

ARRANGEMENT AGREEMENT

PSPIB CYCLE INVESTMENTS INC.

and

ALTAGAS CANADA INC.

October 20, 2019

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated October 20, 2019 among:

PSPIB CYCLE INVESTMENTS INC., a corporation existing under the laws of Canada (the
"Purchaser")

- and -

ALTAGAS CANADA INC., a corporation existing under the laws of Canada (the "Company")

WHEREAS upon the unanimous recommendation of the Company Independent Committee, the Company Board has determined unanimously that it would be in the best interests of the Company to complete a transaction involving a sale of the Company and its business through an acquisition by the Purchaser of all the issued and outstanding Company Common Shares;

AND WHEREAS the Purchaser and the Company wish to carry out the transactions contemplated hereby by way of a plan of arrangement of the Company under the provisions of the CBCA;

AND WHEREAS as a condition and inducement to the Company entering into this Agreement, the Sponsors have entered into the Equity Commitment Letters with the Purchaser providing for the Equity Financings;

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement:

"Acquisition Proposal" means any inquiry or the making of any proposal, whether or not in writing, to the Company, any of its Subsidiaries or the Company Shareholders from any Person or group of Persons "acting jointly or in concert" (within the meaning of NI 62-104), other than the Purchaser or any of its affiliates, and other than any transaction involving only the Company and/or one or more of its Subsidiaries, which constitutes, or

may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions):

- (a) any direct or indirect sale, issuance or acquisition of shares or other securities (or securities convertible or exercisable for such shares or interests) in the Company that, when taken together with the securities of the Company held by the proposed acquiror and any Person acting jointly or in concert with such acquiror, represent 20% or more of the voting securities of the Company, or rights or interests therein and thereto;
- (b) any direct or indirect acquisition of assets (or any lease, joint venture or other arrangement having the same economic effect as a purchase or sale of assets) of the Company or its Subsidiaries (including, for greater certainty, securities of any Subsidiary thereof) to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company);
- (c) an amalgamation, arrangement, merger, business combination, or consolidation involving the Company or one or more of its Subsidiaries that collectively own assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company);
- (d) any take-over bid, issuer bid, exchange offer, liquidation, dissolution, reorganization, recapitalization, treasury issuance or similar transaction involving the Company or its Subsidiaries that, if consummated, would result in any Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or assets to which 20% or more of the Company's revenues or earnings on a consolidated basis are attributable (in each case, based on the consolidated financial statements of the Company most recently filed on SEDAR by the Company); or
- (e) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"affiliate" has the meaning set forth in the *Securities Act* (Alberta);

"Agreement", **"herein"**, **"hereof"**, **"hereto"**, **"hereunder"** and similar expressions mean and refer to this Arrangement Agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

"Arrangement" means the arrangement pursuant to Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement or made at

the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably;

“**Arrangement Resolution**” means a special resolution of the Company Shareholders in respect of the Arrangement to be considered at the Company Shareholders’ Meeting, substantially in the form of Schedule B hereto;

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement required under Section 192(6) of the CBCA to be sent to the Director after the Final Order has been granted, giving effect to the Arrangement, which shall include the Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably;

“**associate**” has the meaning set forth in the *Securities Act* (Alberta);

“**AUC**” means the Alberta Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the GUA;

“**AUC Approval**” means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the AUC for the Purchaser to complete the Arrangement and the other transactions contemplated by this Agreement; or (b) the AUC shall have issued an exemption or declaratory order whereby the Arrangement and the other transactions contemplated by this Agreement are deemed to be exempt from requiring the approval of the AUC, in each case pursuant to the GUA and the Designation Regulation;

“**Base Premium**” has the meaning ascribed thereto in Section 5.6(a);

“**BC Hydro**” means British Columbia Hydro and Power Authority;

“**BCUC**” means the British Columbia Utilities Commission and any successor organization or replacement body, with jurisdiction to oversee the UCA;

“**BCUC Approval**” means the occurrence of any of the following: (a) the Company or the Purchaser shall have received an approval from the BCUC for the Purchaser to complete the Arrangement and the other transactions contemplated by this Agreement; or (b) the BCUC shall have issued an exemption or declaratory order whereby the Arrangement and the other transactions contemplated by this Agreement are deemed to be exempt from requiring the approval of the BCUC, in each case pursuant to the UCA;

“**Beacon Securities**” means Beacon Securities Limited, financial advisor to the Company Board;

“**Beacon Securities Opinion**” means an opinion from Beacon Securities to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of the Company Common Shares pursuant to this Agreement is fair, from a financial point of view, to such holders;

“business day” means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business;

“Canadian Securities Administrators” means the securities commission or other securities regulatory authority of each province and territory of Canada;

“Canadian Securities Laws” means the securities legislation or ordinance and regulations thereunder of each province and territory of Canada and the rules, instruments, policies and orders of each Canadian Securities Administrator made thereunder;

“CBCA” means the *Canada Business Corporations Act*;

“Certificate” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement;

“Change in Recommendation” has the meaning ascribed thereto in Section 8.1(c)(ii);

“Commissioner” means the Commissioner of Competition appointed under subsection 7(1) of the Competition Act, or his designee;

“Company” has the meaning ascribed thereto in the recitals hereof;

“Company Awards” means restricted share units and performance share units each granted pursuant to the Company MTIP;

“Company Board” means the board of directors of the Company;

“Company Common Share Consideration” has the meaning ascribed thereto in the Plan of Arrangement;

“Company Common Shares” means the common shares in the capital of the Company;

“Company Credit Facilities” means the term loan and credit facilities of the Company or any of its Subsidiaries as described in the Company Disclosure Documents;

“Company Disclosure Documents” has the meaning ascribed thereto in paragraph (o) of Schedule D;

“Company Disclosure Letter” means the disclosure letter delivered by the Company to the Purchaser and dated the date hereof;

“Company DSUP” means the Company’s Deferred Share Unit Plan;

“Company DSUs” means deferred share units granted pursuant to the Company DSUP;

“Company Employee Plans” has the meaning ascribed thereto in paragraph (bb) of Schedule D;

“Company Employees” means the officers and other employees of the Company or of any of its Subsidiaries;

“Company Financial Statements” has the meaning ascribed thereto in paragraph (p) of Schedule D;

“Company Independent Committee” means the independent committee of the Company Board comprised of three independent directors (within the meaning of applicable Canadian Securities Laws) of the Company;

“Company Information Circular” means the notice of the Company Shareholders’ Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders’ Meeting, together with any amendment thereto or supplements thereof;

“Company MTIP” means the Company’s Mid-Term Incentive Plan;

“Company MTNs” means, collectively, (a) the \$300 million principal amount of 4.26% medium term notes, series 1 of the Company due December 5, 2028, and (b) the \$250 million principal amount of 3.15% medium term notes, series 2 of the Company due April 6, 2026;

“Company Share Option Plan” means the Company’s Share Option Plan;

“Company Share Options” means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan;

“Company Shareholders” means the holders of the Company Common Shares;

“Company Shareholders’ Meeting” means the special meeting of the Company Shareholders, including any adjournment or postponement thereof, that is convened as provided by the Interim Order to consider, and if deemed advisable approve, the Arrangement Resolution;

“Company Termination Fee” and **“Company Termination Fee Event”** have the respective meanings ascribed thereto in Section 8.3(b);

“Competition Act” means the *Competition Act* (Canada);

“Competition Act Approval” means, in respect of the Arrangement, the occurrence of one of the following:

- (a) the receipt of an advance ruling certificate under subsection 102(1) of the Competition Act; or
- (b) (i) the applicable waiting period under subsection 123(1) of the Competition Act, and any extension thereof, shall have expired or shall have been terminated under subsection 123(2) of the Competition Act, or the obligation to submit a notification under Part IX of the Competition Act shall have been waived by the Commissioner

pursuant to paragraph 113(c) of the Competition Act, and (ii) the Commissioner shall have advised the Parties in writing that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act, and such advice shall remain in full force and effect;

“Confidentiality Agreement” means the Confidentiality Agreement dated August 17, 2019 between the Public Sector Pension Investment Board and the Company;

“Court” means the Court of Queen’s Bench of Alberta;

“Data Room” means the electronic data room, as existing as of the date of this Agreement, and made available by the Company to the Purchaser in connection with the Arrangement;

“Designation Regulation” means, collectively, the *Public Utilities Designation Regulation* (Alberta) and the *Gas Utilities Designation Regulation* (Alberta);

“Director” means the Director appointed pursuant to Section 260 of the CBCA;

“Dissent Rights” means the rights of dissent provided for in Article 3 of the Plan of Arrangement;

“Effective Date” means the date shown on the Certificate giving effect to the Arrangement;

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

“Employee Plans” has the meaning ascribed thereto in paragraph (bb) of Schedule D;

“Encumbrance” includes any mortgage, pledge, collateral 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;

“Environmental Laws” means, with respect to any Person or its business, activities, property, assets or undertakings, all Laws, including the common law, relating to environmental or health and safety matters in the jurisdictions applicable to such Person or its business, activities, property, assets or undertakings, including legislation governing the reduction of greenhouse gas emissions and the use, transportation, storage and release of Hazardous Substances;

“Equity Commitment Letters” has the meaning specified in paragraph (f)(i) of Schedule C;

“Equity Financings” has the meaning specified in paragraph (f)(i) of Schedule C;

“Executive Officers” has the meaning ascribed thereto in Section 1.9;

“Final Order” means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal;

“GAAP” means generally accepted accounting principles in the United States;

“Governmental Entity” means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency, including the AUC and the BCUC; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX;

“Governmental Licenses” has the meaning ascribed thereto in paragraph (x) of Schedule D;

“GUA” means the *Gas Utilities Act* (Alberta);

“Hazardous Substances” means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws;

“Intellectual Property” has the meaning ascribed thereto in paragraph (gg) of Schedule D;

“Interim Order” means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders’ Meeting, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably);

“Investment Canada Act” means the *Investment Canada Act*;

“Key Regulatory Approvals” means the Competition Act Approval, the AUC Approval and the BCUC Approval;

“Laws” means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term “applicable” with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having

jurisdiction over the Person or Persons or its or their business, undertaking, property or securities; and “Laws” includes Environmental Laws and Canadian Securities Laws;

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to the Company and its Subsidiaries, taken as a whole, any fact or state of facts, circumstance, change, effect, occurrence or event which, either individually is or in the aggregate are, or individually or in the aggregate would reasonably be expected to be, material and adverse to the business, operations, results of operations, properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or condition (financial or otherwise) of the Company and its Subsidiaries, taken as a whole, except to the extent of any fact or state of facts, circumstance, change, effect, occurrence or event resulting from or arising in connection with:

- (a) any matter or prospective matter which has, at or prior to the date hereof, been expressly publicly disclosed by the Company or has been expressly disclosed in writing to the Purchaser or its Representatives in the Company Disclosure Letter or is expressly disclosed in a document made available in the Data Room, in each case, other than any disclosures that are cautionary in nature, such as risk factors (it being understood that any change relating to any matter so disclosed may be taken into account in determining whether a Material Adverse Effect has occurred);
- (b) the failure of the Company to meet any internal or published projections, forecasts, estimates or predictions in respect of revenues, earnings or other financial or operating metrics before, on or after the date of this Agreement (provided, however, that the causes underlying such failure may be considered to determine whether a Material Adverse Effect has occurred);
- (c) conditions affecting the business in which the Company operates, including (i) the natural gas or electric power distribution and transmission industry, (ii) natural gas or electric distribution and transmission systems, (iii) wholesale or retail markets for natural gas or electric power, or (iv) the renewable power industry (together, the “**Relevant Business**”);
- (d) changes in Laws (including Tax Laws) or any change in GAAP or regulatory accounting requirements applicable to the Relevant Business;
- (e) any change in (i) global, national or regional political conditions (including the outbreak of war or acts of terrorism), (ii) general economic, business, regulatory, or market conditions or (iii) national or global financial or capital markets or commodity markets (including interest rates, exchange rates or natural gas prices or electricity rates);
- (f) any natural disaster or weather event;
- (g) any changes in the trading price or trading volumes of any listed securities of the Company or any credit rating downgrade, negative outlook, watch or similar event relating to the Company, any of its Subsidiaries or any of its securities

(provided, however, that the causes underlying such change, downgrade, outlook watch or similar event may be considered to determine whether a Material Adverse Effect has occurred);

- (h) any actions taken (or omitted to be taken) at the written request or with the prior written consent of the Purchaser; or
- (i) the announcement of this Agreement or any action taken by the Company or any of its Subsidiaries that is required pursuant to this Agreement (including any steps taken pursuant to Section 5.4 to obtain any Regulatory Approvals, but excluding any obligation to act in the ordinary course of business);

provided, however, that (i) with respect to paragraphs (c), (d), (e) and (f), such matter does not have a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, relative to comparable entities operating in the Relevant Business, in which case, for the relevant exclusion from this definition of “Material Adverse Change” or “Material Adverse Effect” referred to in paragraphs (c), (d), (e) and (f) such matter shall be taken into account in determining whether a “Material Adverse Change” or “Material Adverse Effect” has occurred only to the extent such matter has a materially disproportionate effect on the Company and its Subsidiaries, taken as a whole, when compared to other participants in the Relevant Business, (ii) the determination as to whether a “Material Adverse Change” or “Material Adverse Effect” has occurred shall take into consideration any third party, insurance or other indemnities, contributions or proceeds that the Company or its Subsidiaries receive, or are reasonably entitled to receive, in connection with such matters, and (iii) references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretative for purposes of determining whether a “Material Adverse Change” or a “Material Adverse Effect” has occurred;

“**Misrepresentation**” means any untrue statement of a material fact or any omission to state a material fact required to be stated or necessary to make a statement, in light of the circumstances in which they are made, not misleading;

“**Money Laundering Laws**” has the meaning ascribed thereto in paragraph (ii)(ii) of Schedule D;

“**NI 62-104**” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

“**Non-Controlled Entities**” means, collectively, Northwest Hydro GP Inc., Northwest Hydro Limited Partnership, Coast Mountain Renewable Energy Inc., Coast Mountain Renewable Energy #2 Inc., Coast Mountain Hydro Corp., Coast Mountain Hydro Limited Partnership and Inuvik Gas Ltd.;

“**Outside Date**” means July 21, 2020, subject to the right of either Party to postpone the Outside Date for up to an additional 90 days (in 30-day increments) in aggregate for all extensions if a Key Regulatory Approval has not been obtained, by giving written notice to the other Party to such effect no later than 5:00 p.m. on the date that is not less than five days prior to the original Outside Date (and any subsequent Outside Date), or such later

date as may be agreed to in writing by the Parties; provided that, notwithstanding the foregoing, no Party shall be permitted to postpone the Outside Date if the failure to obtain a Key Regulatory Approval is primarily the result of such Party's failure to comply with its covenants with respect to obtaining such Key Regulatory Approval herein;

"Parties" means the Purchaser and the Company, and **"Party"** means either one of them;

"Permitted Encumbrances" means: (a) Encumbrances specifically disclosed in the Company Disclosure Letter; (b) Encumbrances which are registered on the date hereof at the applicable land registry office or land title office encumbering the real property interest forming part of the Purchased Business, easements, rights of way, servitudes, restrictions, licenses or other similar rights, including, without limitation, rights of way for highways, railways, sewers, drains, gas or oil pipelines, gas or water mains, electric light, power, telephone or cable television towers, poles, wires and similar rights in real property or any interest therein, provided the same are not of such nature as to materially adversely affect the use of the property subject thereto; (c) the regulations and any rights reserved to or vested in any municipality or governmental, statutory or public authority to levy Taxes or to control or regulate the Company's or any of its Subsidiaries' interests in any manner; (d) indigenous land claims (whether or not proven); (e) undetermined or inchoate Encumbrances incurred or created in the ordinary course of business as security for the Company's or any of its Subsidiaries' share of the costs and expenses of the development or operation of any of its assets, which costs and expenses are not delinquent as of the Effective Time or are being contested in good faith; (f) undetermined or inchoate mechanics' liens and similar liens for which payment for services rendered or goods supplied is not delinquent as of the Effective Time or is being contested in good faith; (g) Encumbrances granted in the ordinary course of business respecting operations pertaining to the Relevant Business; (h) Encumbrances for Taxes, assessments and governmental charges that are not due and payable or delinquent or are being contested in good faith; (i) terms and conditions of material contracts in respect of the Purchased Business; (j) any Encumbrances under the Company Credit Facilities or other borrowing arrangements; (k) such other defects, encroachments, irregularities or imperfections of title or Encumbrances that do not materially affect the use of the properties or assets subject thereto or attached thereby or otherwise materially impair the Relevant Business operations conducted on such properties; (l) the reservations, limitations, provisos and conditions, if any, expressed in any original grants of land by a Governmental Entity and any statutory limitations, exceptions, reservations and qualifications with respect to any real property; and (m) applicable municipal by-laws, development agreements, subdivision agreements, site plan agreements, servicing agreements, cost sharing reciprocal agreements and building and zoning restrictions and other similar agreements relating to the property then being referred to that do not materially affect the use of such property including the posting of any required security for performance of obligations thereunder;

"Person" includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity);

“Plan of Arrangement” means the plan of arrangement substantially in the form set forth in Schedule **Error! Reference source not found.** hereto and any amendments or variations thereto made in accordance with Section 9.1 hereof or Article 5 of the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Purchaser and the Company, each acting reasonably;

“PPA Consent” means the consent of BC Hydro to the Arrangement, as required pursuant to the terms of the Electricity Purchase Agreement dated August 31, 2006 between Bear Mountain Wind Limited Partnership and BC Hydro, as amended by amending agreements dated June 30, 2007, July 21, 2009, October 24, 2010 and October 24, 2012;

“Pre-Acquisition Reorganization” has the meaning ascribed thereto in Section 5.9(a);

“Purchased Business” means the business and operations (including undertakings, property, assets, rights and interests) of: (a) the Company, AltaGas Utility Group Inc., AltaGas Utility Holdings Inc., Utility Group Facilities Inc., AltaGas Utilities Inc., Heritage Gas Limited, Bear Mountain Wind Power Corporation, AltaGas Canadian Energy Holdings Ltd. and AltaGas Canadian Energy Holdings GP Ltd., each a corporation existing under the CBCA; (b) AltaGas Utility Holdings (Nova Scotia) Inc., a corporation existing under the laws of Nova Scotia; (c) Pacific Northern Gas Ltd., PNG Marketing Ltd. and Pacific Northern Gas (N.E.) Ltd., each a corporation existing under the laws of British Columbia; (d) Bear Mountain Wind Limited Partnership, a limited partnership existing under the laws of British Columbia; and (e) AltaGas Canadian Energy Holdings Limited Partnership, a limited partnership existing under the laws of Ontario;

