

**GENERAL BY-LAW OF  
PINE CLIFF ENERGY LTD.**  
(hereinafter called the "**Corporation**")

being a By-law relating generally to the conduct of the affairs of the Corporation. IT IS HEREBY ENACTED as the General By-law of the Corporation as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

In this By-law and all other By-laws of the Corporation, unless the context otherwise requires:

- (a) "**Act**" means the *Business Corporations Act* (Alberta), as from time to time amended and every statute that may be substituted therefor and, in the case of such substitution, any references in the By-laws to provisions of the Act shall be read as references to the provisions substituted therefor in the new statute or statutes;
- (b) "**Appoint**" includes "**Elect**" and vice versa;
- (c) "**Articles**" means the Articles of Incorporation, Articles of Amalgamation or Articles of Arrangement, as applicable, as from time to time amended, supplemented or restated, pursuant to which the Corporation is incorporated or amalgamated under the Act;
- (d) "**Board**" or "**Directors**" means the board of directors for the time being of the Corporation acting by means of a resolution passed at a meeting of the Board duly convened and held, or by means of a resolution consented to in writing as provided in this By-law;
- (e) "**By-laws**" means this By-law and all other By-laws of the Corporation from time to time in force and effect;
- (f) "**Register**" means the securities register maintained pursuant to the Act by or on behalf of the Corporation;
- (g) "**Regulations**" means the Regulations under the Act as published or from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the By-laws to provisions of the Regulations shall be read as references to the provisions substituted therefor in the new Regulations;
- (h) "**Signing Officer**" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by virtue of Section 3.1 of this By-law or by a resolution passed pursuant thereto;
- (i) "**this By-Law**" means this General By-law; and
- (j) "**written**" or "**in writing**" includes printing, typewriting, lithographing and any other modes of reproducing words in permanently visible form.

Words importing the singular number include the plural and vice versa; words importing a particular gender shall include all genders; the word "person" shall include an individual, partnership, association, body

corporate, syndicate, trustee, executor, administrator, legal representative, and any number or aggregate of persons; and the words "and" and "or" shall be construed both conjunctively and disjunctively.

All terms which are contained in the By-laws and which are defined in the Act or the Regulations shall have the meanings given to such terms in the Act or the Regulations.

The provision of headings in the By-laws is for ease of reference only, and shall be disregarded when the meaning of the By-laws is construed.

All provisions of this By-law are subject to the provisions of the Articles and any unanimous shareholder agreement, whether or not any provision of this By-law is expressly stated to be so subject.

## **ARTICLE 2**

### **BORROWING, BANKING AND SECURITIES**

#### **2.1 Borrowing Power**

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the Articles and any unanimous shareholder agreement, the Board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge bonds, debentures, notes or other evidences of indebtedness or guarantee of the Corporation, whether secured or unsecured;
- (c) to the extent permitted by the Act, give a guarantee on behalf of the Corporation to secure performance of any present or future indebtedness, liability or obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, moveable or immovable, property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any such bonds, debentures, note or other evidences of indebtedness or guarantee or any other present or future indebtedness, liability or obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

#### **2.2 Delegation**

The Board may from time to time delegate to a committee of the Board, a director or an officer of the Corporation or such other person as may be designated by the Board, all or any of the powers conferred on the Board by the preceding section of this By-law or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

**ARTICLE 3**  
**EXECUTION OF INSTRUMENTS**

**3.1 Attestation**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any director or officer alone or any person or persons authorized by resolution of the directors. In addition, the Board may from time to time direct the manner in which and the persons by whom any particular instrument or class of instruments may or shall be signed. The Directors may, if they deem it appropriate, adopt and from time to time change a common seal for the Corporation. Any signing officer may affix the common seal to any instrument requiring the same, but no instrument is invalid merely because the common seal is not affixed thereto.

**3.2 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 on behalf of the Corporation by such persons (whether or not a director or officer of the Corporation) and in such manner as the Board may from time to time designate.

**ARTICLE 4**  
**DIRECTORS**

**4.1 Number**

The Board shall consist of such number of Directors as is fixed by the Articles, or where the Articles specify a variable number, such number of Directors as may be determined from time to time by the Shareholders by ordinary resolution. At one quarter of the Directors shall be resident Canadians.

**4.2 Election and Term**

All qualified retiring Directors shall be eligible for re-election. A Director's term of office shall be from the date such director is elected or appointed until the close of the first annual meeting of shareholders following such director's election or appointment or until a successor to such director is elected or appointed.

