitled in the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, and subject to prior satisfaction of all preferential rights to return of capital on dissolution attached to all shares of other classes of shares of the Corporation ranking in priority to the Common Shares in respect of return of capital on dissolution, to share rateably, together with the holders of shares of any other class of shares of the Corporation ranking equally with the Common Shares in respect of return of capital, in such assets of the Corporation as are available for distribution.

PREFERRED SHARES

The rights, privileges, restrictions and conditions attaching to the Preferred Shares, as a class, shall be as follows:

1. Issuance in Series

Subject to the filing of Articles of Amendment in accordance with the Business Corporations Act (Alberta) (the "Act"), the Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may, before the issuance thereof, be determined by the Board of Directors. Subject to the filing of Articles of Amendment in accordance with the Act, the Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares including, without limiting the generality of the foregoing, the amount, if any, specified as being payable preferentially to such series on a distribution, the extent, if any, of further participation on a distribution, voting rights, if any, and dividend rights (including whether such dividends be preferential, or cumulative or non-cumulative), if any.

2. Dividends

The holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

3. Liquidation

In the event of a distribution, holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares from time to time with respect to payment on a distribution, to be paid rateably with holders of each series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on a distribution.

SCHEDULE "B"

Other Provisions:

(a) The directors of the Corporation may, without authorization of the shareholders:

- i. borrow money on the credit of the Corporation;
- ii. issue, reissue, sell or pledge debt obligations of the Corporation;
- iii. subject to the Business Corporations Act of Alberta, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- iv. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

(b) The directors may, by resolution, delegate the powers referred to in subsection (a) hereof to a director, a committee of directors or an officer.

(c) The directors may, between annual general meetings, appoint one or more additional directors of the Corporation to serve until the next annual general meeting, but the number of additional directors shall not at any time exceed 1/3 of the number of directors who held office at the expiration of the last annual general meeting of the Corporation.

(d) Meetings of the shareholders may be held at any place within Alberta or at any of the following cities: Vancouver, British Columbia; Victoria, British Columbia; Winnipeg, Manitoba; Toronto, Ontario; Ottawa, Ontario; Montreal, Quebec; or Halifax, Nova Scotia.

GENERAL BY-LAW

AMENDED AND RESTATED BY-LAW NO. 1

A BY-LAW RELATING GENERALLY TO THE CONDUCT OF THE AFFAIRS OF

RUBELLITE ENERGY INC.

(hereinafter called the "Corporation")

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

DIVISION ONE INTERPRETATION

1.01 In the by-laws of the Corporation, unless the context otherwise specifies or requires:

- a. "Act" means the *Business Corporations Act* of Alberta, as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefore in the new statute or statutes;
- b. "appoint" includes "elect" and vice versa;
- c. "articles" means the articles of incorporation or continuance of the Corporation, as from time to time amended or restated;
- d. "board" or "board of directors" means the board of directors of the Corporation;
- e. "business day" means a day which is not a non-business day;
- f. "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- g. "meeting of shareholders" includes an annual and a special meeting of shareholders;
- h. "non-business day" means Saturday, Sunday and any other day that is a holiday as from time to time defined in the *Interpretation Act* of Alberta;
- i. "Regulations" means the regulations under the Act as published or from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- j. "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by virtue of section 3.01 of this by-law or by a resolution passed pursuant thereto; and

- k. "special meeting of shareholders" means a meeting of any particular class or classes of shareholders and a meeting of all shareholders entitled to vote at any annual meeting of shareholders at which special business is to be transacted.

Save as aforesaid, all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall, unless the context otherwise specifies or requires, have the meanings given to such terms in the Act or the Regulations. Words importing the singular number include the plural and vice versa; the masculine shall include the feminine; and the word "person" shall include an individual, partnership, association, body corporate, body politic, trustee, executor, administrator and legal representative.

Headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

DIVISION TWO BANKING AND SECURITIES

2.01 Banking Arrangements

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies or other bodies corporate or organizations or any other persons as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of power as the board may from time to time prescribe or authorize.