“Purchaser” has the meaning ascribed thereto in the recitals hereof;

“Purchaser Information” means the information regarding the Purchaser required to be included in the Company Information Circular, or included in the Company Information Circular at the written request of the Purchaser;

“Purchaser Termination Fee” has the meaning ascribed thereto in Section 8.3(d);

“Purchaser Termination Fee Event” has the meaning ascribed thereto in Section 8.3(d);

“Receiving Party” has the meaning ascribed thereto in Section 6.4;

“Regulatory Approvals” means the Key Regulatory Approvals and any other consent, waiver, permit, permission, exemption, review, order, decision or approval of, or any registration and filing with or withdrawal of any objection or successful conclusion of any litigation brought by, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity or pursuant to a written agreement between the Parties and a Governmental Entity to refrain from consummating the Arrangement, in each case required or advisable under Laws or that the Parties agree to obtain in connection with the Arrangement;

“Relevant Business” has the meaning set forth in the definitions of “Material Adverse Change” and “Material Adverse Effect” in this Agreement;

“**Representatives**” means the officers, directors, employees, financial advisors, legal counsel, accountants and other agents and representatives of a Party;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Specified Lender Consent**” has the meaning ascribed thereto in Section 5.4(a)(i);

“**Sponsors**” means Public Sector Pension Investment Board and ATRF INF (DB) Ltd.;

“**Subsidiary**” has the meaning set forth in the *Securities Act* (Alberta);

“**Superior Proposal**” means an unsolicited written bona fide Acquisition Proposal made after the date hereof by a Person (other than the Purchaser or its affiliates) to acquire not less than all of the Company Common Shares or not less than all or substantially all of the consolidated assets of the Company:

- (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.1;
- (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete such Acquisition Proposal have been demonstrated to the satisfaction of the Company Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel) to have been obtained or are reasonably likely to be obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein;
- (c) that is not subject to a due diligence or access condition;
- (d) in respect of which the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, would or would be reasonably likely to, if consummated in accordance with its terms and without assuming away the risk of non-completion, result in a transaction more favourable, from a financial point of view, for the Company Shareholders than the transaction contemplated by this Agreement (including after considering the proposal to adjust the terms and conditions of the Arrangement as contemplated in Section 7.1(c)); and
- (e) that the Company Board has determined, in good faith, after consultation with its financial advisor(s) and outside legal counsel, is reasonably capable of being completed at the time and on the terms proposed, without undue delay and taking into account all legal, financial, regulatory (including with respect to the Competition Act, the AUC Approval, the BCUC Approval and any approval required under the Investment Canada Act to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such proposal;

“**Tax**” or “**Taxes**” means all taxes, however denominated, together with any interest, penalties or other additions that may become payable in respect thereof, imposed by any

Governmental Entity, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including federal, provincial and state income taxes), capital taxes, payroll and employee withholding taxes, gasoline and fuel taxes, employment insurance, social insurance taxes (including Canada Pension Plan payments), sales and use taxes (including goods and services, harmonized sales and provincial or territorial sales tax), *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, carbon taxes, transfer taxes, workers' compensation premiums or charges, pension assessment and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which one of the Parties or any of its Subsidiaries is required to pay, withhold or collect;

"Tax Act" means the *Income Tax Act* (Canada);

"Tax Returns" means any and all reports, estimates, elections, designations, forms, declarations of estimated Tax, information statements and returns relating to, or required to be filed in connection with any Taxes, including amendment thereof, and whether in tangible or electronic form;

"TD Securities" means TD Securities Inc., financial advisor to the Company Independent Committee;

"TD Securities Opinion" means an opinion from TD Securities to the effect that, as of the date of such opinion and based on and subject to the assumptions, limitations, qualifications and other matters set forth therein, the consideration to be received by holders of the Company Common Shares pursuant to this Agreement is fair, from a financial point of view, to such holders;

"Termination Notice" and **"Terminating Party"** have the respective meanings ascribed thereto in Section 6.4;

"Third Party Beneficiaries" has the meaning ascribed thereto in Section 9.9;

"TSX" means The Toronto Stock Exchange; and

"UCA" means the *Utilities Commission Act* (British Columbia).

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, subsections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.3 Article References

Unless the contrary intention appears, references in this Agreement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.4 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa; and words importing gender shall include all genders.

1.5 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a business day in such place.

1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada.

1.7 Schedules

The following Schedules annexed to this Agreement, being:

Schedule A	-	Plan of Arrangement
Schedule B	-	Form of Arrangement Resolution
Schedule C	-	Representations and Warranties of the Purchaser
Schedule D	-	Representations and Warranties of the Company

are incorporated by reference into this Agreement and form a part hereof.

1.8 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under, and all determinations of an accounting nature required to be made shall be made in a manner consistent with, GAAP.

1.9 Knowledge

In this Agreement, references to “to the knowledge of” means the actual knowledge of the Executive Officers of the Company after reasonable inquiry, and such Executive Officers shall make such inquiry as is reasonable in the circumstances. For purposes of this Section 1.9, “**Executive Officers**” means the Company’s President and Chief Executive Officer, Executive Vice President and Chief Financial Officer, General Counsel and Corporate Secretary, and Executive Vice President Utility Operations and President of PNG.

1.10 Non-Controlled Entities

Notwithstanding any other provision of this Agreement:

- (a) the representations and warranties contained in this Agreement with respect to the Non-Controlled Entities are given by the Company only to the knowledge of the Executive Officers, except for the representations and warranties given

respecting the Company's direct or indirect ownership and the Company's rights and obligations in respect of the applicable Non-Controlled Entities; and

- (b) the covenants of the Company contained in this Agreement shall not extend to the Non-Controlled Entities; provided, *however*, except as expressly stated in this Agreement, that if an issue, event or circumstance relating to any of the Non-Controlled Entities arises, which issue would be the subject matter of any of the covenants contained in this Agreement but for the fact that the covenants do not extend to the Non-Controlled Entities, then, subject to any applicable Laws, applicable fiduciary duties or contractual obligations (other than under this Agreement), the Company or its applicable Subsidiary (which, for greater certainty, does not include the Non-Controlled Entities in this context) shall use commercially reasonable efforts to comply with such covenant, including by voting its voting interests in the relevant Non-Controlled Entity in respect of such issue, event or circumstance consistent with complying with the relevant covenant as though such covenant did extend to the relevant Non-Controlled Entity.

1.11 Other Definitional and Interpretive Provisions

- (a) References in this Agreement to the words "include", "includes" or "including" shall be deemed to be followed by the words "without limitation" whether or not they are in fact followed by those words or words of like import.
- (b) A reference to time in this Agreement shall be to Calgary time, unless otherwise specified; and Calgary time shall refer to Mountain Standard Time or Mountain Daylight Savings Time during the respective intervals in which each is in force in Alberta.
- (c) Any capitalized terms used in any exhibit or Schedule but not otherwise defined therein, shall have the meaning as defined in this Agreement.
- (d) References to any agreement or contract are to that agreement or contract as amended, modified or supplemented from time to time in accordance with the terms hereof and thereof. Any reference in this Agreement to a Person includes the heirs, administrators, executors, legal personal representatives, predecessors, successors and permitted assigns of that Person.
- (e) Where a term is defined herein, a capitalized derivative of that term shall have a corresponding meaning unless the context otherwise requires.
- (f) References to a statute or Law shall be a reference to: (i) that statute or Law as amended or re-enacted from time to time and every statute or Law that may be substituted therefor; and (ii) the rules, regulations, bylaws, other subsidiary legislation and published policies or notices made pursuant to that statute or Law.
- (g) The term "made available" means that copies of the subject materials were included in the Data Room at 8:00 a.m. on the day that immediately precedes the

date of this Agreement, and an index of the contents of the Data Room at such time shall be appended to the Company Disclosure Letter.

ARTICLE 2 THE ARRANGEMENT

2.1 The Arrangement

The Purchaser and the Company shall proceed to effect a plan of arrangement under Section 192 of the CBCA pursuant to which, on the Effective Date, on the terms contained in the Plan of Arrangement and among other things, each holder of Company Common Shares (other than those Company Common Shares in respect of which the holder thereof has validly exercised Dissent Rights) shall receive, for each Company Common Share, a cash amount equal to the Company Common Share Consideration.

2.2 Company Approval

The Company represents and warrants to the Purchaser that:

- (a) based in part on the unanimous recommendation of the Company Independent Committee, the Company Board has unanimously determined that:
 - (i) the Arrangement is fair to the Company Shareholders;
 - (ii) the Arrangement and entry into this Agreement are in the best interests of the Company; and
 - (iii) it will unanimously recommend that the Company Shareholders vote in favour of the Arrangement; and
- (b) the Company Board has received the TD Securities Opinion and the Beacon Securities Opinion.

2.3 Obligations of the Company

Subject to the terms and conditions of this Agreement, in order to facilitate the Arrangement, the Company shall take all actions and do all things necessary or desirable, in accordance with all applicable Laws, to:

- (a) as soon as reasonably practicable, make and diligently prosecute an application to the Court for the Interim Order in respect of the Arrangement;
- (b) in accordance with the terms of and the procedures contained in the Interim Order, duly call, give notice of, convene and hold the Company Shareholders' Meeting as promptly as practicable, and in any event not later than January 10, 2020 and with a record date as soon as reasonably practicable after the date hereof, to hold a vote upon the Arrangement Resolution and any other matters as may be properly brought before such meeting;

- (c) consult with the Purchaser in fixing the date of the Company Shareholders' Meeting and the record date for the Company Shareholders' Meeting, and give notice to the Purchaser of the Company Shareholders' Meeting and allow the Purchaser's Representatives and legal counsel to attend the Company Shareholders' Meeting;
- (d) subject to compliance by the Company directors and officers with their fiduciary duties, use commercially reasonable efforts to solicit proxies of the Company Shareholders in favour of the Arrangement Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, at the Purchaser's expense, using proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution;
- (e) permit the Purchaser to, at the Purchaser's expense, directly or through a proxy solicitation services firm, actively solicit proxies in favour of the Arrangement on behalf of management of the Company in compliance with applicable Law, and disclose in the Company Information Circular that the Purchaser may make such solicitations;
- (f) subject to obtaining the approvals as contemplated in the Interim Order and as may be directed by the Court in the Interim Order, take all steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order as soon as reasonably practicable (and in any event within three business days of obtaining the approvals); and
- (g) file the Articles of Arrangement with the Director upon satisfaction or waiver of the conditions set forth in Article 6, as provided for in Section 2.8.

Subject to receipt of the Purchaser Information, the Company shall prepare the Company Information Circular and related materials as soon as practicable following the date of this Agreement, and shall print and mail, directly and indirectly, the Company Information Circular to the Company Shareholders as soon as practicable following the receipt of the Interim Order. The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on the drafts of the Company Information Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its legal counsel relating to the disclosure contained therein, and agrees that all Purchaser Information included in the Company Information Circular must be in content satisfactory to the Purchaser, acting reasonably. As of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Company Information Circular shall (a) be complete and correct in all material respects and not contain any Misrepresentations, (b) contain the unanimous recommendation of the Company Board that the Company Shareholders vote in favour of the Arrangement Resolution, and (c) comply in all material respects with the Interim Order and all applicable Laws. The Company agrees to promptly correct any information (other than the Purchaser Information) in the Company Information Circular which shall have become false or misleading at any time prior to the

Company Shareholders' Meeting. Without limiting the generality of the foregoing, the Company shall ensure that the Company Information Circular provides the Company Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Company Shareholders' Meeting, including (a) the unanimous recommendation of the Company Board that the Company Shareholders vote in favour of the Arrangement Resolution, (b) a copy of the TD Securities Opinion, and (c) a copy of the Beacon Securities Opinion.

2.4 Interim Order

The application referred to in Section 2.3(a) shall request that the Interim Order provide, among other things:

- (a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Shareholders' Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution to be placed before the Company Shareholders shall be 66 2/3% of the votes cast on the Arrangement Resolution by the Company Shareholders present in person or by proxy at the Company Shareholders' Meeting (such that each Company Shareholder is entitled to one vote for each Company Common Share held);
- (c) for the grant of Dissent Rights as set forth in the Plan of Arrangement;
- (d) that the Company Shareholders' Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (e) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Shareholders' Meeting will not change in respect of any adjournment(s) or postponement(s) of the Company Shareholders' Meeting, unless required by Law;
- (f) that, in all other material respects, the terms, restrictions and conditions of the constating documents of the Company, including quorum requirements and all other matters, shall apply in respect of the Company Shareholders' Meeting;
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- (h) for such other matters as the Parties may agree in writing, each acting reasonably.

2.5 Conduct of the Company Shareholders' Meeting

- (a) Subject to the terms of this Agreement and the Interim Order, the Company agrees to convene and conduct the Company Shareholders' Meeting in accordance with its constating documents and applicable Laws and the Interim Order, and agrees

not to propose to adjourn or postpone the meeting without the prior consent of the Purchaser, acting reasonably:

- (i) except as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled) or by applicable Law or by a Governmental Entity;
 - (ii) except as permitted under Section 6.4 or Section 7.1(c); or
 - (iii) except for an adjournment, with prior consent of the Purchaser (not to be unreasonably withheld, conditioned or delayed) for the purpose of attempting to obtain the requisite approval for the Arrangement Resolution.
- (b) Notwithstanding the receipt by the Company of a Superior Proposal in accordance with Section 7.1, unless otherwise agreed to in writing by the Purchaser or this Agreement is terminated in accordance with its terms or except as required by applicable Law or by a Governmental Entity, the Company shall continue to take all steps reasonably necessary to hold the Company Shareholders' Meeting and to cause the Arrangement Resolution to be voted on at the Company Shareholders' Meeting and shall not propose to adjourn or postpone the Company Shareholders' Meeting other than as contemplated by Section 2.5(a).
- (c) The Company shall advise the Purchaser as reasonably requested, and on a daily basis on each of the last seven business days prior to the date of the Company Shareholders' Meeting, as to the aggregate tally of the proxies and votes received in respect of such meeting and all matters to be considered at such meeting.
- (d) The Company shall advise the Purchaser of any communication (written or oral) received after the date of this Agreement from any securityholder of the Company or other Person in opposition to the Arrangement Resolution or any written notice of dissent, purported dissent exercise or withdrawal of Dissent Rights by a holder of the Company Common Shares, and written communications sent by or on behalf of the Company to any such holder exercising or purporting to exercise Dissent Rights.
- (e) The Company shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to the Dissent Rights without the prior written consent of the Purchaser, acting reasonably.

2.6 Court Proceedings

The Company will provide the Purchaser and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by the Purchaser for inclusion in such material, prior to the service and filing of that material, and will accept the reasonable comments of the Purchaser and its legal counsel with respect to any such information required to be supplied by the Purchaser

and included in such material and any other matters contained therein. The Company will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company will not object to legal counsel to the Purchaser making submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided such submissions are consistent with this Agreement and the Plan of Arrangement. The Company will also provide legal counsel to the Purchaser on a timely basis with copies of any notice and evidence served on the Company or its legal counsel in respect of the application for the Interim Order or Final Order or any appeal therefrom. Subject to applicable Laws, the Company will not file any material with, or make any submissions to, the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require the Purchaser to agree or consent to any increased purchase price or other consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations set forth in any such filed or served materials or under this Agreement. The Company shall oppose any proposal from any Person that would result in the Interim Order or Final Order containing any provision that is inconsistent with this Agreement. Subject to the terms of this Agreement, the Purchaser shall use commercially reasonable efforts to cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing to the Company, on a timely basis, any information reasonably required to be supplied by the Purchaser in connection therewith.

2.7 Treatment of Company Share Options and Company Awards

- (a) The Parties acknowledge that the Arrangement will result in a "Change of Control" under the Company Share Option Plan and the Company MTIP and that vesting of all of the outstanding Company Share Options and Company Awards will, subject to the receipt of all necessary Regulatory Approvals, be accelerated and that all such Company Share Options and Company Awards will become exercisable or vested, as applicable, prior to the Effective Date, conditional upon consummation of the Arrangement, and that the Company and the Company Board may take all such actions as are necessary or desirable to effect the foregoing.
- (b) Other than in respect of payments to be made in respect of the Company DSUs, the Company Share Options or the Company Awards pursuant to the Plan of Arrangement as set forth in the Company Disclosure Letter or as otherwise set forth in the Company Disclosure Letter, there is no accelerated vesting or payout of any options, awards or any other securities of the Company nor are there any change of control, severance, separation or similar payments triggered under any executive employment or change of control agreements applicable to any officers, employees, consultants or directors of the Company or any of its Subsidiaries solely as a result of the completion of the Arrangement.
- (c) Under the Plan of Arrangement, (i) all Company Share Options will be transferred and surrendered to the Company and the holders thereof will, subject to any Tax

withholding and remitting obligations of the Company under the Tax Act as further described in Section 2.7(d), receive for each Company Share Option an amount equal to the product of: (A) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (B) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than \$0.01, the consideration to be received in respect of such Company Share Option shall be \$0.01 and (ii) all Company Awards and Company DSUs will be transferred and surrendered to the Company and the holders thereof will, subject to any Tax withholding and remitting obligations of the Company under the Tax Act as further described in Section 2.7(d), receive for each Company Award and Company DSU an amount equal to the Company Common Share Consideration.

- (d) The Company shall comply with any withholding obligations of Taxes pursuant to the Tax Act or other applicable Laws from any amounts paid in connection with the settlement of any Company DSUs, Company Share Options and Company Awards (whether pursuant to this Section 2.7 or otherwise) or otherwise paid in respect of obligations to the Company Employees and the Company directors, and the Company shall deliver the consideration for the foregoing net of such amounts to the Company Employees, the Company directors, holders of the Company DSUs, the Company Share Options and the Company Awards, as applicable. Any such amounts deducted, withheld and remitted by the Company will be treated for all purposes under this Agreement as having been paid to the Company Employees, the Company directors, holders of the Company DSUs, the Company Share Options and the Company Awards, as applicable, in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.
- (e) The Parties acknowledge that no deduction will be claimed by the Company (nor any Person not dealing at arm's length with the Company) in respect of any payment made to a holder of Company Share Options in respect of the Company Share Options pursuant to the Plan of Arrangement in computing the Company's taxable income under the Tax Act, and the Company shall, and the Purchaser shall cause the Company to: (i) make an election pursuant to subsection 110(1.1) of the Tax Act in respect of the cash payments made to each holder of Company Share Options in exchange for the surrender of such holder's Company Share Options, and (ii) provide evidence in writing of such election to such holders of the Company Share Options in the manner required under the Tax Act.