**4.3 Procedure for Election of Directors**

(a) Nominations

In addition to nomination by shareholder proposal as provided in the Act, and subject to clause 4.3(b), candidates for the position of Director may be nominated in either of the following ways:

- (i) the Directors may nominate candidates (who may include themselves) by including the name of the proposed candidates in the notice or information circular which is distributed to the shareholders prior to each Annual Meeting or other General Meeting at which Directors are to be elected; or
- (ii) any shareholder holding not less than 5% of the shares entitled to be voted at an Annual Meeting or other General Meeting at which Directors are to be elected, in person or by proxy or representative (where the shareholder is a body corporate or association) may nominate a candidate at such meeting.

- (b) Where Directors are to be elected by the holders of a particular category of shares or by particular persons, nominations shall be put forward in accordance with the provisions which entitle the said holders or persons to elect Directors, or if there are no such provisions, as provided in clause 4.3(a).

- (c) Close of Nominations

At every Annual Meeting or other General Meeting at which Directors are to be elected, the chairman of the meeting shall call for nominations from the floor and shall allow a suitable time for nominations to be made.

Once all nominations have been made from the floor, or if after a suitable time has been allowed no such nominations are made, the chairman of the meeting shall declare nominations closed, and thereafter no further nominations for the position of Director may be made from the floor at that General Meeting.

#### **4.4 Appointment of Directors**

If the Articles provide that the Directors may appoint additional Directors between Annual General Meetings, a separate resolution of the Directors shall be taken in respect of each person nominated for appointment as an additional Director, unless all of the Directors present at the meeting of Directors where the matter is discussed agree to a resolution being taken for the simultaneous appointment of several Directors.

#### **4.5 Expenses**

Directors shall be reimbursed for all expenses properly incurred by them in the discharge of their functions. The Board may establish reasonable expense allowances to cover the said expenses, and Directors need not, subject to the discretion of the Board, produce proof of having incurred the said expenses in order to claim such allowances.

#### **4.6 Directors in Other Capacities**

Directors may be employed by the Corporation in any other capacity and are entitled to be remunerated for services so rendered.

#### **4.7 Majority Voting**

- (a) Uncontested Election

For the purpose of this Section 4.7, an "uncontested election" of Directors means an election where the number of nominees for Directors is equal to the number of directors to be elected.

- (b) Forms of Proxy

The forms of proxy circulated in connection with a meeting of the Corporation's shareholders at which an uncontested election of Directors is to be conducted shall provide the Corporation's shareholders with the ability to vote in favour of, or to withhold from voting for, each director nominee individually.

(c) Resignation

If the number of votes withheld for a particular Director nominee is greater than the number of votes in favour of such nominee, the Director nominee shall be required to immediately tender an offer of his or her resignation to the Chairman of the Board following the applicable meeting of the Corporation's shareholders. Following receipt of such an offer of resignation, the Board, or a committee of the Board, shall consider whether or not to accept the offer of resignation. The Board, or a committee of the Board, shall consider whether any exceptional circumstance exist in considering whether or not to accept an offer of resignation from a Director pursuant to this clause 4.7(c). The Board must accept an offer of resignation absent exceptional circumstances. The Board, or a committee of the Board, may adopt procedures as it sees fit to assist in its determinations with respect to this clause 4.7(c).

Within 90 days following the applicable meeting of the Corporation's shareholders, the Board shall make its decision, having considered the recommendation of a committee of the Board, if applicable. The resignation will be effective when accepted by the Board. In considering the recommendation of a committee of the Board, if applicable, the Board will review the factors considered by such committee and such additional information and factors that the Board considers to be relevant. If an offer of resignation is accepted, the Board may appoint a new Director to fill any vacancy created by the resignation or reduce the size of the Board.

(d) Participation in Meetings

Any Director who tenders his or her offer of resignation for consideration pursuant to clause 4.7(c) shall not be permitted to participate in any meeting of the Board, or any meeting of a committee of the Board, at which his or her offer of resignation is to be considered. If the inability of any such Director to participate in a meeting of a committee of the Board would result in a loss of quorum, then such committee shall not consider the offer of resignation and the Board shall consider whether or not to accept the offer of resignation without a recommendation from such committee. If the inability of any such Director to participate in any meeting of the Board would result in a loss of quorum, then any such Director shall be counted for the purpose of determining whether the Board has a quorum but any such Director shall not be permitted to vote at such meeting.

(e) News Release

Promptly following the decision of the Board to accept, or not to accept, an offer of resignation pursuant to clause 4.7(c), the Corporation shall a news release with the Board's decision, a copy of which news release must be provided to the Toronto Stock Exchange, or to any exchange upon which the Corporation's common shares are listed, if required by such exchange. If the Board determines not to accept an offer of resignation, the news release shall fully state the reasons for that decision.