2.02 Voting Rights in Other Bodies Corporate

The signing officers of the Corporation may execute and deliver instruments of proxy and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of such voting certificates or evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

DIVISION THREE EXECUTION OF INSTRUMENTS

3.01 Authorized Signing Officers

Unless otherwise authorized by the board, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two of the president, chairman of the board, managing director, any vice-president, any director, secretary, treasurer, any assistant secretary or any assistant treasurer or any other officer created by by-law or by the board. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same, but no instrument is invalid merely because the corporate seal is not affixed thereto.

3.02 Cheques, Drafts and Notes

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or person or persons, whether or not officers of the Corporation, and in such manner as the board may from time to time designate by resolution.

DIVISION FOUR
DIRECTORS

4.01 Number

The board shall consist of such number of directors as is fixed by the articles, or where the articles specify a variable number, shall consist of such number of directors as is not less than the minimum nor more than the maximum number of directors provided in the articles and as shall be fixed from time to time by resolution of the board.

4.02 Election and Term

Subject to the articles or a unanimous shareholder agreement, the election of directors shall take place at each annual meeting of shareholders and all of the directors then in office, shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall, subject to the articles or a unanimous shareholder agreement, be the number of directors then in office, or the number of directors whose terms of office expire at the meeting, as the case may be. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.03 Removal of Directors

Subject to the Act and the articles, the shareholders may by ordinary resolution passed at a special meeting remove any director from office, except a director elected by employees or creditors pursuant to the articles or a unanimous shareholder agreement, and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board.

4.04 Consent

A person who is elected or appointed a director is not a director unless:

- a. he was present at the meeting when he was elected or appointed and did not refuse to act as a director, or
- b. if he was not present at the meeting when he was elected or appointed:
 - i. he consented in writing to act as a director before his election or appointment or within ten (10) days after it, or
 - ii. he has acted as a director pursuant to the election or appointment.

4.05 Vacation of Office

A director of the Corporation ceases to hold office when:

- a. he dies or resigns;
- b. he is removed in accordance with section 109 of the Act; or
- c. he becomes disqualified under subsection 105(1) of the Act.

4.06 Committee of Directors

The directors may appoint from among their number a managing director, who must be a resident Canadian, or a committee of directors, however designated, of which at least one-quarter of the members must be resident Canadians, and subject to section 115 of the Act may delegate to the managing director or such committee any of the powers of the directors. A committee may be comprised of one director.

4.07 Transaction of Business of Committee

Subject to the provisions of this by-law with respect to participation in a meeting, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Alberta and may be called by any one member of the committee giving notice in accordance with the by-laws governing the calling of meetings of the board.

4.08 Procedure

Unless otherwise determined herein or by the board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

4.09 Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

4.10 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles. If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

4.11 Action by the Board

Subject to any unanimous shareholder agreement, the board shall manage or supervise the management of the business and affairs of the Corporation. Notwithstanding a vacancy among the directors, a quorum of directors may exercise all the powers of the directors. If the Corporation has only one director, that director may constitute a meeting.

4.12 Nomination

Only persons who are nominated in accordance with the procedures set out in this by-law shall be eligible for election as directors to the board of directors. Nominations of persons for election to the board of directors may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the board of directors, as follows:

- a. by or at the direction of the board of directors or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- b. by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of shareholders made in accordance with the provisions of the Act; or
- c. by any person entitled to vote at such meeting (a "Nominating Shareholder"), who: (i) is, at the close of business on the date of giving notice provided for in this by-law and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) has given timely notice in proper written form as set forth in this by-law.

For the avoidance of doubt, the foregoing paragraph shall be the exclusive means for any person to bring nominations for election to the board of directors before any annual or special meeting of shareholders of the Corporation.

In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with this bylaw) and in proper written form (in accordance with this by-law) to the Secretary of the Corporation at the head office of the Corporation.