2.8 Effective Date

The Arrangement shall become effective at the Effective Time. Upon issuance of the Final Order and subject to the satisfaction or waiver of the conditions precedent in Article 6, each of the Parties shall, as soon as practicable, execute and deliver such closing documents and instruments and the Company shall proceed to file the Articles of Arrangement, the Final Order

and such other documents as may be required to give effect to the Arrangement with the Director pursuant to the CBCA no later than the fifth business day following the satisfaction or waiver of such conditions precedent (other than the conditions precedent that by their terms are to be satisfied as of the Effective Date) or such other date as agreed to in writing by the Purchaser and the Company, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any further act or formality.

2.9 Tax Matters

The Purchaser and the Company shall be entitled to deduct and withhold from any amount otherwise payable to any Company securityholder and, for greater certainty, from any amount payable to a Company Shareholder who has validly exercised, and not withdrawn, Dissent Rights, as the case may be, under the Plan of Arrangement such amounts as the Purchaser or the Company, as the case may be, is required or reasonably believes is required to deduct and withhold from such consideration in accordance with applicable Laws. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes as having been paid to the Company securityholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

2.10 Shareholder Communications

Each Party agrees to co-operate with the other Party and, if requested by the other Party, participate in presentations to securityholders of the Company or other stakeholders of the Company, as applicable, regarding the Arrangement. Each Party shall seek prior consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed, prior to the making of any presentations regarding the Arrangement and shall promptly advise, consult and co-operate with the other Party in issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement and in making any filing with any Governmental Entity or with any stock exchange, including the TSX, with respect thereto. Each Party shall use commercially reasonable efforts to enable the other Party to review and comment on all such press releases and filings prior to the release or filing thereof; provided, however, that the foregoing shall be subject to such Party's overriding obligation to make disclosure in accordance with applicable Laws, and if such disclosure is required and the other Party has not reviewed or commented on the disclosure, such Party shall use commercially reasonable efforts to, if legally permissible, give prior oral or written notice to the other Party, and if such prior notice is not possible, to, if legally permissible, give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, nothing in this Section 2.10 shall require a notice by the Company or its affiliates to the Purchaser or the Purchaser's prior consent in connection with, or prevent the Company or any of its affiliates from, (a) issuing any press releases or otherwise making public statements with respect to this Agreement or the Arrangement, or (b) making internal announcements or presentations to employees and having discussions with their respective securityholders, financial analysts or other stakeholders, in each case so long as such statements and announcements are consistent with the press releases, public disclosures or public statements previously made by the Parties.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

3.1 Representations and Warranties

The Purchaser hereby makes to the Company the representations and warranties set forth in Schedule C hereto and acknowledges that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

3.2 Survival of Representations and Warranties

The representations and warranties of the Purchaser contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

3.3 Disclaimer of Additional Representations and Warranties

The Company agrees and acknowledges that, except as expressly set forth in Schedule C, neither the Purchaser nor any other Persons on behalf of the Purchaser makes any representation or warranty, express or implied, at Law or in equity, with respect to the Purchaser and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Purchaser expressly disclaims any representation or warranty that is not set forth in Schedule C.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

4.1 Representations and Warranties

Except as disclosed in the applicable section or subsection of the Company Disclosure Letter (it being understood that any information set forth in one section or subsection of the Company Disclosure Letter shall be deemed to apply to and qualify the representation and warranty set forth in this Agreement to which it corresponds in number and each other representation and warranty set forth in Schedule D hereto for which it is reasonably apparent on its face that such information is relevant to such other section), the Company hereby makes to the Purchaser the representations and warranties set forth in Schedule D hereto, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the Arrangement.

4.2 Survival of Representations and Warranties

The representations and warranties of the Company contained in this Agreement shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated, provided that such termination of this Agreement shall not affect any claim arising from a fraudulent, wilful or intentional prior breach of any such representations or warranties.

4.3 Disclaimer of Additional Representations and Warranties

The Purchaser agrees and acknowledges that, except as expressly set forth in Schedule D, neither the Company nor any other Persons on behalf of the Company makes any representation or warranty, express or implied, at Law or in equity, with respect to the Company and any such other representations or warranties are expressly disclaimed. Without limiting the generality of the foregoing, the Company expressly disclaims any representation or warranty that is not set forth in Schedule D.

ARTICLE 5 COVENANTS AND ADDITIONAL AGREEMENTS

5.1 Covenants of the Purchaser

The Purchaser covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless otherwise: (i) consented to in writing by the Company (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) disclosed to the Company in writing on or prior to the date hereof:

- (a) subject to Section 5.4 which shall govern in respect of the Regulatory Approvals, the Purchaser will make all necessary filings and applications under applicable Laws, including Canadian Securities Laws, required to be made on the part of the Purchaser in connection with the transactions contemplated herein and shall take all reasonable actions necessary to be in compliance with such applicable Laws;
- (b) the Purchaser shall prepare and furnish to the Company the Purchaser Information and shall ensure that, as of the date the Company Information Circular is first mailed to the Company Shareholders and the date of any Company Shareholders' Meeting, the Purchaser Information shall (i) be complete and correct in all material respects and not contain any Misrepresentations, and (ii) comply in all material respects with all applicable Laws. The Purchaser shall promptly correct any Purchaser Information which shall have become false or misleading at any time prior to the Company Shareholders' Meeting;
- (c) the Purchaser will arrange the Equity Financings on the terms and conditions described in the Equity Commitment Letters and, without limiting the foregoing, the Purchaser will:
 - (i) maintain in effect the Equity Commitment Letters until the termination thereof in accordance with their terms;
 - (ii) enforce the obligations of the Sponsors under the Equity Commitment Letters in the event of a breach of obligations thereunder that would adversely impact the ability or likelihood of the Purchaser complying with its obligations under this Agreement;

- (iii) subject to the satisfaction or waiver of the applicable conditions set out in this Agreement and, other than in connection with the consummation of the Equity Commitment (as defined in the Equity Commitment Letters), in the Equity Commitment Letter, consummate the applicable Equity Financings; and
 - (iv) only replace, amend, alter or agree to alter the Equity Commitment Letters with the prior written consent of the Company; and
- (d) the Purchaser will notify the Company promptly, and in any event within two business days, if at any time prior to the termination of the Equity Commitment Letters in accordance with their terms:
- (i) the Equity Commitment Letters will expire or be terminated for any reason;
 - (ii) if the Purchaser has any reason to believe that it or its affiliates will be unable to satisfy, on a timely basis, any term or condition of any Equity Financing to be satisfied by it, that in each case would reasonably be expected to impair the ability of the Purchaser to consummate the Equity Financings;
 - (iii) any Sponsor provides written notice to the Purchaser that it either no longer intends to provide any Equity Financings referred to in this Section 5.1 on the terms set forth in the Equity Commitment Letters, as applicable, or requests amendments or waivers thereto;
 - (iv) the Purchaser receives any written notice or communication relating to any material dispute or disagreement between and among any parties to the Equity Financings; or
 - (v) if at any time for any reason the Purchaser believes in good faith that it will not be able to obtain all or any portion of the Equity Financings on the terms and conditions, in the manner or from the sources contemplated by the Equity Commitment Letters.

5.2 Covenants of the Company

The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless otherwise: (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter:

- (a) except as may be necessary in situations of emergency to preserve life, property or the environment, the business of the Company and its Subsidiaries shall be

conducted only in, and the Company and its Subsidiaries shall not take any action except in, the ordinary course of business and consistent with past practice (which, for greater certainty includes resolving to, or entering into or performing any contract, agreement, commitment or arrangement with respect to, the acquisition (subject to Section 5.2(c)(ii)), disposition (subject to Section 5.2(c)(i) and (vii)), or use (subject to Section 5.2(c)(vii)) of, or the building or construction (subject to Section 5.2(d)) of, any assets or properties relating to the Purchased Business), the Company shall use all commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business organization, assets, employees, advantageous business relationships and relationships with other stakeholders, and the Company shall undertake any actions agreed to in writing with the Purchaser;

- (b) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
 - (i) amend the Company's constating documents or the constating documents (including any joint venture or similar agreement in respect thereof) of any of its Subsidiaries;
 - (ii) declare, set aside or pay any dividend or other distribution or payment in cash, shares or property in respect of its securities owned by any Person, except in relation to internal transactions solely involving the Company and its Subsidiaries or among such Subsidiaries in the ordinary course of business and consistent with past practice;
 - (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares or securities of the Company or any of its Subsidiaries, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or securities of the Company or any of its Subsidiaries, except: (A) as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, as applicable, as described in the Company Disclosure Letter; (B) the Company Common Shares issuable pursuant to the terms of outstanding Company Share Options and Company Awards outstanding on the date hereof on the terms set forth in the Company Disclosure Letter; or (C) the issuance of securities solely among the Company's wholly-owned Subsidiaries in the ordinary course of business and consistent with past practice;
 - (iv) split, consolidate, redeem, purchase or otherwise acquire any of the outstanding shares or other securities of the Company or any of its Subsidiaries;
 - (v) amend the terms of any of the securities of the Company or any of its Subsidiaries;

- (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, arrangement, amalgamation, consolidation or reorganization of the Company or any of its Subsidiaries;
 - (vii) complete any reorganization of the corporate structure, business, operations or assets of the Company or any of its Subsidiaries, except for the transactions contemplated by the Plan of Arrangement; or
 - (viii) authorize, agree, resolve, commit or propose any of the foregoing, or enter into, modify or terminate any contract, agreement, commitment or arrangement with respect to any of the foregoing, except as permitted above;
- (c) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:
- (i) sell, pledge, dispose of or encumber any assets of the Company or any of its Subsidiaries with a value individually or in the aggregate exceeding \$5 million;
 - (ii) acquire (by merger, amalgamation, consolidation, acquisition of shares or assets or otherwise) any corporation, partnership or other business organization or division thereof or make any investment either by purchase of shares or securities, contributions of capital (other than to wholly-owned Subsidiaries of the Company) or purchase of any property or assets of any other individual or entity, except in each case (A) pursuant to the Company's capital forecast (a copy of which is included in the Company Disclosure Letter), or (B) with a value individually or in the aggregate not exceeding \$5 million;
 - (iii) incur any indebtedness for borrowed money or any other liability or obligation, issue any debt or hybrid securities, assume, guarantee, endorse or otherwise become responsible for, the obligations of any other Person, or make any loans or advances to any Person, except in each case (A) pursuant to capital expenditures pursuant to the Company's capital forecast (a copy of which is included in the Company Disclosure Letter); (B) any incurrence of indebtedness not in excess of 2.5% of the total debt figure set forth in the Company Disclosure Letter; or (C) which arise in the ordinary course of business consistent with past practice;
 - (iv) extend the maturity of any indebtedness for borrowed money or any other liability or obligation, including bankers' acceptances, except those which are not material or which arise in the ordinary course of business consistent with past practice;
 - (v) settle, pay, discharge or satisfy any claims, liabilities or obligations (including any regulatory investigation) which are (A) material to the Purchased Business, other than the payment, discharge or satisfaction, in

the ordinary course of business consistent with past practice, of liabilities reflected or reserved against in the Company's most recently publicly available financial statements as of the date hereof or incurred in the ordinary course of business consistent with past practice, or (B) brought by any present, former or purported holder of its securities (in such Person's capacity as such) in connection with the transactions contemplated by this Agreement or the Arrangement prior to the Effective Date;

- (vi) waive, release or relinquish, or authorize or propose to do so, any contractual right which is material to the Purchased Business;
 - (vii) waive, release, grant or transfer any rights of material value, or enter into, modify, amend or change any existing license, agreement, lease, contract or other document which is material to the Purchased Business (including, for greater certainty, any joint venture or similar agreement in respect thereof), other than in the ordinary course of business consistent with past practice;
 - (viii) enter into or terminate any hedges, swaps or other financial instruments or similar transaction, except those entered into or terminated in the ordinary course of business consistent with past practice; or
 - (ix) authorize, agree, resolve, commit or propose to do any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
- (d) except for the aggregate amount and for the specified purposes set forth in the Company's capital forecast (a copy of which is included in the Company Disclosure Letter), and except for capital expenditures necessary to address emergencies or other urgent matters involving actual or potential loss or damage to property, or threats to human safety or the environment, the Company and its Subsidiaries shall not, prior to the Effective Date, incur or commit to incur capital expenditures with a value individually or in the aggregate exceeding \$5 million;
- (e) the Company shall use its commercially reasonable efforts (taking into account insurance market conditions and offerings and industry practices) to cause its and its Subsidiaries' current insurance (or re-insurance) policies, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, except where such cancellation, termination or lapse would not individually or in the aggregate be material to the Company or any of its Subsidiaries taken as a whole, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

- (f) the Company will deliver to the Purchaser, as soon as they become available, true and complete copies of any Company Disclosure Document required to be filed by the Company or any of its Subsidiaries with any Governmental Entity subsequent to the date hereof;
- (g) the Company shall not, and shall not permit any of its Subsidiaries to:
 - (i) file any amended Tax Returns;
 - (ii) change in any material respect any of its methods of reporting income or deductions for accounting or income tax purposes from those employed in the preparation of its income tax return for the taxation year ending December 31, 2018, except as may be required by applicable Law;
 - (iii) make or revoke any material election relating to Taxes;
 - (iv) settle, compromise or agree to the entry of judgment with respect to any proceeding relating to Taxes except for any settlement, compromise or agreement that is not material to the Company;
 - (v) file any Tax Return other than in accordance with past practice;
 - (vi) enter into any Tax sharing agreement;
 - (vii) consent to any extension or waiver of any limitation period with respect to Taxes; or
 - (viii) make a request for a Tax ruling to any Governmental Entity.
- (h) the Company shall continue to withhold from each payment to be made to any of its present or former employees (which includes officers) and directors and to all other Persons including all Persons who are non-residents of Canada for the purposes of the Tax Act, all amounts that are required to be so withheld by any applicable Laws and the Company shall remit such withheld amounts to the proper Governmental Entity within the times prescribed by such applicable Laws;
- (i) subject to compliance with the Competition Act, the Company shall conduct itself so as to keep the Purchaser informed as to the material decisions or actions required or required to be made with respect to the operations of the Purchased Business and the Non-Controlled Entities; provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party or otherwise prevented by applicable Law or is in respect to customer-specific or competitively sensitive information;
- (j) subject to compliance with the Competition Act, the Company shall promptly notify the Purchaser in writing of any material change in the business operations, results of operations, properties, assets, liabilities, or financial condition of the Purchased Business and the Non-Controlled Entities;

- (k) the Company will make all necessary filings and applications under applicable Laws, including applicable Canadian Securities Laws, required to be made on the part of the Company in connection with the transactions contemplated herein and shall take all commercially reasonable action necessary to be in compliance with such applicable Laws;
- (l) the Company shall ensure that it has available funds to permit the payment of any amount that may become payable under Article 8, having regard to its other liabilities and obligations, and shall take all such actions as may be necessary to ensure that it maintains such availability to ensure that it is able to pay such amount if and when required; and
- (m) the Company shall not agree, resolve, commit or undertake, or enter into or modify any contract, agreement, commitment or arrangement to, do any of the matters prohibited in this Section 5.2.

Nothing in this Agreement is intended to or shall result in the Purchaser exercising material influence over the operations of the Company or any of its Subsidiaries, particularly in relation to operations in which the Parties compete or would compete, but for this Agreement, with each other, prior to the Effective Date.

5.3 Covenants Regarding Employment and Benefits Matters

- (a) The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise (i) consented to in writing by the Purchaser (such consent to be subject to applicable Law and not be unreasonably withheld, conditioned or delayed); (ii) required by applicable Laws; (iii) required or expressly permitted or specifically contemplated by this Agreement or the Arrangement; or (iv) set forth in the Company Disclosure Letter:
 - (i) except as provided in Section 2.7, the Company shall not, and the Company Board and its committees shall not, use any discretion which may be available to them under the terms of the Company Share Option Plan, the Company MTIP, any Company Share Option or any Company Awards, to accelerate the vesting of any Company Share Options or Company Awards granted pursuant to the Company Share Option Plan or Company MTIP, as applicable, and all payouts of the Company DSUs, Company Share Options and Company Awards granted pursuant to the Company DSUP, Company Share Option Plan or Company MTIP, as applicable, shall be determined in accordance with Section 2.7 hereof;
 - (ii) the Company shall not, and shall cause each of its Subsidiaries not to:
 - (A) except as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, as applicable, issue, award or grant any Company DSUs, Company Share Options, Company Awards or any securities or

other instruments or equity-based compensation providing similar benefits;

- (B) except as may be required pursuant to existing employment, collective bargaining, pension, supplemental pension or termination policies or agreements (each of which are in writing and copies of which have been provided to the Purchaser prior to the date hereof), (1) grant, accelerate, increase or otherwise amend any payment, award, compensation or other benefit payable in any form to any officer, director, consultant or employee, (2) make or agree to make any loan to any officer, director, consultant or employee, (3) grant, accelerate, increase or otherwise amend the amount, value or terms of any change of control, severance, separation, retention or termination pay to, or enter into any employment, change of control, severance, retention or termination agreement with any officer, director, consultant or employee of the Company or any of its Subsidiaries, or (4) take or propose any action to effect any of the foregoing; or
 - (C) grant any general salary increases, except in the ordinary course of business or as may be required pursuant to the terms of an existing employment agreement or collective bargaining agreement;
- (b) Following the Effective Date, the Purchaser covenants and agrees to recognize, or cause the Company to recognize, each Company Employee's past service with the Company or any of its Subsidiaries and any previously recognized service with any predecessor of the Company or any of its Subsidiaries, including for the purposes of determining eligibility for any entitlements to vacation, notice of termination (or pay in lieu thereof), severance, benefit plans, retirement plans and pensions plans; and
 - (c) Following the Effective Date, the Purchaser shall cause the Company or its relevant Subsidiary to be responsible for all liabilities and obligations relating to the employment of the Company Employees or the termination thereof, including liabilities with respect to notice of termination (or pay in lieu thereof) and severance.