**ARTICLE 5**  
**POWERS OF DIRECTORS**

**5.1 Powers of Directors**

The management of the business and affairs of the Corporation shall be vested in the Directors, who, in addition to the powers and authorities expressly conferred upon them by the Act, the Articles and the By-laws, may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the Articles, or By-laws expressly directed or required to be exercised or done by the Corporation in General Meeting, but subject, nevertheless, to the provisions of the Act, the Articles and the By-laws and to any regulations from time to time made by the Corporation in a General Meeting, provided that no regulations so made shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.

**ARTICLE 6**  
**MEETINGS OF DIRECTORS**

**6.1 Notice of Meeting**

Notice of the time, date and place of each meeting of the Board shall be given to each Director not less than 48 hours before the time when the meeting is to be held in the same manner as notice of meetings of shareholders are to be given pursuant to Section 11 below, and all Directors shall be notified in the same manner in respect of any one meeting. All of the provisions of Section 11 shall apply in respect of meetings of Directors except for clauses 11.4, 11.5, 11.10, 11.11 and 11.12, except that notice of a meeting of Directors shall always be sent to a Director at his most recent address made known by him to the Corporation, and further except that the mail service shall not be used to summon a meeting of Directors when mail service in Canada is interrupted or threatened to be interrupted by strikes or other industrial disturbances, nor unless notice is mailed at least five days before the date of meeting. 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.

**6.2 Meeting after Election of Directors**

A meeting of Directors shall generally be held immediately following each Annual Meeting at which Directors are elected, and no notice of such meeting is required. No notice of the meeting of Directors at which he is appointed need be given to a person who is appointed by the Directors as an additional Director or in order to fill a vacancy.

**6.3 Adjourned Meeting**

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

**6.4 Periodic Meetings without Notice**

The Board may appoint a regular time and place for its meetings. A copy of any resolution by which it is determined to hold such periodic meetings shall be sent to each Director forthwith after it is passed, and forthwith to each Director who is subsequently elected or appointed. No other notice is required for any such periodic meetings, except where the Act or this By-law requires the purpose thereof or the business to be transacted thereat to be specified.

## **6.5 Holding of Meetings and Quorum**

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their proceedings as they see fit and may declare the quorum necessary for the transaction of business; until the Directors make such determination, one half (or where one half of the Directors is not a whole number, the whole number which is closest to and at least one half) of the Directors shall be a quorum. Where there are two or three Directors, a quorum shall be two Directors. Where there is only one Director, that Director constitutes a quorum.

## **6.6 Convening of Meetings**

The President may, and the Secretary shall at the request of any Director, at any time convene a meeting of the Board.

## **6.7 Voting**

Matters considered at any meeting of the Board shall be decided by a majority of votes cast upon each matter. In cases of an equality of votes the Chairman (or if the Chairman is not present, whoever is acting as chairman of the meeting of the Board) shall not have a second and casting vote.

## **6.8 Chairman**

Directors may appoint one of their number to be Chairman of the Board, and one of their number to be Vice-Chairman of the Board, and determine the period for which they are to hold office, and while no other person is appointed to be Chairman or Vice-Chairman of the Board, the President for the time being of the Corporation shall be Chairman of the Board. The Chairman shall preside at all meetings of the Board at which he is present, and in the absence of the Chairman the Vice-Chairman shall perform the Chairman's said function. If the Chairman or the Vice-Chairman are not present at the meeting within five minutes after the time appointed for holding the same, the Directors shall choose one of their number to be chairman of such meeting.

## **6.9 Telephone Attendance**

A Director may participate in a meeting of the Board or of a committee of Directors by conference telephone, or by such other means of communication as will permit all persons participating in the meeting to hear each other, and a Director participating in a meeting by conference telephone or such other means as aforesaid shall be deemed to be present and shall be entitled to speak and vote at the meeting, and shall be counted as part of the quorum therefor. The provisions of this clause shall apply to the participation of a Director by conference telephone or other means in part only of a meeting of the Board, and in such case the Director shall be deemed to be present and shall be entitled to speak and vote at, and shall be counted as part of the quorum for, that part only of the meeting during which he is in communication by conference telephone or other means.

## **6.10 Resolutions in Writing**

A resolution in writing consented to by all of the Directors without their meeting together shall, subject to the conflict of interest disclosure requirements contained in the Act, be as valid as if it has been passed at a meeting of the Directors duly called and held, and consent to such resolution may be evidenced by means of several documents in the same form each signed by one or more Directors, or by means of telegram, telex, telecopier, electronic mail, word processor or any other method of transmitting written material. Any

such resolution in writing shall be held to relate back (or forward) to the date therein stated to be the effective date thereof.

#### **6.11 Committees**

A committee of directors shall in the exercise of the powers delegated to it conform to any regulations that may be imposed on it by the Board. Subject to such regulations imposed by the Board, the proceedings of a committee consisting of two or more Directors shall be governed by the provisions herein contained for regulating the proceedings of the Board, including the determination of the quorum, so far as the same are applicable thereto.

