UNANIMOUS SHAREHOLDERS AGREEMENT

THIS AGREEMENT is made with effect the 27th day of July, 2022.

BETWEEN:

TEAM SNUBBING SERVICES INC.,
a corporation organized pursuant to the laws of the Province of Alberta
(hereinafter referred to as the "**Corporation**")

OF THE FIRST PART

- and -

HAES SD HOLDING CORP.,
a corporation organized pursuant to the laws of the Province of Alberta
(hereinafter referred to as "**Corp 1**")

OF THE SECOND PART

- and -

[REDACTED – SHAREHOLDER PERSONAL INFORMATION]

- and -

HIGH ARCTIC ENERGY SERVICES INC.,
a corporation organized pursuant to the laws of the Province of Alberta
(hereinafter referred to as "**Guarantor**")

OF THE EIGHTH PART

RECITALS:

A. The Corporation owns and operates an oil and gas service business focused on the provision of snubbing, underbalanced and well control services business ("the "**Business**") with its head office located in Blackfalds, Alberta and business operations worldwide;

B. The Corporation has issued Shares to the Shareholders as follows:

Name		**No. & Class of Shares**
[REDACTED – SHAREHOLDER PERSONAL INFORMATION]	-	116,000 Class A Common shares
[REDACTED – SHAREHOLDER PERSONAL INFORMATION]	-	116,000 Class A Common shares
[REDACTED – SHAREHOLDER PERSONAL INFORMATION]	-	116,000 Class A Common shares
[REDACTED – SHAREHOLDER PERSONAL INFORMATION]	-	116,000 Class A Common shares
[REDACTED – SHAREHOLDER PERSONAL INFORMATION]	-	116,000 Class A Common shares
HAES SD Holding Corp.	-	420,000 Class B Common shares

C. The Parties deem it to be in their mutual best interests to enter into an agreement relating to certain matters which arise by virtue of the respective shareholdings of the Shareholders in the Corporation;

NOW THEREFORE WITNESSETH that in consideration of the premises and the mutual covenants, agreements, provisions and conditions hereinafter set forth, the Parties hereto agree as follows:

Article 1
INTERPRETATION

1.1. **Definitions:** Where used in this Agreement, including the recitals to this Agreement and any schedules or appendices to this Agreement, the following words and phrases shall have the meanings set forth below unless the context otherwise requires:

1.1.1. "**Acknowledgement and Consent**" means the instrument attached hereto as Schedule "C";

1.1.2. "**Act**" means the *Business Corporations Act* of Alberta, RSA 2000, Ch. B-9 as amended from time to time and every statute that may be substituted therefor, and in the case of any such amendment and substitution, any reference in this Agreement to the Act shall be read as referring to the amended or substituted provisions therefor;

1.1.3. "**Advance**" means monies advanced by a Shareholder to the Corporation prior to the date hereof or at any time in the future, by way of loan, excepting thereout any monies paid in consideration of the issuance of Shares;

1.1.4. "**Affiliate**" means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries Controls, is Controlled by or is under common Control with, such Person;

1.1.5. "**Agreement**" means this written agreement, all schedules and exhibits attached hereto, and any instrument in writing that amends this agreement in accordance with its terms, and "hereby", "hereof, "herein", "herewith" and similar terms refer to this agreement and not to any particular provisions of this agreement;

1.1.6. "**Articles**" means the articles of the Corporation from time to time within the meaning of the term "articles" contained in the Act;

1.1.7. "**Accountants**" means such independent firm of chartered accountants as may, from time to time, be chosen by the Shareholders as accounting advisors of the Corporation;

1.1.8. "**ASPE**" means the standard accounting procedures for private enterprises;

1.1.9. "**Binding Shareholder Direction**" means a written direction or resolution approved in writing by the holders of not less than 65% of the Voting Shares;

1.1.10. "**Board**" means the board of Directors of the Corporation from time to time;

1.1.11. "**Business**" means the business owned and operated by the Corporation, which is described in Paragraph A of the Recitals of this Agreement;

1.1.12. "**Business Day**" means a day other than (a) a Saturday or Sunday, or (b) a day on which banks are closed or authorized to close in Red Deer, Alberta;

1.1.13. "**Business Plan**" has the meaning ascribed thereto in Section 6.2;

1.1.14. "**Bylaws**" means, collectively, by-law no. 1 and by-law no. 2 of the Corporation, together with any other bylaws of the Corporation as may exist from time to time and all amendments thereof or thereto;