5.4 Mutual Covenants

Each of the Parties covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms:

- (a) subject to the terms and conditions of this Agreement (including Section 5.4(d)), it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use their commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 and to take, or cause to be taken, all other actions and to do, or cause to be done, all

other things necessary, proper or advisable under and in accordance with all applicable Laws to complete and give effect to the Arrangement as soon as reasonably practicable, including using its commercially reasonable efforts to promptly:

- (i) obtain all waivers, consents and approvals required to be obtained by it from parties to loan agreements, leases and other contracts in order to maintain such loan agreements, leases and other contracts in full force and effect following completion of the Arrangement, including, without limitation, sending requests for consent to the Arrangement to the lender(s) under each of (i) the revolving credit facility dated October 25, 2018 among, *inter alios*, the Company and Royal Bank of Canada; (ii) the operating credit facility dated October 25, 2018 among, *inter alios*, the Company and Royal Bank of Canada; and (iii) the amended and restated credit agreement dated May 4, 2018 among, *inter alios*, Pacific Northern Gas Ltd. and Bank of Montreal (each, a “**Specified Lender Consent**”), in each case as soon as reasonably practicable following the date of this Agreement but in no event later than five Business Days following the date of this Agreement, in each case, on terms that are satisfactory to the Purchaser, acting reasonably, and, in the case of the Company, without paying, and without committing the Company or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed;
 - (ii) obtain all necessary material exemptions, consents, approvals and authorizations as are required to be obtained by it under all applicable Laws, including, without limitation, the PPA Consent;
 - (iii) defend all lawsuits or other legal, regulatory or other proceedings against it (or if applicable, its directors or officers) challenging or affecting the Arrangement or this Agreement, and oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate, the Arrangement, provided that neither the Company nor any of its Subsidiaries will consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the Purchaser, not to be unreasonably withheld, conditioned or delayed;
 - (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement, including delivery of the certificates of their respective officers contemplated by Section 6.2 and Section 6.3; and
 - (v) carry out the terms of the Interim Order and the Final Order applicable to it and comply with all requirements imposed by applicable Laws on it or its Subsidiaries with respect to this Agreement or the Arrangement;
- (b) it shall cooperate with the other Party in connection with the performance by it and its Subsidiaries of their obligations under this Section 5.4, including providing

regular status updates on its progress in obtaining any Regulatory Approval to the other Party as and when requested by the other Party, and permitting the other Party and its legal counsel a reasonable opportunity to review in advance, and to provide comments on, any proposed communications of any nature with a Governmental Entity, which comments shall be considered and given due regard;

- (c) it shall use commercially reasonable efforts to, and shall cause its Subsidiaries to use commercially reasonable efforts to, satisfy (or cause the satisfaction of) the condition precedent set forth in Section 6.1(d) and Section 6.1(e), including, subject to Section 5.4(d), using commercially reasonable efforts to:
- (i) obtain all Regulatory Approvals;
 - (ii) cooperate fully with the other Party and such other Party's legal counsel, recognizing that certain competitively sensitive information may be exchanged only on an external counsel-only basis and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties;
 - (iii) as promptly as possible, but in any event within 30 business days of the date hereof, unless otherwise mutually agreed to in writing, make all necessary notifications or applications in respect of Regulatory Approvals, including (A) the notification required under subsection 114(1) of the Competition Act (and the Purchaser shall also file with the Commissioner a request for an advance ruling certificate or, in lieu thereof, a no-action letter either prior to or simultaneously with the submission of its notification), (B) the application for approval pursuant to section 27 of the GUA to the AUC, and (C) the application for approval pursuant to section 54 of the UCA to the BCUC, and the Parties shall supply as promptly as practicable any additional information or documentary materials that may be required or as the Parties or their legal counsel agree may be advisable pursuant to the Competition Act, the AUC Approval, the BCUC Approval or any similar Laws;
 - (iv) certify completeness of its response to any supplementary information request received under subsection 114(2) of the Competition Act, in respect of the Arrangement as promptly as practicable after the date of issuance of any such supplementary information request, but in no event later than 90 days after such issuance, unless otherwise mutually agreed to in writing, and to take all actions necessary to assert, defend and support its certification of the completeness of its response to such supplementary information request;
 - (v) respond promptly to all requests for information made by a Governmental Entity in respect of obtaining a Regulatory Approval; and
 - (vi) prepare and file, as promptly as practicable, all documentation to effect all necessary notices, reports and other filings and to obtain as promptly as

practicable all consents, registrations, approvals, and authorizations in respect of the Regulatory Approvals;

- (d) in connection with obtaining the Key Regulatory Approvals by no later than the Outside Date, Section 5.4(a) and Section 5.4(c) shall require the Purchaser and its Subsidiaries to take all reasonable measures to obtain the Key Regulatory Approvals;
- (e) except as required by Law, it shall not engage in any meetings or material communications with any Governmental Entity in relation to the Key Regulatory Approvals or the Arrangement, without legal counsel for the other Party being advised of same, and having been given the opportunity to participate in such meetings or communications, and in any event shall immediately notify and provide copies to the other Party's legal counsel of any communications to or from a Governmental Entity in relation to the Arrangement;
- (f) subject to Section 5.4(d), it shall not, directly or indirectly, wilfully or intentionally take any action, refrain from taking any action or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would or would reasonably be expected to cause any condition set forth in Article 6 not to be satisfied or otherwise significantly impede the consummation of the Arrangement, or that will have, or which would reasonably be expected to have, the effect of materially delaying, impairing or impeding the granting of the Regulatory Approvals;
- (g) except for non-substantive communications with securityholders or documents filed by the Company on SEDAR, and subject to its obligations under Section 2.10, it shall furnish promptly to the other Party or its legal counsel, a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Arrangement; (ii) any filings under applicable Laws in connection with the transactions contemplated hereby; and (iii) any dealings with Governmental Entities in connection with the transactions contemplated hereby; and
- (h) it shall promptly notify the other Party in writing of any material complaints, investigations or hearings (or communications indicating that the same may be contemplated) by any Governmental Entity or third party relating to the transactions contemplated herein.

5.5 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, the Company shall, and shall cause its Subsidiaries and Representatives to, subject to all applicable Laws and any confidentiality obligations owed by the Company to a third party or in respect to customer-specific or competitively sensitive information and in accordance with the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, afford to the Purchaser and the Representatives of the Purchaser reasonable access at all reasonable times to their officers, employees, agents, properties,

books, records and contracts (but which shall not include any right of the Purchaser's Representatives to attend the Company's regular operations meetings), and shall furnish the Purchaser with all data and information as the Purchaser may reasonably request, subject to any confidentiality obligations owed by the Company to a third party, in respect to customer-specific or competitively sensitive information, the conditions contained in the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, in order to permit the Purchaser to be in a position to expeditiously and efficiently continue the businesses and operations of the Purchaser and its Subsidiaries and the Company and its Subsidiaries immediately upon, but not prior to, the Effective Date.

5.6 Insurance and Indemnification

- (a) The Purchaser agrees that it will maintain in effect, or will cause the Company or its successors to maintain in effect, without any reduction in scope or coverage for six years from the Effective Time customary policies of directors' and officers' liability insurance providing protection comparable to the current protection provided by the policies maintained by the Company and its Subsidiaries as are in effect immediately prior to the Effective Time and providing coverage on a "trailing" or "run-off" basis for all present and former directors and officers of the Company with respect to claims arising from facts or events which occurred prior to the Effective Time. Furthermore, prior to the Effective Time, the Company may, in the alternative, with the consent of the Purchaser, not to be unreasonably withheld, conditioned or delayed, purchase run-off directors' and officers' liability insurance for a period of up to six years from the Effective Time; provided that the cost of such policies shall not exceed 250% (such amount, the "**Base Premium**") of the Company's current annual aggregate premium for policies currently maintained by the Company or its Subsidiaries; provided further, however, that if such insurance can only be obtained at a premium in excess of the Base Premium, the Company may purchase the most advantageous policies of directors' and officers' liability insurance reasonably available for an annual premium not to exceed the Base Premium, and the Purchaser shall, or shall cause the Company and its Subsidiaries to, maintain such coverage for six years from the Effective Date, and in such event none of the Purchaser, the Company or any successor of the Company will have any further obligation under this Section 5.6(a).
- (b) The Purchaser agrees that all rights to indemnification or exculpation now existing in favour of present and former officers and directors of the Company shall survive completion of the Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date. Any right to indemnification pursuant to this Section 5.6 shall not be amended, repealed or otherwise modified at any time in a manner that would adversely affect the rights of such present and former officers and directors of the Company as provided herein.

5.7 Privacy Issues

- (a) For the purposes of this Section 5.7, the following definitions shall apply:
- (i) “**applicable law**” means, in relation to any Person, transaction or event, all applicable provisions of Laws by which such Person is bound or having application to the transaction or event in question, including applicable privacy laws;
 - (ii) “**applicable privacy laws**” means any and all applicable Laws relating to privacy and the collection, use and disclosure of Disclosed Personal Information in all applicable jurisdictions, including, as applicable, the *Personal Information Protection and Electronic Documents Act* (Canada) and/or any comparable federal or provincial law including the *Personal Information Protection Act* (Alberta); and
 - (iii) “**Disclosed Personal Information**” means information (other than business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as an employee or an official of an organization and for no other purpose) about an identifiable individual disclosed or transferred to the Purchaser by the Company in accordance with this Agreement and/or as a condition of the Arrangement.
- (b) The Parties hereto acknowledge that they are responsible for compliance at all times with applicable privacy laws as such pertain to the collection, use or disclosure of Disclosed Personal Information.
- (c) Prior to the completion of the Arrangement, neither Party shall use or disclose the Disclosed Personal Information for any purposes other than those related to the performance of this Agreement and the completion of the Arrangement. After the completion of the transactions contemplated herein, a Party may only collect, use and disclose the Disclosed Personal Information for the purposes for which the Disclosed Personal Information was initially collected from or in respect of the individual to which such Disclosed Personal Information relates or for the completion of the transactions contemplated herein, unless (i) either Party shall have first notified such individual of such additional purpose, and where required by applicable law, obtained the consent of such individual to such additional purpose, or (ii) such use or disclosure is permitted or authorized by applicable law without notice to, or consent from, such individual.
- (d) Each Party acknowledges and confirms that the disclosure of the Disclosed Personal Information is necessary for the purposes of determining if the Parties shall proceed with the Arrangement, and that the Disclosed Personal Information relates solely to the carrying on of the business or the completion of the Arrangement.

- (e) Each Party acknowledges and confirms that it has taken and shall continue to take reasonable steps to, in accordance with applicable law, prevent accidental loss or corruption of the Disclosed Personal Information, unauthorized access to the Disclosed Personal Information, or unauthorized or unlawful collection, storage, disclosure, recording, copying, alteration, removal, deletion, use or other processing of such Disclosed Personal Information.
- (f) Subject to the following provisions, each Party shall at all times keep strictly confidential all Disclosed Personal Information provided to it, and shall instruct those employees or representatives responsible for processing such Disclosed Personal Information to protect the confidentiality of such information in a manner consistent with the Parties' obligations hereunder. Prior to the completion of the Arrangement, each Party shall take reasonable steps to ensure that access to the Disclosed Personal Information shall be restricted to those employees or representatives of the respective Party who have a *bona fide* need to access to such information in order to complete the Arrangement.
- (g) Should the Arrangement not proceed, the Purchaser shall forthwith cease all use of the Disclosed Personal Information acquired by it in connection with this Agreement and will return to the Company or, at the requesting Company's request, destroy in a secured manner, in accordance with applicable law, the Disclosed Personal Information (and any copies thereof) in its possession.

5.8 Financing Assistance

- (a) Provided that the Specified Lender Consents have not been obtained (or have been withdrawn once obtained), the Company shall, and shall cause each of its Subsidiaries to, and each shall use commercially reasonable efforts to cause its Representatives to, provide such cooperation to the Purchaser and its affiliates as they may reasonably request in connection with the arrangements by the Purchaser to obtain, syndicate, market or arrange the closing and funding of any potential debt financing for an amount not to exceed the aggregate amount outstanding (in the case of any term facilities) or available (under any revolving facilities) under any arrangement(s) to which a Specified Lender Consent has become incapable of being obtained (provided that such request is made on reasonable notice), including, as so requested:
 - (i) participating in a reasonable number of meetings and due diligence sessions;
 - (ii) cooperating with the Purchaser and its affiliates in connection with applications to obtain such consents, approvals or authorizations from any Governmental Entity which may be reasonably necessary in connection with such potential debt financing and, including, promptly upon request and furnishing at least three business days prior to the Effective Date all documentation and other information required in connection with applicable "know your customer" and anti-money laundering and

proceeds of crime Laws (provided that such request is reasonably requested at least 15 business days prior to the Effective Date);

- (iii) executing and delivering any guarantees and other loan documents, indentures or other definitive financing documents and customary closing deliverables as may be reasonably requested by the Purchaser or its affiliates, provided that any obligations contained in such documents shall be effective no earlier than as of the Effective Time;
- (iv) obtaining payout letters and guarantee releases, in each case, which are required as conditions precedent to the debt financing or the definitive agreement related thereto, with evidence of such payoff and release, as applicable, in a form satisfactory to the Purchaser, acting reasonably;
- (v) furnishing to the Purchaser as promptly as reasonably practicable all available financial and other reasonably required or customary information regarding the Company, any of its Subsidiaries or any combination of such Persons;
- (vi) assisting the Purchaser in the preparation of reasonably required authorization letters with respect to information memoranda and packages and lender and investor presentations in connection with such potential debt financing and participate in a customary and reasonable number of presentations, road shows and similar sessions in connection with such potential debt financing; and
- (vii) using reasonable efforts to cause the Company's independent auditors to cooperate with such potential debt financing, including by providing required accountant's comfort letters in customary form (including "negative assurance") and any required consents from the Company's independent auditors,

in any case so long as:

- (viii) it is acknowledged and agreed by the Purchaser that in no event shall the receipt or availability of any debt financing be a condition to completing the Arrangement or any of the obligations of Purchaser hereunder;
- (ix) such requested cooperation or financing does not unreasonably interfere with or disrupt the ongoing operations of the Company and its Subsidiaries;
- (x) such requested cooperation or potential debt financing does not impair, delay or prevent the satisfaction of any conditions set forth in Article 6;
- (xi) such requested cooperation or potential debt financing does not impair, delay or prevent the consummation of the transactions contemplated by this Agreement;

- (xii) such requested cooperation or potential debt financing does not require the Company to obtain the approval of the Company Shareholders or any other securityholders of the Company;
- (xiii) the Company shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment by the Company or any of its Subsidiaries, which commitment is not conditional on the completion of the Arrangement and does not terminate without liability to the Company or its Subsidiaries upon the termination of this Agreement;
- (xiv) the Purchaser reimburses the Company for all reasonable documented out-of-pocket costs incurred by the Company or any of its Subsidiaries in connection with any such cooperation undertaken at the request of the Purchaser and indemnifies the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgments and penalties that are suffered or incurred as a consequence of any such cooperation undertaken at the request of the Purchaser;
- (xv) such requested cooperation or potential debt financing does not require the Company to assume liability for any offering memorandum, private placement memorandum or similar offering document;
- (xvi) such requested cooperation or potential debt financing does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer or employee;
- (xvii) such requested cooperation or potential debt financing does not require the Company or any of its Subsidiaries to disclose any information that in their reasonable judgment would violate any of their obligations or any other Persons obligations with respect to confidentiality; and
- (xviii) such requested cooperation does not require the Company or any of its Subsidiaries to take any action that would reasonably be expected to conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, the certificate of incorporation or by-laws or other comparable organizational documents of Company or any of its Subsidiaries or any applicable Laws.

5.9 Pre-Acquisition Reorganization

- (a) Subject to Section 5.9(b), the Company agrees that, upon request of the Purchaser, the Company shall use commercially reasonable efforts to: (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser may request, acting

reasonably (each, a “**Pre-Acquisition Reorganization**”), and (ii) cooperate with the Purchaser and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken.

- (b) The Company will not be obligated to participate in any Pre-Acquisition Reorganization under Section 5.9(a) unless such Pre-Acquisition Reorganization:
- (i) is not prejudicial to the Company or the Company Shareholders or any other securityholder of the Company in any material respect;
 - (ii) does not impair, impede, delay or prevent the satisfaction of any conditions set forth in Article 6 or the ability of the Company or the Purchaser to consummate, and will not delay the consummation of, the Arrangement;
 - (iii) can be effected as close as reasonably practicable prior to the Effective Time and, in any event, following receipt of the Key Regulatory Approvals;
 - (iv) will not require approval from any Governmental Entity;
 - (v) does not require the Company or any of its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, the Company Shareholders or any other securityholder of the Company incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to Section 5.9(a);
 - (vi) does not result in any breach by the Company or any of its Subsidiaries of any material contract or any breach by the Company or any of its Subsidiaries of their respective constating documents, organizational documents or Law;
 - (vii) does not, in the opinion of the Company, acting reasonably, interfere with the ongoing operations of the Company or any of its Subsidiaries;
 - (viii) will not have an adverse effect on the Company or any of its Subsidiaries or their respective businesses or assets in any material respect;
 - (ix) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and
 - (x) does not become effective unless the Purchaser has waived or confirmed in writing the satisfaction of all conditions in its favour under Article 6 and shall have confirmed in writing that each of them is prepared to promptly and without condition (other than compliance with Section 5.9(a)) proceed to effect the Arrangement.

- (c) The Purchaser must provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least 15 business days prior to the Effective Date. Upon receipt of such notice, the Company and the Purchaser shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company to obtain approval of the Company Shareholders or any other securityholder of the Company).
- (d) If the Arrangement is not completed, other than due to a breach by the Company of the terms and conditions of this Agreement, the Purchaser shall (i) forthwith reimburse the Company for all reasonable out-of-pocket costs and expenses incurred in connection with any proposed Pre-Acquisition Reorganization, including any reasonable costs incurred by the Company in order to restore the organizational structure of the Company to a substantially identical structure of the Company as at the date hereof; and (ii) indemnify the Company, its affiliates and their respective officers, directors, employees, agents, advisors and representatives for all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization (other than those costs and expenses reimbursed in accordance with the foregoing).
- (e) The Purchaser agrees that any Pre-Acquisition Reorganization will not be considered in determining whether a representation or warranty of the Company under this Agreement has been breached (including where any such Pre-Acquisition Reorganization requires the consent of any third party under a contract).

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions, any of which may be waived by the mutual consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;

- (b) the Arrangement Resolution shall have been passed by the Company Shareholders at the Company Shareholders' Meeting in accordance with the Interim Order;
- (c) the Final Order shall have been obtained on terms consistent with the Arrangement and in form and substance satisfactory to each of the Parties, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to either of the Parties, acting reasonably, on appeal or otherwise;
- (d) each of the AUC Approval and the BCUC Approval shall have been made, given, obtained or occurred, as the case may be, and each such approval shall be in full force and effect, shall not have been modified or invalidated in any manner and shall be acceptable to the Purchaser, subject to the Purchaser's obligations under Section 5.4;
- (e) all Regulatory Approvals (other than the Key Regulatory Approvals) required to be obtained, shall have been made, given, obtained or occurred, as the case may be, on terms and conditions acceptable to the Parties, each acting reasonably, and such Regulatory Approvals shall be in full force and effect, and all applicable domestic and foreign statutory and regulatory waiting periods necessary to complete the Arrangement shall have expired or have been terminated and no unresolved material objection or opposition shall have been filed, initiated or made, except where the failure or failures to obtain such Regulatory Approvals, or for the applicable waiting periods to have expired or terminated, would not be reasonably expected to have a Material Adverse Effect;
- (f) no Law (whether temporary, preliminary or permanent), regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) shall be in effect or shall have been enacted, promulgated, amended or applied by any Governmental Entity, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Purchaser or the Company from consummating the Arrangement; and
- (g) no act, action, suit, proceeding, objection, opposition, order or injunction shall have been taken, entered, threatened or promulgated by any Governmental Entity, whether or not having the force of Law, which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins Purchaser or the Company from consummating the Arrangement or that would be reasonably expected to have a Material Adverse Effect.