#### **6.12 Proceedings of Committees**

A committee may meet and adjourn as the members of the committee think proper. Questions arising at any meeting shall be determined by a majority of votes of the members of the committee present. In case of an equality of votes, at a meeting of the committee, the chairman of the meeting shall not have a casting vote.

### **ARTICLE 7** **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

#### **7.1 Conflict of Interest**

A Director or officer shall not be disqualified by his office, or be required to vacate his office, by reason only that he is a party, or is a director or officer or has a material interest in any person who is a party to, a material contract or proposed material contract 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 at the time and in the manner provided by the Act.

#### **7.2 Limitation of Liability**

Subject in all cases to the requirements of the Act, no Director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or employee or for joining in any receipt or 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 monies of or belonging to the Corporation may be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any monies, securities or other assets belonging to the Corporation, or for any loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto. The Directors 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 of Directors.

#### **7.3 Indemnity**

The Corporation shall indemnify a Director or officer, a former Director or officer, 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, executors, administrators and other legal representatives, to the fullest extent which may from time to time be permitted by the Act, from and against:

- (a) all costs, charges and expenses that he incurs in respect of any civil, criminal or administrative action or proceeding that is proposed or commenced against him by reason of being or having been a Director or officer of the Corporation, or a director or officer of such body corporate as aforesaid; and
- (b) all other costs, charges and expenses that he sustains or incurs in respect of the affairs of the Corporation;

except in respect of an action by or on behalf of the Corporation, or such body corporate as aforesaid, to procure a judgment in its favour.

The Corporation shall also indemnify and shall, if required by the Act, seek the permission of the Court to indemnify, such persons as aforesaid in all other circumstances where the Act permits or requires an indemnity to be given. Nothing in this section shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this section.

#### **7.4 Insurance**

Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of any person referred to in this section against any liability incurred by him in his capacity as a Director or officer of the Corporation or as a director or officer of any body corporate where he acts or acted in that capacity at the Corporation's request.

### **ARTICLE 8** **OFFICERS**

#### **8.1 Appointment**

The officers of the Corporation shall consist of a President and a Secretary and such other officers and assistant officers as the Board may from time to time appoint. Any person may fill more than one of the above offices. The persons holding such offices, besides having such powers and fulfilling such duties as are delegated to them by this By-law and by the Board, shall have such powers as are usually exercised by the holders of such offices.

#### **8.2 Chairman**

The Chairman of the Board and the Vice-Chairman of the Board, if either are appointed, shall in addition to the functions assigned to them by clauses 6.7, 6.8 and 9.10 hereof advise the President and the other officers of the Corporation and shall exercise such powers and perform such duties as shall be assigned to them from time to time by the Board.

### **8.3 Lead Director**

If the Chairman of the Board is not independent (as determined by the Board), the Board may create the position of Lead Director and allocate to the Lead Director such responsibilities as the Board may determine by resolution.

### **8.4 President**

Unless otherwise determined by the Board, the President shall be the Chief Executive Officer of the Corporation and, without limitation, but subject to the direction of the Board, shall have power to:

- (a) supervise and control the business and affairs of the Corporation, its officers, employees and agents;
- (b) execute bonds, deeds and contracts in the name of the Corporation and affix the Seal thereto;
- (c) cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require and fix their remuneration and emoluments, subject to the provisions of the By-laws;
- (d) remove or suspend any employee or agent who has been employed or appointed under his authority or under authority of an officer subordinate to him; and
- (e) suspend for cause, pending final action by the Board, any officer subordinate to the President. In the event of any officer being suspended from his duties by the President pursuant to this By-law, the President shall immediately summon a meeting of the Board for the soonest available date in order to review the matters involved in such suspension, and to confirm or disallow the action of the President.

If so determined by the Board, the President may be appointed also as Managing Director, in which case the appointee must be and remain a Director, and must meet such residence requirements as are stipulated by the Act.

A President who is also appointed as Managing Director shall have all such powers as are customarily exercised by a Managing Director in addition to the powers stipulated above.

### **8.5 Vice-Presidents**

Each Vice-President shall assist the President and shall have such powers and perform such duties and services as shall from time to time be prescribed or delegated to him by the President, a committee of the Board or the Board. In the absence or disability of the President, his duties shall be performed and his powers may be exercised by the Vice-Presidents in order of their seniority, unless otherwise determined by the President, a committee of the Board or the Board, and further except that a Vice-President shall not as of right exercise the functions of the President as Chairman.