For a nomination made by a Nominating Shareholder to be timely notice (a "Timely Notice"), the Nominating Shareholder's notice must be received by the Secretary of the Corporation:

- a. in the case of an annual meeting of shareholders, not later than close of business on the 30th day prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and
- b. in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors, not later than the close of business on the

15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period shall commence for the giving of a Timely Notice.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must:

- a. disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "Proposed Nominee"):
 - i. such Proposed Nominee's name, age, business and residential address, principal occupation or employment for the past five years, status as a "resident Canadian" (as such term is defined in the Act);
 - ii. such Proposed Nominee's direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - iii. any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee and the Nominating Shareholder;
 - iv. such Proposed Nominee's written consent to being named in the notice as a nominee and to serving as a director of the Corporation if elected;
 - v. any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or Applicable Securities Laws; and
- b. disclose or include, as applicable, as to each Nominating Shareholder giving the notice:
 - i. such Nominating Shareholder's name, business and residential address and direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - ii. such Nominating Shareholder's interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - iii. any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;

- iv. any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
- v. a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
- vi. any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by Applicable Securities Laws.

A Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct in all material respects as of the date that is ten business days prior to the date of the meeting, or any adjournment or postponement thereof.

For purposes of this section 4.12:

- a. "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- b. "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provisions of this by-law, any notice, or other document or information required to be given to the Secretary pursuant to this section 4.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for the purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

The Board may, in its sole discretion, waive any requirement of this section 4.12.

DIVISION FIVE MEETING OF DIRECTORS

5.01 Place of Meeting

Meetings of the board may be held at any place within or outside Alberta.

5.02 Notice of Meeting

Unless the board has made regulations otherwise, meetings of the board may be summoned on twenty-four (24) hours' notice, given verbally or in writing, and whether by means of telephone or telegraph, electronic means in accordance with the provisions of the *Electronic Transactions Act*, or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- a. submit to the shareholders any question or matter requiring approval of the shareholders;
- b. fill a vacancy among the directors or in the office of auditor;
- c. appoint additional directors;
- d. issue securities, except in the manner and on the terms authorized by the board;
- e. declare dividends;
- f. purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the board;
- g. pay a commission for the sale of shares;
- h. approve a management proxy circular;
- i. approve any financial statements to be placed before the shareholders at an annual meeting; or
- j. adopt, amend or repeal by-laws.

Provided, however, that a director may in any manner, and either before or after the meeting, waive notice of a meeting and attendance of a director at a meeting of the board shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

For the first meeting of the board to be held immediately following an election of directors no notice of such meeting shall be necessary, and for a meeting of the board at which a director is to be appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided, in each case, that a quorum of the directors is present.

5.03 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

5.04 Calling of the Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine. Should more than one of the above-named call a meeting at or for substantially the same time, there shall be only one meeting held and such meeting shall occur at the time and place determined by, in order of priority, the board, any two directors, the chairman, or the president.

5.05 Regular Meetings

The board may, from time to time, appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and forthwith to each director subsequently elected or appointed, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

5.06 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director or president. If no such officer is present, the directors present shall choose one of their number to be chairman.

5.07 Quorum

Subject to the following section 5.08, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine.

5.08 One-Quarter Canadian Representation at Meetings

Directors shall not transact business at a meeting of directors unless at least one-quarter of the directors present are resident Canadians. Notwithstanding the foregoing, directors may transact business at a meeting of directors when less than one-quarter of the directors present are resident Canadians if:

- a. a resident Canadian director who is unable to be present approves in writing or by electronic means, telephone or other communications facilities the business transacted at the meeting; and
- b. the number of resident Canadian directors present at the meeting, together with any resident Canadian director who gives his approval under clause (a), totals at least one-quarter of the directors present at the meeting.

5.09 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes. In the event of any equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

5.10 Participation in Meeting

A director may participate in a meeting of the board or a committee of the board by electronic means, telephone, or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other, and a director participating in such meeting by such means is deemed to be present at the meeting.

5.11 Resolution in Lieu of Meeting

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of directors is as valid as if it had been passed at a meeting of the board or committee of directors, as the case may be. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

5.12 Amendments to the Act

It is hereby affirmed that the intention of sections 4.06, 5.08 and 7.03, as they relate to Canadian representation, is to comply with the minimum requirements of the Act and in the event that such minimum requirements shall be amended, deleted or replaced such that no, or lesser, requirements with respect to Canadian representation are then in force, such sections shall be deemed to be correspondingly amended, deleted or replaced without any further act of the directors or shareholders of the Corporation.