6.2 Purchaser Conditions

The obligation of the Purchaser to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

- (a) the representations and warranties made by the Company:

- (i) in paragraphs (a), (b), (h), (i), (j), (s)(i) and (kk) of Schedule D shall be true and correct (other than *de minimis* inaccuracies) as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date, and except it being understood that the number of Company Common Shares may increase from the number outstanding on the date of this Agreement solely as a result of vesting of the Company Share Options or Company Awards and that the number of Company DSUs or Company Awards may change due to the requirements (or deeming provisions) of the Company DSUP or the Company MTIP, as applicable, or their vesting, expiry or termination in accordance with their terms or as affected by transactions contemplated or permitted by this Agreement);
- (ii) in paragraph (e) of Schedule D shall be true and correct in all material respects as of the Effective Date as if made on such date; and
- (iii) in the remainder of Schedule D shall be true and correct as of the Effective Date as if made on such date (except to the extent such representations and warranties speak as of an earlier date, in which case they will be evaluated as of such date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result in a Material Adverse Change (and for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored);

and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on the Company's behalf and without personal liability) certifying the foregoing on the Effective Date;

- (b) the Company shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Company shall have provided to the Purchaser a certificate of two executive officers of the Company (on behalf of the Company and without personal liability) certifying compliance with such covenants on the Effective Date; and
- (c) holders of less than 5% of the outstanding Company Common Shares shall have validly exercised Dissent Rights in respect of the Arrangement that have not been withdrawn as of the Effective Date;
- (d) the Competition Act Approval shall have been made, given, obtained or occurred, as the case may be, shall be in full force and effect, and shall not have been modified or invalidated in any manner; and
- (e) since the date of this Agreement there shall not have occurred a Material Adverse Effect.

The conditions set forth in this Section 6.2 are for the exclusive benefit of the Purchaser and may be asserted by the Purchaser regardless of the circumstances or may be waived in writing by the Purchaser in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Purchaser may have.

6.3 Company Conditions

The obligation of the Company to consummate the transactions contemplated hereby, and in particular the Arrangement, is subject to the satisfaction, on or before the Effective Time or such other time specified, of the following conditions:

- (a) the representations and warranties made by the Purchaser in Schedule C shall be true and correct as of the Effective Date as if made on such date, except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not materially impede the completion of the Arrangement, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on the Purchaser's behalf and without personal liability) certifying the foregoing on the Effective Date; and
- (b) the Purchaser shall have complied in all material respects with its covenants herein to be complied with by it on or prior to the Effective Time, and the Purchaser shall have provided to the Company a certificate of two executive officers of the Purchaser (on behalf of Purchaser and without personal liability) certifying compliance with such covenants on the Effective Date.

The conditions set forth in this Section 6.3 are for the exclusive benefit of the Company and may be asserted by the Company regardless of the circumstances or may be waived by the Company, in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which the Company may have.

6.4 Notice and Cure Provisions

Each Party will give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which would, or would reasonably be expected to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect (or, in the case of any representations or warranties that are not subject to materiality qualifications in respect of the conditions contained in Section 6.2(a)(i) and 6.3(a), cause any of such representations or warranties of such Party to be untrue or inaccurate in any respect); or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party,

and it shall in good faith discuss with the other Party any event, state of facts, circumstance or change in circumstances (actual, anticipated, contemplated, or to the knowledge of such Party, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Party pursuant to this Section 6.4. The delivery of any notice pursuant to this Section 6.4 shall not limit or otherwise affect the representations, warranties, covenants, conditions or agreements of the Parties under this Agreement or any remedies available pursuant to this Agreement with respect thereto to the Party receiving that notice.

Neither Party may elect to terminate this Agreement pursuant to Section 8.1(b)(iii) [*Failure to Satisfy Mutual Conditions*], Section 8.1(c)(i) [*Company Reps and Warranties and Covenants Condition*] or Section 8.1(d)(i) [*Purchaser Reps and Warranties and Covenants Condition*], as applicable, unless promptly, and in any event prior to the issuance of the Certificate by the Director, the Party intending to terminate this Agreement (the “**Terminating Party**”) has delivered a written notice (a “**Termination Notice**”) to the other Party (the “**Receiving Party**”) specifying in reasonable detail all breaches of covenants, inaccuracies of representations and warranties, inability to satisfy conditions or other matters which the Terminating Party is asserting as the basis for termination. If any Termination Notice is delivered: (a) if such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination until the earlier of (i) the expiration of a period of 15 business days from the date of receipt of the Termination Notice by the Receiving Party, and (ii) the Outside Date, if such matter has not been cured by such date; provided *however* that, if the Receiving Party is proceeding diligently to cure any such matter, the Terminating Party may not exercise such termination until the Outside Date; and (b) if such matter is incapable of being cured prior to the Outside Date, the Terminating Party must exercise such termination not later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under Section 8.1(b)(iii) [*Failure to Satisfy Mutual Conditions*], Section 8.1(c)(i) [*Company Reps and Warranties and Covenants Condition*] or Section 8.1(d)(i) [*Purchaser Reps and Warranties and Covenants Condition*], as applicable, in respect of the breach or failure of condition to which such Termination Notice relates. If a Termination Notice has been delivered to the Company within 10 business days prior to the date of the Company Shareholders’ Meeting, the Company may elect to postpone the Company Shareholders Meeting until the expiry of such period.

6.5 Frustration of Conditions

Neither the Purchaser nor the Company may rely, either as a basis for not consummating the conditions contemplated by this Agreement or terminating this Agreement and abandoning the Arrangement, on the failure of any condition set forth in Sections 6.1, 6.2 or 6.3, as the case may be, to be satisfied if such failure was primarily caused by, or primarily resulted from, such Party’s failure to perform any of its covenants or agreements under this Agreement.

6.6 Merger of Conditions

Subject to applicable Law, the conditions set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released upon the issuance of a Certificate in respect of the Arrangement.

ARTICLE 7
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

7.1 Company Covenant Regarding Non-Solicitation

- (a) The Company shall immediately cease and cause to be terminated all existing solicitations, discussions or negotiations (including through any Representatives on its behalf), if any, with any Person (other than the Purchaser and its Representatives) with respect to any Acquisition Proposal and, in connection therewith, the Company shall discontinue access to any of its confidential information (including any data room), and shall promptly request the return or destruction of all information respecting the Company or any of its Subsidiaries provided to any Person (other than the Purchaser or its Representatives) who has entered into a confidentiality agreement with the Company or any of its Subsidiaries relating to an Acquisition Proposal in the last six months and shall use commercial reasonable efforts to ensure that such requests are honoured. The Company and its Subsidiaries shall take commercially reasonable actions to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that the Company or any of its Subsidiaries has entered into and that the Company enters into after the date of this Agreement in accordance with and subject to the terms of this Agreement (it being acknowledged by the Purchaser that the Company shall not be obligated to enforce any standstill, non-disclosure, non-disturbance, non-solicitation and similar agreements or covenants that are automatically terminated or released as a result of entering into and announcing this Agreement).

- (b) Except as provided in this Article 7, the Company shall not, directly or indirectly, do or authorize or permit any of its Representatives to do, any of the following:
 - (i) solicit, initiate or knowingly encourage or otherwise facilitate (including by way of furnishing information) any Acquisition Proposal or any inquiries, proposals or offers relating to any Acquisition Proposal;

 - (ii) enter into or participate in any discussions or negotiations regarding any Acquisition Proposal, or furnish to any other Person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with any Acquisition Proposal or any proposal that constitutes or could reasonably be expected to lead to an Acquisition Proposal, or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other Person to do or seek to do any of the foregoing; provided that the Company may (A) communicate with any Person for the purposes of clarifying the terms of any inquiry, proposal or offer made by such Person that constitutes or could reasonably be expected to constitute or lead to an Acquisition Proposal, (B) advise any Person of the restrictions of this Agreement, and (C) advise any Person making an Acquisition Proposal that the Company Board has determined that such Acquisition Proposal does not constitute a Superior Proposal;

- (iii) waive, terminate, amend, modify or release any third party or enter into or participate in any discussions, negotiations or agreements to waive, terminate, amend, modify or release any third party from any rights or other benefits under confidentiality and/or standstill agreements relating to an Acquisition Proposal entered into in the last six months (which, for greater certainty, does not prohibit the automatic release of a party or termination of such provisions in accordance with the pre-existing and express terms of any standstill provision);
- (iv) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days will not be considered to be in violation of this Section 7.1(b)(iv)); or
- (v) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal (other than a confidentiality agreement contemplated under Section 7.1(b)(vi));

provided, however, that notwithstanding any other provision hereof, the Company and its Representatives may, prior to the approval of the Arrangement Resolution at the Company Shareholders' Meeting:

- (vi) enter into or participate in any discussions or negotiations with a third party that is not in breach of any confidentiality or standstill agreement and that, without any solicitation, initiation or knowing encouragement or facilitation, directly or indirectly, after the date of this Agreement, by the Company or any of its Representatives, seeks to initiate such discussions or negotiations and, subject to execution of a confidentiality agreement in favour of the Company that is on terms that the Company Board determines in good faith are no less favourable to the Company than those found in the Confidentiality Agreement (provided that such confidentiality agreement shall (A) allow for disclosure thereof, along with all information provided thereunder, to the Purchaser as set out below, (B) allow disclosure to the Purchaser of the making and terms of any Acquisition Proposal made by the third party as contemplated herein, and (C) not contain any provision restricting the Company from complying with this Section 7.1) may furnish to such third party any information concerning the Company and its Subsidiaries and their businesses, properties and assets, in each case if, and only to the extent that:
 - (A) the third party has first made a written *bona fide* Acquisition Proposal, which did not result from a breach of this Section 7.1, and in respect of which the Company Board determines in good faith, after consultation with its outside legal and financial advisors,

constitutes or could reasonably be expected to lead to a Superior Proposal (disregarding, for the purposes of such determination, any due diligence or access condition to which such Acquisition Proposal is subject); and

- (B) prior to furnishing such information to or entering into or participating in any such discussions or negotiations with such third party regarding the Acquisition Proposal, the Company shall:
 - (1) provide prompt notice to the Purchaser to the effect that it is furnishing information to or entering into or participating in discussions or negotiations with such third party, together with a copy of the confidentiality agreement referenced above and, if not previously provided to the Purchaser, copies of all information provided to such third party concurrently with the provision of such information to such third party;
 - (2) promptly notify the Purchaser, at first orally, and then as soon as practicable (and in any event within 24 hours) in writing, of any inquiries, offers or proposals with respect to an actual or contemplated Superior Proposal (which written notice shall include the identity of the Person making it and a summary of the material terms of such proposal (and any amendments or supplements thereto)) and shall include copies of any such inquiries, offers or proposals made in writing and any amendments to any of the foregoing; and
 - (3) keep the Purchaser promptly informed of the status and reasonable details of any such inquiry, offer or proposal and answer the Purchaser's reasonable questions with respect thereto; and
- (vii) accept, recommend, approve or enter into an agreement to implement a Superior Proposal from a third party or make a Change in Recommendation, but only if prior to such acceptance, recommendation, approval or implementation or making such Change in Recommendation, the Company Board concludes in good faith, after considering all proposals to adjust the terms and conditions of this Agreement as contemplated by Section 7.1(c) and after receiving the advice of outside legal counsel that the failure by the Company Board to take such action would be inconsistent with its fiduciary duties under applicable Laws, and the Company (A) complies with its obligations set forth in this Section 7.1, (B) terminates this Agreement in accordance with Section 8.1(d)(ii), and (C) concurrently therewith pays the amount required by Section 8.3(b)(ii) to the Purchaser.

- (c) Following determination by the Company Board that an Acquisition Proposal constitutes a Superior Proposal, the Company shall give the Purchaser, orally and in writing, at least five complete business days advance notice of any decision by the Company Board to accept, recommend, approve or enter into an agreement to implement a Superior Proposal or to make a Change in Recommendation, which notice shall confirm that the Company Board has determined that such Acquisition Proposal constitutes a Superior Proposal and shall identify the third party making the Superior Proposal and the Company shall provide the Purchaser with a true and complete copy thereof and the agreement to implement the Superior Proposal and any amendments thereto, as well as notice as to the value in financial terms that the Company Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal. During such five business day period, the Company agrees not to accept, recommend, approve or enter into any agreement to implement such Superior Proposal and not to release the party making the Superior Proposal from any standstill provisions and shall not make a Change in Recommendation. In addition, during such five business day period the Company shall, and shall cause its financial and legal advisors to, negotiate in good faith with the Purchaser and its financial and legal advisors to make such adjustments in the terms and conditions of this Agreement and the Arrangement as would enable the Company to proceed with the Arrangement as amended rather than the Superior Proposal. In the event the Purchaser proposes to amend this Agreement and the Arrangement on a basis such that the Company Board determines that the alternative proposed transaction is no longer a Superior Proposal and so advises the board of directors of the Purchaser prior to the expiry of such five business day period, the Company Board shall not accept, recommend, approve or enter into any agreement to implement such Acquisition Proposal and shall not release the party making the Acquisition Proposal from any standstill provisions and shall not make a Change in Recommendation. In the event that the Company provides the notice contemplated by this Section 7.1(c) on a date which is less than five business days prior to the Company Shareholders' Meeting, the Company may, and the Purchaser shall be entitled to require the Company to adjourn or postpone the Company Shareholders' Meeting to a date that is not more than 10 business days after the date of such notice.
- (d) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or condition thereof, shall constitute a new Acquisition Proposal for the purposes of Section 7.1(c), and the Purchaser shall be afforded a new five business day period from the date on which the Purchaser received all of the materials set forth in Section 7.1(c) with respect to the new Superior Proposal from the Company.
- (e) the Company shall ensure that its affiliates and Representatives are aware of the provisions of this Section 7.1. The Company shall be responsible for any breach of this Section 7.1 by the Company's affiliates or the Company's Representatives.

- (f) Nothing in this Agreement shall prohibit the Company, the Company Board or the Company Independent Committee from complying with Part 2 - Division 3 of NI 62-104 and making appropriate disclosure with respect thereto to the Company's securityholders.

ARTICLE 8 TERMINATION AND FEES AND EXPENSES

8.1 Termination

This Agreement may be terminated at any time prior to the Effective Date:

- (a) by mutual written agreement of the Purchaser and the Company;
- (b) by either the Purchaser or the Company if:
 - (i) the Arrangement Resolution shall have failed to receive the requisite vote of the Company Shareholders to approve such resolution at the Company Shareholders' Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
 - (ii) the Effective Time shall not have occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(ii) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date; or
 - (iii) any condition in Section 6.1 (other than the condition in Section 6.1(b) [*Arrangement Resolution Passed*]) becomes incapable of being satisfied by the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iii) (A) must be exercised by the Terminating Party no later than the end of the 10th business day from the date of receipt of the Termination Notice by the Receiving Party, following which such Terminating Party shall be deemed to have waived its termination right under this Section 8.1(b)(iii) in respect of the matter specified in such Termination Notice that causes the inability to satisfy the applicable condition, and (B) shall not be available to any Party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure of such condition to be satisfied;
- (c) by the Purchaser if:
 - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement occurs that would cause the condition in Section 6.2(a)

[Company Reps and Warranties Condition] or Section 6.2(b) *[Company Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Purchaser is not then in breach of this Agreement so as to cause any condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and (C) any termination pursuant to this Section 8.1(c)(i) is subject to and satisfies the provisions of Section 6.4; or

- (ii) (A) the Company Board or any committee of the Company Board fails to unanimously recommend or withdraws, amends, modifies, changes or qualifies, or publicly proposes or states an intention to withdraw, amend, modify, change or qualify, the recommendations or determinations referred to in Section 2.2(a) in a manner adverse to the Purchaser or shall have resolved to do so prior to the Effective Date (and such action is not subsequently withdrawn), (B) the Company Board or any committee of the Company Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or publicly takes no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five business days (any action set forth in subclauses (A) or (B) of this Section 8.1(c)(ii), a “**Change in Recommendation**”), (C) the Company Board or any committee of the Company Board accepts or enters into or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)); (D) the Company Board or any committee of the Company Board fails to publicly reconfirm the recommendations or determinations referred to in Section 2.2(a) upon the reasonable request of the Purchaser prior to the earlier of five business days following such request or five business days prior to the Company Shareholders’ Meeting or (E) the Company breaches Article 7 in any material respect.

(d) by the Company if:

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser set forth in this Agreement occurs that would cause the condition in Section 6.3(a) *[Purchaser Reps and Warranties Condition]* or Section 6.3(b) *[Purchaser Covenants Condition]* not to be satisfied, and such breach or failure is incapable of being cured by the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that (A) any fraudulent, wilful or intentional breach shall be deemed to be incapable of being cured, (B) the Company is not then in breach of this Agreement so as to cause any

condition in Section 6.2(a) [*Company Reps and Warranties Condition*] or Section 6.2(b) [*Company Covenants Condition*] not to be satisfied, and (C) any termination pursuant to this Section 8.1(d)(i) is subject to and satisfies the provisions of Section 6.4; or

- (ii) prior to the approval by the Company Shareholders of the Arrangement Resolution, the Company Board authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 7.1(b)(vi)) with respect to, or the Company accepts, recommends or enters into any agreement to implement, a Superior Proposal in accordance with Section 7.1, provided the Company is then in compliance with Section 7.1 and that prior to or concurrent with such termination the Company pays the amount required pursuant to and in accordance with Section 8.3(b)(ii).