### **8.6 Other Officers**

The officers of the Corporation other than the Chairman, Vice-Chairman and President shall be appointed by the Board from among such persons as the Board sees fit. Such officers shall have all functions, powers and responsibilities which may be delegated to them by the Board, and, subject to the discretion of the

Board, which are customarily exercised by the holders of such offices unless the Board delegates these powers to the President, and the President shall then have such power of appointment of other officers.

#### **8.7 Secretary**

The Secretary shall attend and be the secretary of all meetings of the Board, shareholders and committees of the Board 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 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 President may specify.

#### **8.8 Treasurer**

The Treasurer shall keep proper accounting records in compliance with the Act and, subject to Section 7, 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 the President may specify.

#### **8.9 Substitute Officers**

The Directors may appoint a temporary substitute for any officer who shall for the purposes of the By-laws be deemed to be the officer whose position he occupies.

#### **8.10 Remuneration**

The Directors shall have the power to fix and from time to time to vary the salaries and emoluments of the officers and may also delegate such responsibilities to the President.

#### **8.11 Tenure of Office**

The Directors shall have the power to fix and from time to time vary the period for which any officer is to hold office and may at any time, notwithstanding any previous determination, remove any officer from his office and appoint another person in his place, but without prejudice to the rights of such officer against the Corporation.

### **ARTICLE 9** **SHAREHOLDERS' MEETINGS**

#### **9.1 Annual Meetings**

Subject to the Act and the Articles, the time, date and place of each Annual Meeting shall be determined by the Board. The business of each Annual Meeting shall be the consideration of the Corporation's most recent financial statements and the auditor's report thereon (except where the employment of an auditor is dispensed with pursuant to the Act), the election of Directors (if required), and the reappointment of any incumbent auditor. Such business shall be the ordinary business of every Annual Meeting, and any other business to be considered at an Annual Meeting shall be classified as special business.

## **9.2 Nomenclature for General Meetings**

The General Meetings referred to in the previous clause shall be called Annual Meetings, and all other General Meetings of the Company shall, subject as provided in clause 9.3 below, be called Special Meetings. The term "General Meeting" when used in the By-laws shall include an Annual Meeting, a Special Meeting (whether of all of the shareholders, or of any class or category of shareholders), and a Special and Annual Meeting.

## **9.3 Special and Annual Meetings**

The business of a Special Meeting (other than the business of a Special Meeting of a particular class only of shareholders) may be combined with the business of an Annual Meeting and may be dealt with at a single meeting which shall be called a Special and Annual Meeting. The order in which business is to be dealt with, and other matters relating to the convening and holding and transaction of business at an Annual Meeting, a Special Meeting or a Special and Annual Meeting shall be determined by the Board.

## **9.4 Special Meetings**

A Special Meeting of shareholders may be summoned at any time by authority of the Board or the President.

## **9.5 Right to Vote**

If the Corporation has 15 or fewer members, those persons whose names are entered on the Register at the time of a General Meeting shall be entitled to exercise such voting rights as are attached to the shares which are shown on the Register as being held by them, except that if the Corporation has at or prior to a General Meeting received properly endorsed share certificates or other evidence satisfactory to the Board of a transfer of any shares, and if in a case where transfer of shares of the Corporation is restricted, the transferee has first obtained all requisite consents to the transfer and has produced to the Board such evidence thereof as the Board may reasonably require, the transferee may exercise the said voting rights in respect of the shares thus transferred, and the transferor may not exercise the same.

If the Corporation has more than 15 members, a transferee of shares must produce the evidence of transfer required by the Act, and make the required demand, not less than 10 days before a General Meeting at which the transferee seeks to vote shares which have been transferred to him but which are not recorded in his name in the Register. In a case where transfer of shares of the Corporation is restricted a transferee must also produce to the Board the evidence referred to in the previous paragraph hereof.

A shareholder to whom shares are issued after the effective date of a list of shareholders which is prepared under the Act in respect of a General Meeting but before such Meeting is held, is upon production of the certificate for such shares, or such other proof of the issue thereof as the Board may reasonably require, entitled to vote such shares at the said Meeting.

## **9.6 Irregularities**

Irregularities in the notice of any General Meeting, or in the giving thereof, or the accidental omission to give notice of any General Meeting, or the non-receipt of any notice by any shareholder, shall not invalidate any resolution passed or any proceedings taken at any General Meeting and shall not prevent the holding of such General Meeting.

### **9.7 Evidence of Appointment**

The chairman of a General Meeting may as a condition of recognizing the authority of any representative of a body corporate or association which is a shareholder, to represent that body corporate or association at any General Meeting, demand production of a copy of the resolution appointing the representative, certified under the seal of the body corporate or association (if the body corporate or association has a seal) by the President or Secretary thereof (or by an equivalent officer where the body corporate or association has neither a President nor a Secretary).