DIVISION SIX
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.01 Conflict of Interest

A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer or has a material interest in any person who is a party to, a material contract or material transaction or proposed material contract or proposed material transaction with the Corporation or a subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract or transaction or proposed contract or transaction at the time and in the manner provided by the Act. Subject to the provisions of the Act, a director or officer shall not by reason only of his office be accountable to the Corporation or to its shareholders for any profit or gain realized from such a contract or transaction, and such contract or transaction shall not be void or voidable by reason only of the director's interest therein, provided that the required declaration and disclosure of interest is properly made, the contract or transaction is approved by the directors or shareholders, if necessary, and it was fair and reasonable to the Corporation at the time it was approved and, if required by the Act, the director refrains from voting as a director on the contract or transaction.

Even if the above conditions are not met, a director or officer acting honestly and in good faith shall not be accountable to the Corporation or to its shareholders for any profit realized from a material contract or material transaction for which disclosure is required by the Act, and such contract or transaction shall not be void or voidable by reason only of the director or officer's interest therein, provided that the material contract or material transaction was approved or confirmed by special resolution at a meeting of the shareholders, disclosure of the interest was made to the shareholders in a manner sufficient to indicate its nature before such contract or transaction was approved or confirmed, and such contract or transaction was reasonable and fair to the Corporation at the time it was approved or confirmed.

6.02 Limitation of Liability

Every director and officer of the Corporation, in exercising his powers and discharging his duties, shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable

circumstances. Subject to the foregoing, no director or officer, for the time being of the Corporation, shall be liable for the acts, neglects or defaults of any other director or officer or employee or for joining in any act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting for any dealings with any moneys, securities or other assets belonging to the Corporation or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the Regulations thereunder or from liability for any breach thereof. The directors, for the time being of the Corporation, shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board.

No act or proceeding of any director or officer or the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the election, appointment or qualification of such director or officer or board.

6.03 Indemnity

Subject to section 124 of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, 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 Corporation or body corporate, if:

- a. he acted honestly and in good faith with a view to the best interests of the Corporation; and
- b. 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.

The Corporation shall also indemnify such persons in such other circumstances as the Act permits or requires. Nothing herein contained shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this section 6.03.

6.04 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in section 6.03 against any liability incurred by him:

- a. in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or
- b. in his capacity as a director or officer of the another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

DIVISION SEVEN
OFFICERS

7.01 Election or Appointment

Subject to any unanimous shareholder agreement, the board may, from time to time, appoint a chairman of the board, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for a managing director and a chairman of the board who must be directors, an officer may, but need not be, a director and one person may hold more than one office.

7.02 Chairman of the Board

The chairman of the board shall, when present, preside at all meetings of the board, committees of directors and at all meetings of shareholders.

If no managing director is appointed, the board may assign to the chairman of the board any of the powers and duties that, by any provision of this by-law, are assigned to the managing director; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

7.03 Managing Director

The managing director, if any, shall be a resident Canadian and shall have, subject to the authority of the board, general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify.

7.04 President

The president shall, subject to the authority of the board and the managing director, if any, have such powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office; provided, however, that unless he is a director he shall not preside as chairman at any meeting of the board or of a committee of directors.

7.05 Vice-President

During the absence or disability of the president, his duties shall be performed and his powers exercised by the vice-president or, if there is more than one, by the vice-president designated from time to time by the board or the president; provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of the board or of a committee of directors. A vice-president shall have such other powers and duties as the board or the president may prescribe.

7.06 Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the

custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer, if any, may specify.

7.07 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions and he shall have such other powers and duties as the board or chief executive officer, if any, or the president may specify.

7.08 General Manager or Manager

If elected or appointed, the general manager shall have, subject to the authority of the board, the managing director, if any, the chief executive officer, if any, and the president, full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board and/or by the shareholders) and to employ and discharge agents and employees of the Corporation and may delegate to him or them any lesser authority. A general manager or manager shall conform to all lawful orders given to him by the board and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a general manager or manager shall be subject to discharge by the board.

7.09 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board, the managing director, if any, or the chief executive officer, if any, or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer, if any, or the president otherwise directs.

7.10 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

7.11 Vacancies

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board, by resolution, may appoint a person to fill such vacancy.

7.12 Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers shall be subject to removal by resolution of the board at any time, with or without cause, notwithstanding any agreement to the contrary, provided however that this right of removal shall not limit

in any way such officer's right to damages by virtue of such agreement or any other rights resulting from such removal in law or equity.