8.2 Term and Effect of Termination

- (a) This Agreement shall be effective from the date hereof until the earlier of (i) the Effective Time, and (ii) the termination of this Agreement in accordance with its terms.
- (b) In the event of the termination of this Agreement pursuant to Section 8.1 or Section 8.2(a) as a result of the Effective Date occurring, this Agreement shall forthwith become void and have no further force or effect, and neither Party (nor its Representatives or securityholders) shall have any liability or further obligation to the other Party hereunder, except:
 - (i) in the event of termination pursuant to Section 8.1, the provisions and obligations set forth in Section 5.1(c), Section 5.1(d), Section 5.7, Section 5.8(a)(xiv), Section 5.9(d), this Section 8.2, Section 8.3, Section 8.4 and Section 8.5 (in each case to the extent applicable) and Article 9 shall survive any termination; and
 - (ii) in the event of the Effective Date occurring, the provisions and obligations set forth in Section 5.6, Section 5.7, and Article 9 shall survive any termination.
- (c) For greater certainty and notwithstanding anything in this Agreement to the contrary other than being subject to Section 8.4, nothing contained in this Section 8.2 shall relieve either Party from liability for (i) failure to consummate the Arrangement when required pursuant to this Agreement, or (ii) fraud or any wilful or intentional breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties, except to the extent specified therein.

8.3 Termination Fees

- (a) Despite any other provision in this Agreement relating to the payment of fees and expenses, if a Company Termination Fee Event occurs, the Company shall pay the Purchaser the Company Termination Fee in accordance with Section 8.3(c) and if a Purchaser Termination Fee Event occurs, the Purchaser shall pay the Company the Purchaser Termination Fee in accordance with Section 8.3(e).
- (b) For the purposes of this Agreement, “**Company Termination Fee**” means \$38 million, and “**Company Termination Fee Event**” means the termination of this Agreement:
 - (i) by the Purchaser, pursuant to Section 8.1(c)(ii) [*Change in Recommendation*];
 - (ii) by the Company, pursuant to Section 8.1(d)(ii) [*To enter into a Superior Proposal*];
 - (iii) by the Purchaser or the Company pursuant to Section 8.1(b)(i) [*Failure of the Company Shareholders to Approve*] or, provided a Purchaser Termination Fee Event is not triggered by such termination, Section 8.1(b)(ii) [*Effective Time not prior to Outside Date*] if:
 - (A) at any time after the execution of this Agreement and prior to such termination, an Acquisition Proposal is made, proposed, offered, publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser or its affiliates) or any Person (other than the Purchaser or its affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and
 - (B) within 12 months following the date of such termination (1) an Acquisition Proposal is consummated or effected (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above), or (2) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into an agreement in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (A) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term “Acquisition Proposal” shall have the meaning assigned to such term in Section 1.1, except that references to “20% or more of the voting securities of the Company” shall be deemed to be references to “50% or more”, and “20% or more” in relation to the Company’s revenues or earnings on a consolidated basis shall instead be construed to refer to “50% or more”.

- (c) If a Company Termination Fee is payable pursuant to Section 8.3(b)(i), the Company Termination Fee shall be paid within three business days following such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(ii), the Company Termination Fee shall be paid prior to or concurrently with the occurrence of such Company Termination Fee Event. If a Company Termination Fee is payable pursuant to Section 8.3(b)(iii), the Company Termination Fee shall be paid upon the consummation of the Acquisition Proposal referred to therein. Any Company Termination Fee shall be paid by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by the Purchaser.
- (d) For the purposes of this Agreement, “**Purchaser Termination Fee**” means \$38 million and “**Purchaser Termination Fee Event**” means the termination of this Agreement by the Purchaser or the Company pursuant to Section 8.1(b)(ii) [*Occurrence of Outside Date*] or Section 8.1(b)(iii) [*Failure to Satisfy Mutual Condition to Close*] if, as of the time of termination, the only conditions set forth in Section 6.1 [*Mutual Conditions*], Section 6.2 [*Purchaser Conditions*] and Section 6.3 [*Company Conditions*] that have not been satisfied or waived (other than those conditions that by their terms are to be satisfied at the Effective Time and that are capable of being satisfied) are one or more of: (i) Section 6.1(d) [*Utility Approvals*]; (ii) Section 6.2(d) [*Competition Act Approval*]; (iii) Section 6.1(f) [*Illegality*] only insofar as such Law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of Law) is related to any Key Regulatory Approval and/or (iv) Section 6.1(g) [*No Legal Action*] only insofar as the act, action, suit, proceeding, objection, opposition, order or injunction is related to any Key Regulatory Approval, provided that the Purchaser Termination Fee will not be payable if the failure of such condition(s) to be satisfied has been caused by, or is a result of, the failure of the Company to perform any of its covenants or agreements under this Agreement.
- (e) If a Purchaser Termination Fee is payable pursuant to any provision of Section 8.3(d), the Purchaser Termination Fee shall be paid within five business days following such Purchaser Termination Fee Event. Any Purchaser Termination Fee shall be paid by the Purchaser to the Company (or as the Company may direct by notice in writing), by wire transfer in immediately available Canadian funds to an account designated by the Company.

8.4 Liquidated Damages

- (a) The Parties acknowledge that the agreements contained in Section 8.3 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Purchaser would not enter into this Agreement, and that the Company Termination Fee and the Purchaser Termination Fee represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, which the Purchaser or the Company, as applicable, will suffer or incur as a result of the event giving rise to such damages and resultant

termination of this Agreement, and are not penalties. Each of the Company and the Purchaser irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

- (b) Each Party agrees that the payment of the Company Termination Fee or the Purchaser Termination Fee in the manner provided in Section 8.3 is the sole monetary remedy of the Purchaser or the Company, respectively, in respect of the event giving rise to such payment; provided that this limitation shall not (i) apply in the event of fraud or wilful or intentional breach of this Agreement by the Company as set forth in Section 8.2, and (ii) prior to any termination of this Agreement, preclude the Purchaser from seeking injunctive relief to restrain any breach or threatened breach by the other Party of its covenants in this Agreement, or otherwise obtain specific performance of any of such covenants in accordance with Section 9.8.
- (c) For the avoidance of doubt, in no event shall the Company be obligated to pay the Company Termination Fee, nor shall the Purchaser be obligated to pay the Purchaser Termination Fee, more than once.

8.5 Fees and Expenses

Each Party shall pay all fees, costs and expenses incurred by such Party in connection with this Agreement and the Arrangement; provided that the Purchaser and the Company shall share equally any filing fees and applicable Taxes payable for or in respect of any application, notification or other filing made in respect of any regulatory process in respect of the transactions contemplated by the Arrangement, including under the Key Regulatory Approvals.

ARTICLE 9 GENERAL PROVISIONS

9.1 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Shareholders' Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, subject to the Interim Order, the Final Order and applicable Laws.

9.2 Waiver

Either Party may: (a) extend the time for the performance of any of the obligations or other acts of the other Party; (b) waive compliance with any of the other Party's agreements or the fulfillment of any conditions to its own obligations contained herein; and (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and such waiver shall apply only to the specific matters identified in such instrument.

9.3 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other Party given in accordance with these provisions):

- (a) if to the Purchaser:

Public Sector Pension Investment Board
1250 René-Lévesque Blvd. West, Suite 1400
Montréal, Québec H3B 5E9

Email: [redacted]

and to

Alberta Teachers' Retirement Fund Board
600 Barnett House
11010 142 Street NW
Edmonton, Alberta T5N 2R1

Attention: [redacted]

Email: [redacted]

with a copy to (which shall not constitute notice):

Blake, Cassels & Graydon LLP
199 Bay St., Suite 4000
Toronto, Ontario M5L 1A9

Attention: Jeff Lloyd

Telephone: (416) 863-5848

Email: jeff.lloyd@blakes.com

- (b) if to the Company:

AltaGas Canada Inc.
2100, 444 5th Avenue SW
Calgary, Alberta T2P 2T8

Attention: [redacted]

Telephone: [redacted]

Email: [redacted]

with a copy to (which shall not constitute notice):

Stikeman Elliott LLP
4300 Bankers Hall West
888 - 3rd Street SW
Calgary, Alberta T2P 5C5

Attention: Christopher Nixon
Telephone: 403-266-9017
Email: cnixon@stikeman.com

9.4 Entire Agreement; Binding Effect

This Agreement: (a) together with the Equity Commitment Letters and the Confidentiality Agreement and any other subsequent written agreement that addresses confidentiality between the Parties, constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof; and (b) shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

9.5 Assignment

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by either of the Parties hereto without the prior written consent of the other Party.

9.6 Time of Essence

Time shall be of the essence in this Agreement.

9.7 Further Assurances

Each Party hereto shall, from time to time and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

9.8 Specific Performance

- (a) The Purchaser and the Company agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties were not performed by the other Party in accordance with their specific terms or were otherwise breached. It is accordingly agreed that each Party shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches or threatened breaches of the provisions of this Agreement or the Confidentiality Agreement or any other subsequent written agreement that addresses confidentiality between the Parties or to otherwise obtain specific

performance of any such provisions, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

- (b) Notwithstanding anything to the contrary in this Agreement, it is acknowledged and agreed that the Company shall be entitled to seek specific performance as a third party beneficiary of the Purchaser's rights against the Sponsors under the Equity Commitment Letters and/or to seek specific performance to cause the Purchaser to enforce the obligations of the Sponsors under the Equity Commitment Letters, as set out in Section 9.8(a).

9.9 Third Party Beneficiaries

The provisions of Section 5.3(b), Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d): (a) are intended for the irrevocable benefit of the Persons referenced therein, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the "**Third Party Beneficiaries**") and the Purchaser shall hold the rights and benefits of Section 5.3(b), Section 5.6, Section 5.8(a)(xiv) and Section 5.9(d) in trust for and on behalf of the Third Party Beneficiaries and the Purchaser hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries; and (b) are in addition to, and not in substitution for, any other rights that the Third Party Beneficiaries may have by contract or otherwise. Except as provided in this Section 9.9, this Agreement shall not: (a) confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns; (b) constitute or create an employment agreement with any employee, create any right to employment or continued employment or service, or to a particular term or condition of employment; or (c) be construed to establish, amend, or modify any Company Employee Plan, Employee Plan or any other benefit or compensation plan, program, agreement or arrangement.

9.10 Governing Law

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Alberta and the Laws of Canada applicable therein, and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Alberta.

9.11 No Liability

No director or officer of the Purchaser shall have any personal liability whatsoever to the Company under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Purchaser. No director or officer of the Company shall have any personal liability whatsoever to the Purchaser under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company.

9.12 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

Upon such determination that any term or other provision is invalid, illegal or unenforceable, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.13 Counterparts

This Agreement may be executed by electronic signature and in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

[The remainder of this page is left blank intentionally]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

PSPIB CYCLE INVESTMENTS INC.

By: (signed) "Patrick Samson"
Name: Patrick Samson
Title: Authorized Signatory

By: (signed) "Samuel Langleben"
Name: Samuel Langleben
Title: Authorized Signatory

ALTAGAS CANADA INC.

By: (signed) "Greg Aarssen"
Name: Greg Aarssen
Title: Lead Director

By: (signed) "Jared Green"
Name: Jared Green
Title: President and
Chief Executive Officer

SCHEDULE A
PLAN OF ARRANGEMENT
PLAN OF ARRANGEMENT UNDER SECTION 192
OF THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“Arrangement” means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of Section 5.1, in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“Arrangement Agreement” means the arrangement agreement made as of October 20, 2019 between the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“Arrangement Resolution” means the special resolution approving this Plan of Arrangement to be considered at the Company Shareholders’ Meeting by Company Shareholders, substantially in the form attached as Schedule B to the Arrangement Agreement.

“Articles of Arrangement” means the articles of arrangement of the Company in respect of the Arrangement, required under subsection 192(6) of the CBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form satisfactory to the Company and the Purchaser, each acting reasonably.

“Business Day” means a day other than a Saturday, a Sunday or a statutory holiday or other day when banks in the Cities of Calgary, Alberta or Montréal, Québec are not open for business.

“CBCA” means the *Canada Business Corporations Act*.

“Certificate” means the certificate of arrangement to be issued by the Director pursuant to subsection 192(7) of the CBCA in respect of the Articles of Arrangement giving effect to the Arrangement.

“Company” means AltaGas Canada Inc., a corporation incorporated under the laws of Canada.

“Company Awards” means restricted share units and performance share units each granted pursuant to the Company MTIP;

“Company Common Share Consideration” means \$33.50 in cash per Company Common Share.

“Company Common Shares” means the common shares in the capital of the Company.

“Company DSUP” means the Company’s Deferred Share Unit Plan;

“Company DSUs” means deferred share units granted pursuant to the Company DSUP;

“Company Information Circular” means the notice of the Company Shareholders’ Meeting to be sent to the Company Shareholders and the management information circular to be prepared in connection with the Company Shareholders’ Meeting, together with any amendment thereto or supplements thereof from time to time in accordance with the terms of the Arrangement Agreement.

“Company MTIP” means the Company’s Mid-Term Incentive Plan;

“Company Share Option Plan” means the Company’s Share Option Plan.

“Company Share Options” means share options to purchase Company Common Shares granted pursuant to the Company Share Option Plan.

“Company Shareholders” means the registered and/or beneficial holders of Company Common Shares, as the context requires.

“Company Shareholders’ Meeting” means the special meeting of the Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution.

“Court” means the Court of Queen’s Bench of Alberta.

“Depository” means such Person as the Purchaser may appoint to act as depository for the Company Common Shares in relation to the Arrangement, with the approval of the Company, acting reasonably.

“Director” means the Director appointed pursuant to Section 260 of the CBCA.

“Dissent Rights” has the meaning specified in Section 3.1.

“Dissenting Holder” means a registered Company Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Common Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Encumbrance” includes any mortgage, pledge, collateral 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.

“Final Order” means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

“Governmental Entity” means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body (including any securities commission or similar regulatory authority) exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSX.

“Interim Order” means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Shareholders’ Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

“Law” means all laws, by-laws, statutes, rules, regulations, principles of law, decisions, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the TSX) or self-regulatory authority; and the term “applicable” with respect to such Laws and in a context that refers to one or more Persons, means such Laws as are applicable to such Persons or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities.

“Letter of Transmittal” means the letter of transmittal sent to holders of Company Common Shares for use in connection with the Arrangement.

“Parties” means the Company and the Purchaser and **“Party”** means any one of them.

“Person” includes an individual, firm, trust, partnership, association, corporation, joint venture, trustee, executor, administrator, legal representative or government (including any Governmental Entity).

“Plan of Arrangement” means this plan of arrangement proposed under Section 192 of the CBCA, and any amendments or variations made in accordance with the Arrangement

Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

“**Purchaser**” means PSPIB Cycle Investments Inc., a corporation incorporated under the laws of Canada.

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

“**TSX**” means The Toronto Stock Exchange.

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (a) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article” and “Section” followed by a number or letter mean and refer to the specified Article or Section of this Plan of Arrangement.
- (e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (g) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Calgary, Alberta.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

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

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, will become effective, and be binding on the Purchaser, the Company, all holders and beneficial owners of Company Common Shares (including Dissenting Holders), all holders of Company Share Options, Company Awards and Company DSUs, the transfer agent and registrar of the Company, the Depositary and all other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting immediately following the Effective Time:

- (a) each Company Share Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Company Share Option Plan, shall be deemed to be unconditionally vested and exercisable, and such Company Share Option shall, without any further action by or on behalf of the holder of the Company Share Option, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the amount equal to the product of: (i) the amount by which the Company Common Share Consideration exceeds the exercise price per Company Common Share of such Company Share Option; and (ii) the number of Company Common Shares into which such Company Share Option is exercisable; provided that in the event the foregoing calculation would result in a product less than \$0.01, the consideration to be received in respect of such Company Share Option shall be \$0.01, and:
 - (i) each holder of Company Share Options shall cease to be a holder of such Company Share Options;
 - (ii) such holder's name shall be removed from the register of the Company Share Options;
 - (iii) the Company Share Option Plan and all agreements relating to the Company Share Options shall be terminated and shall be of no further force and effect; and

- (iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(a);
- (b) each Company Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall be deemed to be unconditionally vested, and such Company Award shall, without any further action by or on behalf of the holder of the Company Award, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:
 - (i) each holder of Company Awards shall cease to be a holder of such Company Awards;
 - (ii) such holder's name shall be removed from the register of the Company Awards;
 - (iii) the Company MTIP and all agreements relating to the Company Awards shall be terminated and shall be of no further force and effect; and
 - (iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(b);
- (c) each Company DSU outstanding immediately prior to the Effective Time shall, without any further action by or on behalf of the holder of the Company DSU, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Encumbrances) in exchange for a cash payment from the Company equal to the Company Common Share Consideration, and:
 - (i) each holder of Company DSUs shall cease to be a holder of such Company DSUs;
 - (ii) such holder's name shall be removed from the register of the Company DSUs;
 - (iii) the Company DSUP and all agreements relating to the Company DSUs shall be terminated and shall be of no further force and effect; and
 - (iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to this Section 2.3(c);
- (d) each Company Common Share held by Dissenting Holders in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn shall, without any further action by or on behalf of the Dissenting Holder, be deemed to have been assigned and transferred by such Dissenting Holder to the Purchaser (free and clear of all Encumbrances) in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:

- (i) such Dissenting Holders shall cease to be the holders of such Company Common Shares and to have any rights as holders of such Company Common Shares other than the right to be paid fair value for such Company Common Shares as set out in Section 3.1;
 - (ii) such Dissenting Holders' names shall be removed as the holders of such Company Common Shares from the register of Common Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of Company Common Shares maintained by or on behalf of the Company; and
- (e) each Company Common Share outstanding immediately prior to the Effective Time, other than Company Common Shares held by a Dissenting Holder in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn, shall, without any further action by or on behalf of the holder of the Company Common Share, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Encumbrances) in exchange for the Company Common Share Consideration for each Company Common Share held, and:
- (i) the holders of such Company Common Shares shall cease to be the holders thereof and to have any rights as holders of such Company Common Shares other than the right to be paid the Company Common Share Consideration for each Company Common Share formerly held in accordance with this Plan of Arrangement;
 - (ii) such holders' names shall be removed from the register of the Company Common Shares maintained by or on behalf of the Company; and
 - (iii) the Purchaser shall be deemed to be the legal and beneficial owner of such Company Common Shares (free and clear of all Encumbrances) and shall be entered in the register of the Company Common Shares maintained by or on behalf of the Company.

ARTICLE 3 RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Company Shareholders may exercise dissent rights with respect to the Common Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding subsection 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in subsection 190(5) of the CBCA must be received by the Company at its registered office not later than 5:00 p.m. (Calgary time)

two Business Days immediately preceding the date of the Company Shareholders' Meeting. Dissenting Holders shall be deemed to have transferred the Company Common Shares held by them in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn to the Purchaser free and clear of all Encumbrances, as provided in Section 2.3(d) and if they:

- (a) ultimately are entitled to be paid fair value for such Company Common Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(d)); (ii) will be entitled to be paid the fair value of such Company Common Shares which fair value, notwithstanding anything to the contrary contained in Part XV of the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Common Shares; or
- (b) ultimately are not entitled, for any reason, to be paid fair value for such Company Common Shares shall be deemed to have participated in the Arrangement on the same basis as a Company Shareholder that is not a Dissenting Holder and shall be entitled only to receive the consideration contemplated in Section 2.3(e).