### **9.8 Revocation of Appointment**

The appointment of a representative by a body corporate or association may at any time be revoked by notice in writing delivered at the Registered Office and executed on behalf of the body corporate or association in the same manner as the copy resolution referred to in clause 9.7 above is to be certified.

### **9.9 Capacity of Representatives**

The duly appointed representative of a body corporate or association shall be entitled to exercise the same powers on behalf of the body corporate or association which he represents at a General Meeting, and in respect of notice and adjournment of General Meeting (except the power to appoint a proxy), as that body corporate or association could exercise if it were an individual shareholder present at the General Meeting. Such representative shall when present at any General Meeting count for all purposes and shall have the same rights as a member personally present at the General Meeting holding those shares which are held by the body corporate or association. References in these By-laws to members personally present at a General Meeting shall be taken to include a representative present at a General Meeting.

### **9.10 Chairman**

The Chairman of the Board or in his absence, the Vice-Chairman and in his absence, the President, or in his absence a Vice-President (if any), shall be entitled to take the chair at any General Meeting, or if there is no Chairman of the Board, President or Vice-President, or if at any General Meeting, none of them is present within 15 minutes after the time appointed for holding such General Meeting, the members present shall choose a Director as chairman, and if no Director is present, or if all the Directors present decline to take the chair, then the members present shall elect one of their number to be chairman.

### **9.11 Secretary and Scrutineers**

If the Secretary of the Corporation is absent, the chairman of each General Meeting shall appoint some person, who need not be a shareholder, to act as secretary of the General Meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by ordinary resolution or by the chairman with the consent of the shareholders present at the General Meeting.

### **9.12 Persons Entitled to be Present**

A person not otherwise entitled to be present at a General Meeting, may be admitted only on the invitation of the chairman, subject to any ordinary resolution which may be passed regarding admission of such persons.

### **9.13 Quorum**

A quorum of shareholders is present at a General Meeting, irrespective of the number of persons actually present at the General Meeting, if the holder or holders of not less than 5% of the shares entitled to vote at the General Meeting are present in person or represented by proxy.

### **9.14 Adjournment and Dissolution**

If within half an hour from the time appointed for a General Meeting a quorum is not present, the General Meeting, if convened upon the requisition of shareholders, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place; and if at such adjourned General Meeting a quorum is not present, the members present, if at least two, shall be a quorum for all purposes.

### **9.15 Voting**

Every question submitted to a General Meeting shall be decided in the first instance by a show of hands.

### **9.16 Declaration of Result of Vote**

Unless a ballot is demanded as provided in the Act, the declaration of the chairman that the resolution has been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of proceedings of the Corporation, shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against such resolution.

### **9.17 Manner of Taking Ballot**

If a ballot is demanded, and subject as provided in clause 9.19, a ballot shall be taken in such manner and at such time and place as the chairman of the General Meeting directs, and either at once or after an interval or adjournment, the result of the ballot shall be deemed to be the resolution of the General Meeting at which the ballot was demanded. The demand for a ballot may be withdrawn. In case of any dispute as to the admission or rejection of a vote, the chairman shall determine the same and such determination made in good faith shall be final and conclusive.

### **9.18 Ballot on Election of Chairman**

Any ballot duly demanded on the election of a chairman of a General Meeting or on the question of adjournment shall be taken at the General Meeting and without adjournment.

### **9.19 Business Subsequent to Demand for Ballot**

A demand for a ballot shall not prevent a General Meeting from continuing for the transaction of any business other than the question on which a ballot was demanded (except for business the transaction of which depends on the outcome of the ballot).

### **9.20 Adjournment by Consent**

The Chairman of any General Meeting may with the consent of an ordinary resolution adjourn the same from time to time and place to place, subject to compliance with the requirements of the Act regarding notice of adjourned General Meetings. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the General Meeting from which the adjournment took place.

### **9.21 Right to Vote and Number of Votes**

Subject to any restrictions imposed or privilege conferred on any particular class of shares, at every General Meeting:

- (a) upon a show of hands every shareholder or representative of a body corporate or association present in person and entitled to vote shall have one (1) vote only; and
- (b) upon a ballot every shareholder present in person, and every representative of a body corporate or association, and every person representing a shareholder by proxy, and entitled to vote shall have one vote for every share held or represented by him.

### **9.22 Form of Proxy**

The instrument appointing a proxy shall be in writing in any usual form.

### **9.23 Shareholders' Resolution in Writing**

A resolution in writing, whether ordinary or special, consented to by all the shareholders without their meeting together, is as valid as if it had been passed at a General Meeting of the members duly called and held, and consent to such resolution may be evidenced by means of several documents in the same form each signed by one or more shareholders, or by means of telegram, telex, telecopier, electronic mail, word processor or any other method of transmitting written material. Any such resolution in writing shall be held to relate back (or forward) to the date therein stated to be the effective date thereof.