7.13 Agents and Attorneys

The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

7.14 Conflict of Interest

An officer shall disclose his interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with section 6.01.

7.15 Fidelity Bonds

The board may require such officers, employees and agent of the Corporation, as the board deems advisable, to furnish bonds for the faithful discharge of their powers and duties, in such forms and with such surety as the board may from time to time determine.

DIVISION EIGHT
SHAREHOLDERS' MEETINGS

8.01 Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held at such time and on such day in each year and at such place or places as the board, the chairman of the board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors if required by the Act or the articles, and for the transaction of such other business as may properly be brought before the meeting.

8.02 Special Meetings

The board shall have the power to call a special meeting of shareholders at any time.

8.03 Place of Meetings

Meetings of shareholders shall be held as provided for in the articles, or failing any reference in the articles, at such place in Alberta as the board may determine. Subject to the Act, if the directors or the shareholders of the Corporation call a meeting of shareholders, the directors or the shareholders, as the case may be, may determine that the meeting shall be held entirely by electronic means, telephone or other communication facility that permits all participants to communicate adequately with each other during the meeting.

8.04 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, as a record date for the determination of shareholders entitled to notice of or to vote at the meeting. If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of or to vote at the meeting

shall be the close of business on the date immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

8.05 Notice of Meeting

Notice of the time and place of each meeting of shareholders shall be sent not less than twenty-one (21) days and not more than fifty (50) days before the meeting to each shareholder entitled to vote at the meeting, each director and the auditor of the Corporation. Such notice may be sent by electronic means in accordance with the *Electronic Transactions Act*, or by mail addressed to, or may be delivered personally to, the shareholder, at his latest address as shown in the records of the Corporation or its transfer agent, to the director, at his latest address as shown in the records of the Corporation or in the last notice filed pursuant to section 106 or 113 of the Act, or to the auditor, at his most recent address as shown in the records of the Corporation. A notice of meeting of shareholders sent by mail to a shareholder, director or auditor in accordance with the above is deemed to be served on the day on which it was deposited in the mail. A notice of a meeting is not required to be sent to shareholders who are not registered on the records of the Corporation or its transfer agent on the record date as determined according to section 8.04 hereof. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A special meeting and an annual meeting may be convened by one and the same notice and it shall not be an objection to the notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

8.06 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 8.07 hereof, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except to the extent that such person has transferred any of his shares after the record date set pursuant to section 8.04 hereof, or, if no record date is fixed, after the date on which the list referred to in section 8.07 is prepared, and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than ten (10) days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the close of business on the record date, or if no record date is set, at the close of business on the date preceding the date notice is sent, is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

8.07 List of Shareholders Entitled to Notice

The Corporation shall prepare a list of shareholders entitled to receive notice of a meeting, arranged in alphabetical order, and showing the number of shares held by each shareholder in accordance with section 137 of the Act. If a record date for the meeting is fixed pursuant to section 8.04 hereof by the board, the shareholders listed shall be those registered at the close of business on the record date. If no record date is fixed by the board, the shareholders listed shall be those listed at the close of business on the last business day immediately preceding the day on which notice of a meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where its central securities register is maintained and at the place where the meeting is held.

8.08 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

- a. if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and
- b. if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held.

At such meetings any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to a meeting being held at such place.

8.09 Waiver of Notice

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

8.10 Chairman, Secretary and Scrutineers

The chairman of the board or, in his absence, the president, if such an officer has been elected or appointed and is present, or otherwise a vice-president who is a shareholder of the Corporation, shall be chairman of any meeting of shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, or declines to be chairman of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

8.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

8.12 Quorum

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or by any other by-law) shall be persons present not being less than two (2) in number and holding or representing not less than twenty-five (25%) per cent of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present

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

8.13 Participation in Meeting

A shareholder or any other person entitled to attend a meeting may participate in a meeting of shareholders by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear or otherwise communicate with each other, and a person participating in such a meeting by such means is deemed to be present at the meeting. Subject to the Act, any person participating in a meeting pursuant to this section and entitled to vote at the meeting may vote by electronic means, telephone or other communication facility that the Corporation has made available for that purpose.