3.2 Recognition of Dissenting Holders

- (a) In no circumstances shall the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Company Common Shares in respect of which such rights are sought to be exercised.
- (b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Company Common Shares in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn after the completion of the transfer under Section 2.3(d) and the names of such Dissenting Holders shall be removed from the register of the Company Common Shares, in respect of which Dissent Rights have been validly exercised and not withdrawn or deemed to have been withdrawn at the same time as the event described in Section 2.3(d) occurs.
- (c) In addition to any other restrictions under Section 190 of the CBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Company Share Options, Company Awards or Company DSUs (in respect of such Company Options, Company Awards or Company DSUs); and (ii) Company Shareholders who vote or have instructed a proxyholder to vote any Company Common Shares in favour of the Arrangement Resolution.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Payment of Company Common Share Consideration

- (a) Prior to the filing of the Articles of Arrangement the Purchaser shall deposit, or arrange to be deposited, for the benefit of former holders of Company Common Shares if the Arrangement is completed, cash with the Depository in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Company Common Share in respect of which Dissent Rights have been exercised being deemed to be the Company Common Share Consideration for this purpose, net of applicable withholdings. The cash deposited with the Depository by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.
- (b) Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that were transferred pursuant to Section 2.3(e), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the former Company Shareholder surrendering such certificate shall be entitled to receive in exchange therefor, and the Depository shall deliver to such former Company Shareholder, the cash which such former Company Shareholder has the right to receive under the Arrangement for the Company Common Shares formerly represented by such certificate, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.
- (c) As soon as practicable after the Effective Date, the Company shall pay the amounts, net of applicable withholdings, to be paid to holders of Company Share Options, Company Awards and Company DSUs pursuant to Section 2.3, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) in the event that payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque (delivered to the address of such holder of Company Share Options as reflected on the register maintained by or on behalf of the Company in respect of the Company Share Options, Company Awards or Company DSUs, as applicable).
- (d) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Company Common Shares shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Company Common Shares not duly surrendered on or before the second anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Company Common Shares of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to

have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

- (e) Any payment made by way of cheque by the Depositary (or the Company or the Purchaser, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company or the Purchaser), in each case, on or before (or that otherwise remains unclaimed on) the second anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the second anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Common Shares, the Company Options, the Company Awards and the Company DSUs pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.
- (f) No holder of Company Common Shares, Company Share Options, Company Awards or Company DSUs shall be entitled to receive any consideration with respect to such Company Common Shares, Company Share Options, Company Awards or Company DSUs other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Common Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed and who was listed immediately prior to the Effective Time as the registered holder thereof on the register of holders of Company Common Shares maintained by or on behalf of the Company, the Depositary will deliver, in exchange for the Company Common Shares previously represented by such lost, stolen or destroyed certificate, the cash payable pursuant to Section 2.3 in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Depositary, the Purchaser and the Company in a manner satisfactory to the Depositary, the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Depositary, the Purchaser or the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Purchaser, the

Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

4.4 No Encumbrances

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of all Encumbrances or other claims of third parties of any kind.

4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Company Common Shares, Company Options, Company Awards and Company DSUs issued or outstanding prior to the Effective Time; (b) the rights and obligations of the holders of Company Common Shares, holders of Company Share Options, holders of Company Awards, holders of Company DSUs, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Company Common Shares, Company Options, Company Awards or Company DSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5 AMENDMENTS

5.1 Amendments to Plan of Arrangement

- (a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must: (i) be set out in writing; (ii) be approved by the Company and the Purchaser, each acting reasonably; (iii) be filed with the Court and, if made following the Company Shareholders' Meeting, approved by the Court; and (iv) communicated to the Company Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to or at the Company Shareholders' Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto in writing, acting reasonably) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Shareholders' Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Shareholders' Meeting shall be effective only if: (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably); and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement.

ARTICLE 6 FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
FORM OF ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

(1) The arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* (the “**CBCA**”) involving AltaGas Canada Inc. (the “**Company**”), as more particularly described and set forth in the management information circular (the “**Circular**”) of the Company accompanying the notice of this meeting, as the Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(2) The plan of arrangement (the “**Plan of Arrangement**”) involving the Company, the full text of which is set out as Schedule **Error! Reference source not found.** to the Arrangement Agreement made as of October 20, 2019 between PSPIB Cycle Investments Inc. and the Company (the “**Arrangement Agreement**”), as the Plan of Arrangement may be modified or amended in accordance with its terms, is hereby authorized, approved and adopted.

(3) The Arrangement Agreement, the actions of the directors of the Company in approving the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.

(4) Notwithstanding that this resolution has been passed (and the Plan of Arrangement adopted) by the Company Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Court of Queen’s Bench of Alberta, the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders (a) to amend the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by the Arrangement Agreement and the Plan of Arrangement, and (b) subject to the terms of the Arrangement Agreement, to disregard the Company Shareholders’ approval and not proceed with the Arrangement.

(5) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the CBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.

(6) Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

(a) Organization and Qualification. The Purchaser (i) is an entity duly existing under the Laws of Canada, (ii) has all necessary corporate power and authority to own its respective properties and carry on the business as respectively presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(b) Authority Relative this Agreement. The Purchaser has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Purchaser in the Arrangement contemplated hereby have been duly authorized by the board of directors of the Purchaser and no other corporate proceedings on the part of the Purchaser (including any vote or approval by or on behalf of any class of securities of the Purchaser) are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) No Violation; Absence of Defaults.

(i) neither the Purchaser nor any of its Subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser or any of its Subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Purchaser or any of its Subsidiaries is bound, except for such violations or defaults which would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement;

(ii) neither the execution and delivery of this Agreement by the Purchaser nor the consummation of the Arrangement contemplated hereby nor compliance by the Purchaser with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of (1) the Purchaser's or any of its Subsidiaries' constating documents, or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Purchaser or any of its Subsidiaries is a party or to which any of them, or any of their respective properties

or assets, may be subject or by which the Purchaser or any of its Subsidiaries is bound; or (B) subject to compliance with the statutes and regulations referred to below and receipt of the Regulatory Approvals, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Purchaser, any of its Subsidiaries or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, suspensions or revocations which, or any consents, approvals or notices which if not given or received, would not prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement; and

- (iii) other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the CBCA, the Competition Act Approval, the AUC Approval, the BCUC Approval, the PPA Consent, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to the Purchaser's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Purchaser in connection with the consummation of the Arrangement.

(d) Compliance with Laws. The Purchaser and its Subsidiaries have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in aggregate, prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(e) Investigation. The Purchaser hereby acknowledges and affirms that (i) the Purchaser (directly or through its Representatives) has completed its own independent investigation, analysis and evaluation of the Company, its Subsidiaries and the Non-Controlled Entities, made all such reviews and inspections of the Purchased Business, assets, results of operations, condition (financial or otherwise) and prospects of the Company, its Subsidiaries and the Non-Controlled Entities as the Purchaser has deemed necessary or appropriate and acknowledges that it has been provided access to the personnel, properties, premises and records of the Company and its Subsidiaries for such purpose, and (ii) in making its decision to enter into this Agreement, it has relied solely on the representations and warranties of the Company set forth in Schedule D of this Agreement and the Purchaser's own independent investigation, analysis and evaluation.

(f) Funds Available.

- (i) The Purchaser has delivered to the Company true and correct copies of executed equity commitment letters (the "**Equity Commitment Letters**") delivered to the Purchaser by the Sponsors pursuant to which the Sponsors are to provide the Purchaser, subject to the terms therein, with equity financing in the amounts set

forth therein (the “**Equity Financings**”) for the purpose of funding the transactions and obligations contemplated by this Agreement.

- (ii) The Equity Commitment Letters are valid and in full force and effect, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
 - (iii) The Equity Commitment Letters have not been withdrawn or terminated or otherwise amended or modified in any respect, and no such amendment or modification is contemplated or pending, in each case by the Purchaser, or, to the knowledge of the Purchaser, the other parties thereto. No event has occurred which, with or without notice, lapse of time or both, would constitute a material default or breach on the part of the Purchaser under any term or condition of the Equity Commitment Letters.
 - (iv) There are no conditions precedent or other contingencies related to the funding of the full amount of the Equity Financings, other than as expressly set forth in the Equity Commitment Letters, and none of the Equity Commitment Letters provide that the parties thereto may impose additional conditions or other contingences to such funding. There are no side letters or agreements to which the Purchaser or any of its affiliates is a party related to the funding or investing, as applicable, of the Equity Financings that could reasonably be expected to adversely affect the availability of the Equity Financings other than as expressly set forth in the Equity Commitment Letters delivered to the Company on or prior to the date of this Agreement. The Purchaser has fully paid any and all commitment fees or other fees required by the Equity Commitment Letters to be paid by it.
 - (v) The Purchaser is not aware of any fact or occurrence that, with or without notice, lapse of time or both, would reasonably be expected to (A) result in any of the terms or conditions in the Equity Commitment Letters not being satisfied, (B) cause any of the Equity Commitment Letters to be ineffective or (C) otherwise result in the Equity Financings not being available such that it would delay the Purchaser’s ability to fund the transactions and obligations contemplated by this Agreement.
 - (vi) The net proceeds from the Equity Financings will be sufficient to fund the transactions and obligations contemplated by this Agreement.
- (g) Litigation. There is no litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the Purchaser’s knowledge, threatened (and the Purchaser does not know of any basis therefor) against, or involving, the Purchaser or any of its Subsidiaries, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, which would, individually or in the aggregate, (i) challenge the validity or enforceability of the Purchaser’s obligations under this Agreement or (ii) seek to prevent or delay,

or otherwise would prevent, enjoin or materially delay the Purchaser from performing its obligations under this Agreement or prevent, delay or impede completion of the Arrangement.

(h) Investment Canada Act. The Purchaser is not a non-Canadian within the meaning of the Investment Canada Act.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

(a) Organization and Qualification. Each of the Company, its Subsidiaries and the Non-Controlled Entities (i) is an entity duly existing under the Laws of its jurisdiction, (ii) has all necessary corporate or partnership, as applicable, power and authority to own its respective properties and carry on the business as respectively presently carried on thereby, and (iii) is duly licensed, registered or qualified in all necessary jurisdictions, except where a failure to be so licensed, registered or qualified would not reasonably be expected to result in a Material Adverse Effect. Copies of the constating documents of the Company and its Subsidiaries, together with all amendments to the date hereof, have been provided to the Purchaser and are accurate and complete in all material respects as of the date hereof and have not been amended or superseded.

(b) Authority Relative this Agreement. The Company has the requisite corporate authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the participation by the Company in the Arrangement contemplated hereby have been duly authorized by the Company Board and, subject to such approval of the Company Shareholders as is stipulated by the Court in the Interim Order, no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

(c) Subsidiaries. (i) Except as disclosed in the Company Disclosure Letter, the Company does not have any Subsidiaries; and (ii) the Company is not, directly or indirectly, "affiliated" with or any other "body corporate" (within the meaning of those terms in the CBCA), and, except in relation to the Non-Controlled Entities and as disclosed in the Company Disclosure Letter, the Company is not, directly or indirectly, a partner of any partnerships, limited partnerships or joint ventures. Other than as contemplated in this Agreement or as provided in the constating documents of the applicable Subsidiary, none of the Company's Subsidiaries is currently prohibited, directly or indirectly, from paying any dividends to the Company or any of its Subsidiaries, from making any other distribution on such Subsidiary's securities or other ownership interests, or from repaying to the Company or any of its Subsidiaries any loans or advances to such Subsidiary from the Company or any of its Subsidiaries.

(d) Ownership of Subsidiaries and Non-Controlled Entities. The Company is the beneficial direct or indirect owner of all of the outstanding securities and other ownership interests of the Company's Subsidiaries and the beneficial direct or indirect owner of the securities of Northwest Hydro GP Inc., Northwest Hydro Limited Partnership and Inuvik Gas Ltd. as disclosed in the Company Disclosure Letter, in each case with good title thereto free and clear of any and all Encumbrances (other than Permitted Encumbrances). Except as disclosed in the Company Disclosure Letter, no Person has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company, directly or indirectly, of any securities of any of the Company's Subsidiaries and

none of the outstanding securities of the Company's Subsidiaries were issued in violation of or subject to the pre-emptive or similar rights of any Person. All outstanding securities or other ownership interests of the Company's Subsidiaries have been duly authorized and validly issued, are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any pre-emptive right.

(e) No Violation; Absence of Defaults.

- (i) neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is bound, except for such violations or defaults which would not result in a Material Adverse Effect;
- (ii) except as disclosed in the Company Disclosure Letter, neither the execution and delivery of this Agreement by the Company nor the consummation of the Arrangement contemplated hereby nor compliance by the Company with any of the provisions hereof will: (A) violate, conflict with, or result in a breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in the creation of any Encumbrance (other than Permitted Encumbrances) upon any of the properties or assets of the Company, any of its Subsidiaries or any of the Non-Controlled Entities or cause any indebtedness to come due before its stated maturity or cause any credit to cease to be available, under any of the terms, conditions or provisions of (1) their respective constating documents (including any applicable partnership, shareholder or operating agreements), or (2) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, Encumbrance, contract or other instrument or obligation to which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is a party or to which any of them, or any of their respective properties or assets, may be subject or by which the Company, any of its Subsidiaries or any of the Non-Controlled Entities is bound; or (B) subject to compliance with the statutes and regulations referred to below, violate any Laws, judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to the Company, any of its Subsidiaries or any of the Non-Controlled Entities or any of their respective properties or assets; or (C) cause the suspension or revocation of any authorization, consent, approval or license currently in effect, except, in the case of each of clauses (A)(2), (B) or (C) above, for such violations, conflicts, breaches, defaults, terminations, accelerations, creations of Encumbrances, suspensions or revocations which, or any consents, approvals or notices which if not given or received would not have a Material Adverse Effect; and

(iii) except as disclosed in the Company Disclosure Letter, other than in connection with or in compliance with the provisions of applicable Canadian Securities Laws, the CBCA, the Company Shareholder approval of the Arrangement Resolution, the Competition Act Approval, the AUC Approval, the BCUC Approval, the PPA Consent, the terms of the Interim Order and the Final Order in respect of the Arrangement and the filing of the Articles of Arrangement, (A) there is no legal impediment to the Company's consummation of the Arrangement, and (B) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is required of the Company in connection with the consummation of the Arrangement.

(f) Litigation. (i) There is no material litigation or governmental or other proceeding or investigation before any Governmental Entity, in progress, pending or, to the knowledge of the Company, threatened (and the Company does not know of any basis therefor) against, or involving, the Company, any of its Subsidiaries or any of the Non-Controlled Entities, and (ii) there are no material matters under discussion with any Governmental Entity relating to material Taxes, governmental charges, orders or assessments asserted by any such authority involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities.

(g) Taxes. (i) All Tax Returns required to be filed by the Company, any of its Subsidiaries or any of the Non-Controlled Entities have been filed and are true and correct in all material respects, and no material fact has been omitted therefrom; (ii) all Taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to Tax or penalties applicable thereto of the Company, any of its Subsidiaries or any of the Non-Controlled Entities due or claimed to be due by any Governmental Entity, if any, have been paid by the applicable entity, whether or not assessed by the appropriate Governmental Entity, other than non-material amounts or those being contested in good faith and for which the Company, its applicable Subsidiary or the applicable Non-Controlled Entity believes adequate reserves have been provided; (iii) neither the Company, any of its Subsidiaries nor any of the Non-Controlled Entities is a party to any agreement, waiver or arrangement with any Governmental Entity which relates to any extension of time with respect to the filing of any Tax Returns, elections, designations or similar filings relating to Taxes, any payment of Taxes or any assessment or collection thereof; (iv) each of the Company, its Subsidiaries and the Non-Controlled Entities has timely collected the amounts on account of sales or transfer Taxes required by Law to be collected by it, if any, and has timely remitted to the appropriate Governmental Entity any such amounts required to be remitted by it, if any; (v) except as disclosed in the Company Disclosure Letter, there are no audits or investigations in progress, pending or, to the knowledge of the Company, threatened, against the Company, any of its Subsidiaries or any of the Non-Controlled Entities in respect of Taxes; (vi) there are no Encumbrances for Taxes, except for Taxes not yet due and payable, upon any of the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets;

(h) Status. The Company is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian Securities Laws therein. The Company Common Shares are listed and posted for trading on the TSX, and the Company is in material compliance with the rules of the TSX.

(i) Capitalization. The Company has authorized share capital consisting of an unlimited number of Company Common Shares and an unlimited number of preferred shares issuable in series limited in number to not more than 50% of the number of issued and outstanding Company Common Shares at the time of issuance of any such preferred shares, of which 30,000,000 Company Common Shares are issued and outstanding as of the date hereof. Other than the Company Common Shares issuable upon vesting of the Company Awards or the Company Share Options or as required (or deemed to have been granted) under the terms and conditions of the Company DSUP or the Company MTIP, each on the terms as publicly disclosed on or prior to the date hereof or as disclosed in the Company Disclosure Letter, there are no options, warrants or other rights, shareholder rights plans, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by the Company of any securities of the Company or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of the Company. All outstanding Company Common Shares and Company MTNs have, as applicable, been duly authorized and validly issued, are fully paid and non-assessable (in respect only of the Company Common Shares) and are not subject to, nor were they issued in violation of, any pre-emptive rights, and all the Company Common Shares issuable upon the settlement of the Company Awards and the Company Share Options, in accordance with their respective terms, will be validly issued as fully paid and non-assessable and will not be subject to any pre-emptive rights.

(j) Equity Monetization Plans. Other than the Company DSUs, the Company Awards and the Company Share Options as disclosed in the Company Disclosure Letter, there are no outstanding stock appreciation rights, phantom equity, profit sharing plan or similar rights, agreements, arrangements or commitments payable to any director, officer, employee or consultant of the Company, its Subsidiaries or the Non-Controlled Entities and which are based upon the share price, revenue, value, income or any other attribute of the Company, its Subsidiaries or the Non-Controlled Entities and all such Company DSUs, Company Awards and Company Share Options outstanding are subject only to the terms and conditions of the Company DSUP, the Company MTIP or the Company Share Option Plan, as applicable (copies of which have been made available to the Purchaser) and the applicable grant agreements pursuant to which such Company DSUs, Company Awards and Company Share Options were granted (forms of which have been made available to the Purchaser and none of the grant agreements entered into in respect of outstanding Company DSUs, Company Awards and Company Share Options contain any material departures from such forms of agreement).