### **9.24 Receipt from Joint Shareholders**

Any one of joint shareholders may give a good and sufficient receipt for any dividend, return of capital, bonus or other money, payable to such shareholders jointly.

### **9.25 Transfers**

Transfers of shares may be in any usual form.

### **9.26 Lien for Indebtedness**

Where the Corporation is a corporation which has been continued under the Act, and a lien on partly paid shares issued prior to the said continuance remains in existence after the said continuance, all of the rights of the Corporation to enforce the said lien, or otherwise to recover the monies secured thereby, shall remain enforceable by the Corporation following the said continuance in the same manner as the said rights were enforceable prior to the said continuance.

## **ARTICLE 10** **DIVIDENDS**

### **10.1 Entitlement as at Record Date**

A transfer of shares shall not pass the right as against the Corporation to any dividend unless the transfer is registered before the record date in respect of the declaration of such dividend.

## **10.2 Payment to Persons on Register**

The Directors in declaring and paying a dividend shall declare and pay the same to the shareholders of the Corporation as evidenced by the Register on the record date for payment of the dividends, and neither the Directors nor the Corporation shall be responsible to any shareholder who fails to receive a dividend through the inadvertent omission of his name from the Register.

## **10.3 Manner of Payment; Bonus Shares**

The Directors in declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid-up shares, debentures or debenture stock of the Corporation or of any other corporation or in any one or more of such ways, and the Directors after declaring a dividend may direct that such dividend be applied in paying up shares of the share capital of the Corporation or such debentures or debenture stock as aforesaid and that such paid-up shares, debentures or debenture stock be issued to the shareholders of the Corporation. Where any difficulty arises in making such a distribution the Directors may issue fractions of shares or may altogether ignore fractions of shares, and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any shareholders in order to adjust the rights of all parties, and may vest any specific assets in trustees upon such trusts for persons entitled to the dividend as may seem expedient to the Directors. The Board may appoint any person to sign on behalf of the persons entitled to participate in a distribution any contract requisite or convenient for giving effect thereto and such appointment and the signature of such person shall be binding on all shareholders.

## **10.4 Set-off**

The Corporation may set off against the dividends payable to any shareholder all sums of money which may be due from him to the Corporation on account of debts, obligations or otherwise.

## **10.5 Unclaimed Dividends**

The Corporation may pay any unclaimed dividends, interest or other sum payable on or in respect of a share into a separate account and any interest accruing on such account shall be for the benefit of the Corporation. Such payment into an account shall not constitute the Corporation a trustee in respect of money paid in, and any such dividend which is unclaimed on the expiry of six years after payment shall be forfeited and shall revert to the Corporation.

## **10.6 Payment by Cheque to Registered Address**

Unless otherwise directed, any dividend or other payment required to be made to a shareholder may be paid by cheque drawn on the bank of the Corporation and sent through the mail to the registered address of the shareholder entitled to it, or in the case of joint holders, to the registered address of that one whose name stands first on the Register in respect of the joint holding; and every cheque so sent shall be made payable to the order of the person to whom it is sent, and in the case of joint holders it may be made payable to the order of all such joint holders or to the order of the one only to whom it is sent.

## **10.7 No Interest**

No dividend shall bear interest against the Corporation.



**ARTICLE 11**  
**NOTICES**

**11.1 Method of Giving Notice**

Any notice or other document required by the Act, the Regulations, the Articles or the By-laws, to be sent to any shareholder or to the auditor may be delivered personally or sent by prepaid mail or by telegram, cable, telex, word processor or other electronic means of communication whereby words can be visibly reproduced at a distant point of reception to any such shareholder at his latest address as shown in the records of the Corporation or its transfer agent (and the address shown on the records of the transfer agent, if any, shall be used in preference to the address shown on the records of the Corporation, in case of difference between the two) and to the auditor at his business address.

**11.2 Receipt of Notices**

A notice shall be deemed to be given when it is delivered personally to any such person or to his address as aforesaid. A notice which is mailed shall be deemed to have been given (even if it is returned as undeliverable) when deposited in a post office or public letter box except that the mails shall not be used for the giving of notice when mail service in Canada is interrupted or threatened to be interrupted, by mail strikes or other industrial disturbance, and instead notice shall in such event be deemed to have been given to all shareholders when the notice is publicized in a newspaper which is distributed in the capital cities of all of the Provinces of Canada. A notice sent by any means of remote electronic communication shall be deemed to have been given when delivered to the appropriate communication company, or its representative, for dispatch, or, if the notice is not sent commercially, when actually transmitted from the sending machine.