8.14 Proxyholders and Representatives

Votes at meetings of the shareholders may be given either personally or by proxy; or, in the case of a shareholder, who is a body corporate or association, by an individual authorized by a resolution of the board or governing body of the body corporate or association to represent it at a meeting of shareholders of the Corporation, upon producing a certified copy of such resolution or otherwise establishing his authority to vote to the satisfaction of the secretary or the chairman.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. A person appointed by proxy need not be a shareholder.

8.15 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

8.16 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholder may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

8.17 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast. In the event of an equality of votes at any meeting of shareholders, the chairman shall not have a second or casting vote.

8.18 Conduct of Vote

Subject to the Act, voting at a meeting of shareholders shall be by a show of hands, unless a ballot is required or demanded as hereinafter provided, and may be held, subject to the Act, entirely by electronic means, telephone or other communication facility, if the corporation makes such a communication facility available. Every person who is present or otherwise participating in the meeting pursuant to section 8.13 hereof and entitled to vote shall have one vote. Whenever a vote shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or defeated and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of shareholders upon the said question.

8.19 Ballots

On any question proposed for consideration at a meeting of shareholders, a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote. If a ballot is demanded on the election of a chairman or on the question of an adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the articles or, in the absence of such provision in the articles, to one vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question. The demand or requirement for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot has been demanded or required.

8.20 Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of the adjournment. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as notice for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) day, subsection 149(1) of the Act does not apply.

8.21 Resolution in Lieu of a Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders. A copy of every such resolution in writing shall be kept with minutes of the meetings of shareholders. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

8.22 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

DIVISION NINE
SHARES

9.01 Non-Recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

9.02 Certificates

The shareholder is entitled at his option to a share certificate that complies with the Act or a non-transferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the securities of the Corporation held by him. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as described by the Act and as the board shall from time to time approve. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on the share certificate may be printed or otherwise mechanically reproduced on it.

9.03 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issuance of a new share certificate or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

9.04 Joint Holders

The Corporation is not required to issue more than one share certificate in respect of a share held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all. Any one of such holders may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such certificate.

DIVISION TEN
TRANSFER OF SECURITIES

10.01 Registration of Transfer

If a share in registered form is presented for registration of transfer, the Corporation shall register the transfer if:

- a. the share is endorsed by an appropriate person, as defined in section 64 of the Act;

- b. reasonable assurance is given that the endorsement is genuine and effective;
- c. the Corporation has no duty to enquire into adverse claims or has discharged any such duty;
- d. any applicable law relating to the collection of taxes has been complied with;
- e. the transfer is rightful or is to a bona fide purchaser; and
- f. the transfer fee, if any, has been paid.

10.02 Transfer Agents and Registrar

The board may from time to time by resolution appoint or remove one or more trust companies registered under the Trust Companies Act as its agent or agents to maintain a central securities register or registers, and an agent or agents to maintain a branch securities register or registers. Agents so appointed may be designated as transfer agent or registrar according to their functions, and a person may be appointed and designated with functions as both registrar and transfer or branch transfer agent. Registration of the issuance or transfer of a security in the central securities register or in a branch securities register is complete and valid registration for all purposes.

10.03 Securities Registers

A central securities register of the Corporation shall be kept at its registered office or at any other place in Alberta designated by the board to record the shares and other securities issued by the Corporation in registered form, showing with respect to each class or series of shares and other securities:

- a. the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- b. the number of shares or other securities held by each holder; and
- c. the date and particulars of the issuance and transfer of each share or other security.

A branch securities register or registers may be kept either in or outside Alberta at such place or places as the board may determine. A branch securities register shall only contain particulars of securities issued or transferred at that branch. Particulars of each issue or transfer of a security registered in a branch securities register shall also be kept in the corresponding central securities register.

10.04 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

DIVISION ELEVEN
DIVIDENDS AND RIGHTS

11.01 Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully-paid shares of the Corporation.