(k) No Orders. No order, ruling or determination having the effect of suspending the sale of, or ceasing the trading of, the Company Common Shares or any other securities of the Company has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted, are pending or, to the knowledge of the Company, are contemplated or threatened under any applicable Laws or by any other Governmental Entity.

(l) Material Agreements. Each of the material contracts in respect of the Purchased Business and the Non-Controlled Entities has been duly executed and delivered by the Company, its applicable Subsidiary or the applicable Non-Controlled Entity and, to the knowledge of the Company, by the applicable counterparty thereto, and is enforceable against the counterparty in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally

and by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable Law; all material contracts in respect of the Purchased Business and the Non-Controlled Entities are in good standing in all material respects and, to the knowledge of the Company, no counterparty to such agreements or contracts is in material default or breach under such agreements or contracts, and the Company has no knowledge of any event which has occurred which, with notice or lapse of time or both, would constitute such a material default or breach by an applicable counterparty, in each case except as disclosed in the Company Disclosure Letter.

(m) Non-Competition Agreements. Neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition agreement, exclusivity agreement or any other agreement, commitment, understanding or obligation which purports to limit the manner or the localities or regions in which all or any portion of the Purchased Business is or is reasonably expected to be conducted following completion of the Arrangement, and the execution, delivery and performance of this Agreement and the completion of the Arrangement does not and will not result in the restriction of the Company or any of its Subsidiaries from engaging in their business or from competing with any Person as described above following completion of the Arrangement.

(n) Books and Records. The records and minute books of the Company and its Subsidiaries and their respective predecessors have been maintained substantially in accordance with all applicable Laws and are complete and accurate in all material respects and have been provided to the Purchaser, in their entirety, prior to the date hereof.

(o) Reports. The Company has filed with the Canadian Securities Administrators, a true and complete copy of all financial statements, annual information forms, material change reports, news releases, and other material forms, reports, schedules, statements, certifications and other documents required to be filed by it under applicable Laws (collectively, the “**Company Disclosure Documents**”). The Company Disclosure Documents filed since December 31, 2018, as of their respective dates or if amended, as of the date of such amendment, did not contain any Misrepresentation and complied in all material respects with all applicable Laws. The Company has not filed any material change reports which continue to be confidential.

(p) Financial Statements. The Company’s audited consolidated financial statements as at and for the fiscal years ended December 31, 2018 and 2017 and unaudited condensed interim consolidated financial statements as at and for the three and six months ended June 30, 2019 (together, the “**Company Financial Statements**”) have been prepared in conformity with GAAP (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited financial statements, in the related report of the Company’s independent auditors or (ii) in the case of unaudited interim statements, to the extent they are subject to normal year-end adjustments) applied on a consistent basis throughout the periods involved and present fairly in all material respects and as applicable: (A) the financial position, changes in shareholders’ equity, results of operations and cash flows of the Company as at the dates of and for the periods referred to in such statements, and (B) the financial position of the Company as at the date referred to in the balance sheet of the Company, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements.

(q) Internal Controls. The Company has in place, as required under applicable Canadian Securities Laws, processes to provide the Chief Executive Officer and Chief Financial Officer with sufficient knowledge to support the certifications required to be made under the Canadian Securities Laws and is in compliance therewith.

(r) Absence of Undisclosed Liabilities. The Company has no material obligations or liabilities of any nature (matured or unmatured, fixed or contingent) that would be required to be reflected or reserved against on a consolidated balance sheet of the Company prepared in accordance with GAAP or the notes thereto, other than:

- (i) those set forth or adequately provided for in the balance sheet included in the Company Financial Statements, subject, in the case of any unaudited interim financial statements, to normal year-end audit adjustments and to disclosures that would be made in the notes thereto if they were audited financial statements;
- (ii) those which do not have a Material Adverse Effect, are incurred in the ordinary course of business and not required to be set forth in the Company Financial Statements;
- (iii) those incurred in the ordinary course of business since the date of the Company Financial Statements as at and for the period ended June 30, 2019 and consistent with past practice; and
- (iv) those incurred in connection with the execution of this Agreement.

(s) Absence of Certain Changes. Since December 31, 2018:

- (i) there has not occurred any Material Adverse Change; and
- (ii) the Company and its Subsidiaries have carried on their businesses in all material respects in the ordinary and normal course.

(t) Environmental.

- (i) Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (A) none of the Company, any of its Subsidiaries or any of the Non-Controlled Entities is in violation of any Environmental Laws in any material respect; (B) each of the Company, its Subsidiaries and the Non-Controlled Entities has all material permits, authorizations and approvals required under any applicable Environmental Laws to operate the Purchased Business as presently conducted or for the ownership and use of the assets forming part of the Purchased Business in material compliance with all applicable Laws and are in material compliance with their requirements; and (C) there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Company, any of its Subsidiaries or any of the Non-Controlled Entities that would be material to the Purchased Business and the

Company has reasonably concluded that there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Encumbrances, orders, directions, notices of non-compliance or violation, investigation or proceedings, that would have a Material Adverse Effect.

- (ii) The Company has made available to the Purchaser all material environmental reports, assessments, audits and documents pertaining to the Purchased Business and the Company.

(u) Title. Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect (i) the Company, its Subsidiaries and the Non-Controlled Entities have good and sufficient title (subject to the Permitted Encumbrances) to their material personal property and real property interests, including, as applicable, a fee simple estate of and in real property, a leasehold estate of and in real property, easements, rights of way, permits or licenses from landowners or authorities permitting the use of land by the Company, its Subsidiaries and the Non-Controlled Entities necessary to permit the operation of their respective businesses as presently owned and conducted, and (ii) to the knowledge of the Company, there are no defects, failures or impairments in the title of, or adverse claims against the title, including expropriation proceedings, (subject to the Permitted Encumbrances) of, the Company, its Subsidiaries or the Non-Controlled Entities to their assets, whether or not an action, suit, proceeding or inquiry is pending or threatened or whether or not discovered by any third party.

(v) Facilities. To the knowledge of the Company, the material equipment, facilities, buildings, structures, improvements and other appurtenances on or under real property owned or used by the Company, its Subsidiaries or the Non-Controlled Entities, are in good operating condition and in a good state of maintenance and repair, each has been constructed and operated and maintained in accordance with good industry practice, each is adequate and suitable for the purpose for which it is currently being used and in the ordinary course of business, and (subject to the Permitted Encumbrances) none thereof, nor the operations or maintenance thereof, violates, in any way so as to cause a Material Adverse Effect, any restrictive covenant or any applicable Law or encroaches on any property owned by the others.

(w) No Encumbrances. (i) Except for Encumbrances which are not material in the aggregate, the properties and assets of the Company, its Subsidiaries and the Non-Controlled Entities are free and clear of all Encumbrances other than the Permitted Encumbrances, and (ii) neither the Company, any of its Subsidiaries nor any of the Non-Controlled Entities has done any act or suffered or permitted any action whereby any Person has acquired or may acquire an interest in or to the Company's, any of its Subsidiaries' or any of the Non-Controlled Entities' assets, nor has it done any act, omitted to do any act or permitted any act to be done that would materially adversely affect or defeat its title to any of such assets.

(x) Licenses. Except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such permits, licenses, approvals, certificates, consents, orders, grants and other authorizations (collectively, "**Governmental Licenses**"), and

each of the Company, its Subsidiaries and the Non-Controlled Entities possesses such Governmental Licenses, in each case issued by Governmental Entities necessary to conduct the Purchased Business and the business of the Non-Controlled Entities as presently conducted or for the ownership and use of the assets forming part of the Purchased Business and the business of the Non-Controlled Entities in compliance with all applicable Laws, except in each case where the failure to so possess would not, individually or in the aggregate, have a Material Adverse Effect, and all such Governmental Licenses are valid and existing and in good standing except where the failure to be valid and existing and in good standing would not, individually or in the aggregate have a Material Adverse Effect. Each of the Company, its Subsidiaries and the Non-Controlled Entities, as applicable, is in compliance with the terms and conditions of all such Governmental Licenses, except where the failure to so comply would not, individually or in the aggregate, have a Material Adverse Effect.

(y) Pre-emptive Rights. Except as disclosed in the Company Disclosure Letter, there are no outstanding rights of first refusal, rights of first offer, pre-emptive rights of purchase, consents to transfer, recall rights or other pre-emptive rights or similar rights of purchase which entitle any Person to acquire any of the material rights, title, interests, property, licenses or assets of the Company or its Subsidiaries, or to the knowledge of the Company, that will be triggered or accelerated by the Arrangement.

(z) Compliance with Laws. The Company, its Subsidiaries and the Non-Controlled Entities have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) Long-Term and Derivative Transactions. Except as disclosed in the Company Financial Statements or the Company Disclosure Letter, the Company and its Subsidiaries have no material obligations or liabilities, direct or indirect, vested or contingent in respect of any financial hedging agreement or any other similar derivative transaction (including any option with respect to any of these transactions or any combination of these transactions).

(bb) Employee Benefit Plans. The Company has made available to the Purchaser copies of each material health, medical, dental, welfare, supplemental unemployment benefit, bonus, profit sharing, option, insurance, incentive, incentive compensation, deferred compensation, share purchase, share-based compensation, disability, pension, retirement or supplemental retirement plan and each other employee or director compensation or benefit plan, agreement or arrangement whether written or unwritten, tax-qualified or non-qualified, funded or unfunded, for the benefit of officers, directors, consultants or employees (or former officers, directors, consultants or employees) of the Company and/or its Subsidiaries, which are: (i) sponsored or maintained by the Company or any of its Subsidiaries (collectively, the “**Company Employee Plans**”) or (ii) contributed to by the Company or any of its Subsidiaries, or in respect of which the Company or any of its Subsidiaries has any actual or potential liability, whether or not sponsored or maintained by the Company or any of its Subsidiaries (collectively, the “**Employee Plans**”) and:

- (i) each Company Employee Plan has been established, maintained, registered (where required by applicable Laws) and administered in material compliance with its terms and in accordance with applicable Laws;
 - (ii) all required employer contributions or premiums under any Company Employee Plan or Employee Plan have been made by the Company and any of its applicable Subsidiaries in material compliance with the terms thereof, any applicable collective bargaining agreement and applicable Laws;
 - (iii) to the knowledge of the Company, there are no material claims, suits, actions or other litigation or proceedings in existence or threatened against or otherwise involving any of the Company Employee Plans (excluding claims for benefits incurred in the ordinary course of the Company Employee Plan activities);
 - (iv) except as disclosed in the Disclosure Letter, no Company Employee Plan is a “registered pension plan” or a “retirement compensation arrangement”, each as defined in subsection 248(1) of the Tax Act; and
 - (v) all contributions, reserves or premium payments required to be made to the Company Employee Plans have been made or accrued for in the books and records of the Company or its Subsidiaries, as applicable, in all material respects.
- (cc) Employment Agreements and Collective Agreements.
- (i) Except as would not, individually or in the aggregate, have a Material Adverse Effect, neither the Company nor any Subsidiary of the Company is a party to any written employment agreement with any Company Employee or any written agreement or policy providing for severance, termination or change of control payments to any Company Employee upon the consummation of, or relating to the transactions contemplated by this Agreement, including a change of control of the Company or any of its Subsidiaries; provided that, severance or termination payments made to non-officer Company Employees in the ordinary course of business shall not be subject to the foregoing.
 - (ii) The Company or any Subsidiary (A) has not paid nor will be required to pay any retention bonus, fee, distribution, remuneration or other compensation to any Person (other than salaries, wages or bonuses paid or payable in the ordinary course of business in accordance with current compensation levels and practices), (B) has not forgiven nor will it be required to forgive any indebtedness to any person, or (C) has not increased nor will it be required to increase any benefits otherwise payable by the Company or any Subsidiary, as a result of the transactions contemplated in this Agreement.
 - (iii) Except as disclosed in the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to, or is bound by, any collective bargaining or other union or employee association agreement, any actual or, to the knowledge of the Company, threatened application for certification or bargaining rights or letter of understanding, with respect to any current or former employee of the

Company or any of its Subsidiaries; and to the knowledge of the Company no trade union, council of trade unions, labor union, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the Company or any of its Subsidiaries employees by way of certification, interim certification, voluntary recognition, or succession rights.

- (iv) To the knowledge of the Company, as of the date of this Agreement, there has been is no labour strike, dispute, lock-out, work slowdown or stoppage and no such labour strike, dispute, lock out, work slowdown or stoppage is pending to the knowledge of the Company, threatened against the Company or any of its Subsidiaries. No trade union has applied to have the Company or any of its Subsidiaries declared a related successor, or common employer pursuant to the *Labour Relations Code* (Alberta) or any similar legislation in any jurisdiction in which the Company or any of its Subsidiaries carries on business.
- (v) To the knowledge of the Company, the Company is in material compliance with all terms and conditions of employment and all Laws respecting employment and labour, including pay equity, human rights, privacy, employment standards, worker's compensation and occupational health and safety, and there are no outstanding actual or threatened claims, complaints, investigations or orders under any such Laws.
- (vi) There are no material outstanding assessments, penalties, fines liens, charges, surcharges, or other amounts due or owing by the Company or any of its Subsidiaries pursuant to any workers' compensation legislation and none of the Company or any of its Subsidiaries has been reassessed under such legislation in the past three years and, to the knowledge of the Company, no audit of any of the Company or any of its Subsidiaries is currently being performed pursuant to any applicable worker's compensation Laws.
- (vii) There are no pending or threatened charges against the Company or any Subsidiary nor have there been any fatal or critical accidents which have occurred which might lead to charges under any applicable occupational health and safety Laws.

(dd) Insurance. The Company has made available to the Purchaser prior to the date hereof copies of policies of insurance naming the Company or its applicable Subsidiary as an insured with respect to the Purchased Business, and such policies are in force and effect (subject to taking into account insurance market conditions and offerings and industry practices) and shall not be cancelled or otherwise terminated as a result of the transactions contemplated by this Agreement, other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect.

(ee) Indebtedness To and By Officers, Directors and Others. None of the Company or any of its Subsidiaries is indebted to any of the officers, directors, consultants, or employees of the Company or any of its Subsidiaries or any of their respective associates or affiliates or other parties not at arm's length to the Company or any of its Subsidiaries, except for amounts due as

compensation or reimbursement of ordinary business expenses, nor is there any indebtedness owing by any such parties to the Company.

(ff) Customers and Suppliers. Except as disclosed in the Company Disclosure Letter and except for such matters as would not, individually or in aggregate, reasonably be expected to have a Material Adverse Effect:

- (i) none of the Company or any of its Subsidiaries has received notice of, and there is not, to the knowledge of the Company, any intention on the part of any principal customer to cease doing business with the Company or any of its Subsidiaries or to modify or change in any material manner any existing arrangement with the Company or any of its Subsidiaries for the purchase or supply of any products or services;
- (ii) the relationships of the Company and its Subsidiaries with their principal suppliers and customers are satisfactory, and there are no material unresolved disputes with any such supplier or customer;
- (iii) no contract with any principal supplier or customer contains terms under which the execution or performance of this Agreement would give the supplier or customer the right to terminate or adversely change the terms of that contract;
- (iv) since December 31, 2018, there has been no termination or cancellation of, and no modification or change in, the business relationship of the Company or any of its Subsidiaries with any principal customer; and
- (v) the Company has no reason to believe that the benefits of any relationship with any of the principal customers or suppliers of the Company or any of its Subsidiaries will not continue after the consummation of the transactions hereunder in substantially the same manner as prior to the date of this Agreement.

(gg) Possession of Intellectual Property. Except as disclosed in the Company Disclosure Letter and except for such matters as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (i) the Company and its Subsidiaries collectively own all rights in or have obtained valid and enforceable licenses or other rights to use the patents, patent applications, inventions, copyrights, know how (including trade secrets and other proprietary or confidential information), trade-marks (both registered and unregistered), trade names or any other intellectual property (collectively, "**Intellectual Property**") which is necessary for the conduct of the Purchased Business as presently conducted or for the use of the assets forming part of the Purchased Business in compliance with applicable Laws, free and clear of any Encumbrances other than Permitted Encumbrances or other adverse claims or interest of any kind or nature affecting the assets of the Company or any of its Subsidiaries; (ii) to the knowledge of the Company, there is no infringement by third parties of any Intellectual Property to be then owned, licensed or commercialized by the Company or any of its Subsidiaries; and (iii) neither the Company nor any of its Subsidiaries has received any written notice or claim challenging the Company or its Subsidiaries respecting the validity of, use of or ownership of the processes and technology forming part of the Intellectual Property, and to the knowledge of the Company, there are no facts upon which such a challenge could be made.

(hh) Funds Available. The Company has sufficient funds available to pay the amounts that may be payable pursuant to Section 8.3 of this Agreement.

(ii) Corrupt Practices Legislation.

(i) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities has, directly or indirectly, (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any Governmental Entity of any jurisdiction or any official of any public international organization or (B) made any contribution to any candidate for public office, in either case, where either the payment or the purpose of such contribution, payment or gift was, is, or would be prohibited under the U.S. *Foreign Corrupt Practices Act of 1977*, as amended, the *Corruption of Foreign Public Officials Act (Canada)*, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the *Criminal Code (Canada)* or the rules and regulations promulgated thereunder;

(ii) During the periods of the Company Financial Statements, the operations of the Company, its Subsidiaries and the Non-Controlled Entities are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and the money laundering statutes and the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**"). To the knowledge of the Company, no action, suit or proceeding by or before any court or Governmental Entity or body or any arbitrator involving the Company, any of its Subsidiaries or any of the Non-Controlled Entities with respect to the Money Laundering Laws is pending or threatened; and

(iii) Neither the Company nor any of its Subsidiaries nor any of the Non-Controlled Entities nor, to the knowledge of the Company, any director, officer, agent, employee or affiliate of the Company, or any of its Subsidiaries or any of the Non-Controlled Entities has had any sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department imposed upon such Person; and neither the Company, nor any of its Subsidiaries nor any of the Non-Controlled Entities is in violation of any of the economic sanctions of the United States administered by OFAC or any Law or executive order relating thereto.

(jj) Off-Balance Sheet Arrangements. The Company does not have any off-balance sheet arrangements except for those disclosed in the Company Disclosure Documents.

(kk) Financial Advisor. Except for TD Securities and Beacon Securities no financial advisor, broker, finder or investment banker has been retained by the Company or any of its Subsidiaries that is entitled to any brokerage, finder's or other fee or commission, or to the reimbursement of any of its expenses, in connection with the Arrangement. The Company has provided to the Purchaser prior to the date hereof a correct and complete copy of all agreements relating to the

arrangements between it and its financial advisors as are in existence (whether in connection with the Arrangement or otherwise) as of the date hereof.