**11.3 Address for Notice**

The Secretary may cause the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board to be entered or changed in accordance with any information reasonably believed by him to be reliable. Any such person may by written notice signed by him and served on the Corporation (or its transfer agent, if any) change his registered address for service of notice.

Where no registered address is shown in the records of the Corporation (or its transfer agent, if any) for a shareholder, notice to such shareholder shall be deemed to have been duly given upon it being posted up in the Registered Office (or records office, if any) of the Corporation.

**11.4 Notice to Joint Shareholders**

If two or more persons are registered as joint holders of any share, notice given in accordance herewith to one of such persons shall be sufficient notice to all of them.

**11.5 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, becomes entitled to any shares, shall be bound by every notice in respect of such shares which prior to the entry of his name on the Register has been duly given to the person from whom he derives his title to such shares.

### **11.6 Return of Notices**

If notices or documents are sent to a shareholder by prepaid mail in accordance with section 11.1 and three consecutive mailings (whether or not of the same notice or document) are returned undeliverable, it shall not be necessary to send any further notice or document to the shareholder until he informs the Corporation in writing of a new address for service of notice.

### **11.7 Omissions and Errors**

The accidental omission to give any notice to any shareholder, officer or auditor 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.

### **11.8 Signature on Notices**

Unless otherwise specifically provided, notices or documents to be given by the Corporation need not be signed on behalf of the Corporation. If any such notice or document is signed on behalf of the Corporation, the signature may be reproduced in writing (as herein defined).

### **11.9 Waiver of Notice**

Any shareholder, proxyholder, officer, auditor or other person entitled to attend a General Meeting may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under the Act, the Regulations, the Articles, the By-laws or otherwise, and such waiver or abridgement, whether given before or after the General Meeting or other event of which notice is required to be given, shall cure any default in the giving of or in the time allowed by such notice, as the case may be.

### **11.10 Deceased Shareholder**

Any notice or document delivered or sent by mail or left at the address of any shareholder as the same appears in the Register or posted up in the Registered Office (or records office) as hereinbefore provided, shall, notwithstanding such shareholder being then deceased and whether or not the Corporation has notice of his decease, be deemed to have been duly served on such shareholder and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, jointly interested in the shares held by him.

### **11.11 Notice Period**

Where a given number of days' notice or a notice extending over any other period is required to be given, neither the day of service of the notice nor the day for which notice is given shall be counted in such number of days or other period.

### **11.12 Nature of Business**

It shall not be necessary for any notice to set out the nature of the business which is to come before an Annual Meeting unless the same is special business.

### **11.13 One Notice for Several Meetings; Contingent Notice**

A Special Meeting and an Annual Meeting, or a Special and Annual Meeting, may be convened by one notice. It shall be no objection to a notice that it only convenes a General Meeting contingently on a

resolution being passed at another General Meeting, or that any business to be dealt with at a General Meeting is only to be dealt with contingently on another resolution being passed at that General Meeting.

**ARTICLE 12**  
**MISCELLANEOUS**

**12.1 Directors to Require Surrender of Share Certificate**

Where the Corporation is a corporation that is continued under the Act, the Board may require all shareholders to surrender their share certificates, or such of their share certificates as the Board may determine, for the purpose of cancellation and replacement with share certificates that comply with section 48 of the Act. The Board may determine the manner and timing in which share certificates are to be surrendered for cancellation and replacement, and may take such proceedings as it deems necessary to compel any shareholder to comply with a requirement to surrender share certificates pursuant to this section. Subject to the Act, the Board 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.

**12.2 Confidentiality**

Except as required by the Act or as otherwise determined by the Board, all records and documents of the Corporation shall be treated as confidential, and shall be available only to such persons as the Board may from time to time determine.

**12.3 Repeal**

The existing general by-law of the Corporation (the "**Existing By-law**") shall be repealed upon the coming into force of this By-law. However, such repeal shall affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to the Existing By-law.

**12.4 Effective Date**

This By-law shall come into force upon the approval by the Directors and will remain effective until it is confirmed by the shareholders of the corporation. Once confirmed, it this By-law will continue to be in effect in the form in which it was confirmed.

ENACTED by resolution of the Directors passed on the [12<sup>th</sup>] day of April, 2016.

"signed Philip B. Hodge"  
PRESIDENT AND CHIEF EXECUTIVE  
OFFICER

"signed Cheryne A. Lowe"  
SECRETARY

CONFIRMED OR ADOPTED by resolution of the shareholders of the Corporation passed on the [19<sup>th</sup>] day of May, 2016.

"signed Philip B. Hodge"  
PRESIDENT AND CHIEF EXECUTIVE  
OFFICER

"signed Cheryne A. Lowe"  
SECRETARY