11.02 Dividend Cheques

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and shall be mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities register or registers or such address as such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

11.03 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

11.04 Unclaimed Dividends

No dividend shall bear interest against the Corporation. Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

11.05 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than fifty (50) days the date for the payment of any dividend, as a record date for the determination of the persons entitled to receive payment of such dividend, provided that, unless waived as provided for in the Act, notice of any such record date is given, not less than seven (7) days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada, if any, on which the Corporation's shares are listed for trading. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend shall be at the close of business on the day on which the resolution relating to such dividend is passed by the board.

DIVISION TWELVE
INFORMATION AVAILABLE TO SHAREHOLDERS

12.01 Confidential Information

Except as provided by the Act, no shareholders shall be entitled to obtain information respecting any details or conduct of the Corporation's business which, in the opinion of the directors, it would be inexpedient in the interests of the Corporation to communicate to the public.

12.02 Conditions of Access to Information

The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholders shall have any right to inspect any document or book or register or account record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders.

12.03 Registered Office and Separate Records Office

The registered office of the Corporation shall be at a place within Alberta and at such location therein as the board may from time to time determine. The records office will be at the registered office or at such location, if any, within Alberta, as the board may from time to time determine.

DIVISION THIRTEEN
NOTICES

13.01 Method of Giving Notices

A notice or document required by the Act, the Regulations, the articles or the by-laws to be sent to a shareholders or director of the Corporation may be sent by electronic means in accordance with the provisions of the *Electronic Transactions Act*, or by prepaid mail addressed to, or may be delivered personally to:

- a. the shareholder at his latest address as shown in the records of the Corporation or its transfer agent; and
- b. the director at his latest address as shown in the records of the Corporation or in the last notice filed under section 106 or 113.

A notice or document sent by mail in accordance with the foregoing to a shareholder or director of the Corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholders or director did not receive the notice or document at the time or at all.

13.02 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

13.03 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholders from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

13.04 Non-Receipt of Notices

If a notice or document is sent to a shareholder in accordance with section 13.01 and the notice or document is returned on two (2) consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until the shareholder informs the Corporation in writing of his new address; provided always, that in the event of the return of a notice of a shareholders meeting mailed to a shareholder in accordance with section 13.01 the notice shall be deemed to be received by the shareholder on the date deposited in the mail notwithstanding its return.

13.05 Omissions and Errors

Subject to the Act, the accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

13.06 Signature on Notices

Unless otherwise specifically provided, the signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

13.07 Waiver of Notice

If a notice or document is required by the Act or the Regulations, the articles, the by-laws or otherwise to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to receive it. The consent of a person entitled to waive the requirement for the sending of a notice or document or to waive or abridge the time for the notice or the document may be sent by electronic means in accordance with the provisions of the *Electronic Transactions Act*.

DIVISION FOURTEEN
MISCELLANEOUS

14.01 Directors to Require Surrender of Share Certificates

The directors in office when a Certificate of Continuance is issued under the Act are hereby authorized to require the shareholders of the Corporation to surrender their share certificate(s), or such of their share certificates as the directors may determine, for the purpose of cancelling the share certificates and replacing them with new share certificates that comply with section 48 of the Act, in particular, replacing existing share certificate with share certificates that are not negotiable securities under the Act. The directors in office shall act by resolution under this section 14.01 and shall in their

discretion decide the manner in which they shall require the surrender of existing share certificates and the time within which the shareholders must comply with the requirement and the form or forms of the share certificates to be issued in place of the existing share certificates. The directors may take such proceedings as they deem necessary to compel any shareholder to comply with a requirement to surrender his share certificate or certificates pursuant to this section. Notwithstanding any other provision of this by-law, but subject to the Act, the director may refuse to register the transfer of shares represented by a share certificate that has not been surrendered pursuant to a requirement under this section.

14.02 Financial Assistance to Shareholders, Employees and Others

The Corporation may give financial assistance by means of a loan, guarantee or otherwise to any person for any purpose in accordance with the provisions of the Act and the Regulations including, without limitation, the disclosure requirements specified therein.

14.03 Severability

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

MADE by the Board the 15th day of July, 2021 and amended and restated by the Board effective the 30th day of August, 2021.

Authorized Signatory

CONFIRMED by the Sole Shareholder in accordance with the *Business Corporations Act* (Alberta), the 15th day of July, 2021 with amendments ratified and approved by the Sole Shareholder in accordance with the *Business Corporations Act* (Alberta), the 30th day of August, 2021.

Authorized Signatory

BANKING AND SECURITIES		
Banking Arrangements	2.01	2
Voting Rights in Other Bodies Corporate	2.02	2
DIRECTORS		
Number	4.01	3
Election and Term	4.02	3
Removal of Directors	4.03	3
Consent	4.04	4
Vacation of Office	4.05	4
Committee of Directors	4.06	4
Transaction of Business of Committee	4.07	4
Procedure	4.08	5
Remuneration and Expenses	4.09	5
Vacancies	4.10	5
Action by the Board	4.11	5
Nomination	4.12	5
DIVIDENDS AND RIGHTS		
Dividends	11.01	21
Dividend Cheques	11.02	21
Non-Receipt of Cheques	11.03	21
Unclaimed Dividends	11.04	21
Record Date for Dividends and Rights	11.05	21
EXECUTION OF INSTRUMENTS		
Authorized Signing Officers	3.01	2
Cheques, Drafts and Notes	3.02	3
INFORMATION AVAILABLE TO SHAREHOLDERS		
Confidential Information	12.01	22
Conditions of Access to Information	12.02	22
Registered Office and Separate Records Office	12.03	22
INTERPRETATION	1.01	1
MEETING OF DIRECTORS		
Place of Meeting	5.01	8
Notice of Meeting	5.02	8
Adjourned Meeting	5.03	9
Calling of the Meeting	5.04	9
Regular Meetings	5.05	9
Chairman	5.06	9
Quorum	5.07	9
One-Quarter Canadian Representation at Meetings	5.08	9
Voting	5.09	10
Participation in Meeting	5.10	10
Resolution in Lieu of Meeting	5.11	10
Amendments to the Act	5.12	10

MISCELLANEOUS

Directors to Require Surrender of Share Certificates	14.01	24
Financial Assistance to Shareholders, Employees and Others	14.02	24
Severability	14.03	24

NOTICES

Method of Giving Notices	13.01	22
Notice to Joint Shareholders	13.02	23
Persons Entitled by Death or Operation of Law	13.03	23
Non-Receipt of Notices	13.04	23
Omissions and Errors	13.05	23
Signature on Notices	13.06	23
Waiver of Notice	13.07	23

OFFICERS

Election or Appointment	7.01	12
Chairman of the Board	7.02	12
Managing Director	7.03	12
President	7.04	12
Vice-President	7.05	13
Secretary	7.06	13
Treasurer	7.07	13
General Manager or Manager	7.08	13
Powers and Duties of Other Officers	7.09	13
Variation of Powers and Duties	7.10	14
Vacancies	7.11	14
Remuneration and Removal	7.12	14
Agents and Attorneys	7.13	14
Conflict of Interest	7.14	14
Fidelity Bonds	7.15	14

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Conflict of Interest	6.01	10
Limitation of Liability	6.02	11
Indemnity	6.03	11
Insurance	6.04	12

SHARES

Non-Recognition of Trusts	9.01	19
Certificates	9.02	19
Replacement of Share Certificates	9.03	19
Joint Holders	9.04	20

SHAREHOLDERS' MEETINGS

Annual Meetings	8.01	14
Special Meetings	8.02	15
Place of Meetings	8.03	15
Record Date for Notice	8.04	15
Notice of Meeting	8.05	15
Right to Vote	8.06	15

List of Shareholders Entitled to Notice	8.07	16
Meetings Without Notice	8.08	16
Waiver of Notice	8.09	16
Chairman, Secretary and Scrutineers	8.10	16
Persons Entitled to be Present	8.11	17
Quorum	8.12	17
Participation in Meeting	8.13	17
Proxyholders and Representatives	8.14	17
Time for Deposit of Proxies	8.15	17
Joint Shareholders	8.16	18
Votes to Govern	8.17	18
Conduct of Vote	8.18	18
Ballots	8.19	18
Adjournment	8.20	18
Resolution in Lieu of a Meeting	8.21	19
Only One Shareholder	8.22	19
TRANSFER OF SECURITIES		
Registration of Transfer	10.01	20
Transfer Agents and Registrar	10.02	20
Securities' Registers	10.03	20
Deceased Shareholders	10.04	21