1.1.15. "**Change of Control**" means, with respect to a Corporate Shareholder, any transaction or series of related transactions involving or affecting that Corporate Shareholder where, or as a result thereof, the Control of that Corporate Shareholder changes or Transfers from one Person or group of Persons to another Person or group of Persons, provided that any change or Transfer from one Person or group of Persons to one or more Affiliates of that Person or group of Persons shall not constitute a Change of Control;

1.1.16. "**Common Shares**" means those Shares of the Corporation currently designated in the Articles as Class "A" Shares, Class "B" Shares, Class "C" Shares, Class "D" Shares, Class "E" Shares, Class "F" Shares, Class "K" Shares and Class "L" Shares together with any further classes of Common Shares created in the future by the Corporation;

1.1.17. "**Confidential Information**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.18. "**Control**", "**controlling**", "**controlled by**" and "**under common control with**" means the possession, directly or indirectly through one or more intermediaries, of more than fifty (50%) percent of the voting Securities of or the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of Securities or by contract or otherwise;

1.1.19. "**Controlled Entity**" means, in relation to any Shareholder:

(a) a corporation in respect of which such Shareholder owns more than fifty (50%) percent of the voting securities of such corporation entitling it to a majority of the votes entitled to be cast at any meeting of the shareholders of such corporation; or

(b) a partnership in respect of which such Shareholder owns a majority interest and, if the partnership is a limited partnership, owns more than fifty (50%) percent of the voting securities of each general partner of the limited partnership entitling it to a majority of the votes entitled to be cast at any meeting of the shareholders of each general partner,

provided, in either case, that the Shareholder is entitled to and does in fact Control such corporation or partnership, as the case may be;

1.1.20. "**Corporate Shareholder**" means a Person that is not a natural person that holds issued Shares of the Corporation;

1.1.21. "**Customer**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.22. "**Customer Information**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.23. "**Directors**" means those natural persons who are, from time to time, in accordance with the terms of the Act, the Articles, the Bylaws and this Agreement, duly elected or appointed as directors of the Corporation;

1.1.24. "**Director Nominee**" means a natural person designated or nominated by a Shareholder to serve or be elected or appointed as a Director pursuant to the Act, the Articles or this Agreement;

1.1.25. "**Disability**" means the inability of an Employee Shareholder to substantially perform, on behalf of the Corporation, his or her regular duties with regard to the Business of the

Corporation as a result of sickness, accident or other disability for a period of three hundred ten (310) consecutive days;

1.1.26. "**Dispute**" means any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, interpretation, termination of validity of this Agreement;

1.1.27. "**ETA**" means the *Excise Tax Act*, R.S.C., 1985, Ch. E-15, as amended;

1.1.28. "**Effective Date**" means the 27th day of July, 2022

1.1.29. "**Employee Shareholder**" means a Shareholder or Principal who is employed on a full-time basis in the Business, which, as of the Effective Date, means:

(a) [REDACTED – SHAREHOLDER PERSONAL INFORMATION]; and

(b) [REDACTED – SHAREHOLDER PERSONAL INFORMATION];

1.1.30. "**Escrow Agreement**" means the agreement attached hereto as Schedule "D";

1.1.31. "**Financial Information**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.32. "**Governmental Authority**" means any federal, provincial, territorial, municipal, state or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, including for certainty any securities regulator, securities commission or stock exchange, or any arbitrator, court or tribunal of competent jurisdiction.

1.1.33. "**Guarantee Agreement**" means an agreement by way of guarantee or indemnity given or to be given, as the case may be, by one or more of the Shareholders or Principals for the repayment of any indebtedness of the Corporation or for the performance by the Corporation of any of its other obligations;

1.1.34. "**HAES APA**" means the asset purchase agreement entered into effective as of July [17], 2022 between the Corporation and the Guarantor;

1.1.35. "**HAES Promissory Note**" means the convertible promissory note issued by the Corporation to Corp 1 effective as of the date hereof, in the initial principal amount of CAD$3,364,000.00;

1.1.36. "**held**" or "**holds**" or "**holding**" means, with respect to Shares, any means of holding or owning those Shares including being the registered owner thereof, or having legal title or beneficial ownership;

1.1.37. "**ITA**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), the *Income Tax Application Rules*, R.S.C. 1985, c. 2 (5th Supp.), and the *Income Tax Regulations*, C.R.C., c. 945, in each case as amended to the date of this Agreement;

1.1.38. "**Immediate Family**" means the spouse and children of an Individual Shareholder or a Principal;

1.1.39. "**includes**" means includes without limitation, and "**including**" means including without limitation;

1.1.40. "**Independent Third Party**" means, in respect of a Shareholder, any Person who is not an Affiliate of such Shareholder;

1.1.41. "**Individual Shareholder**" means a natural person who holds any of the Shares;

1.1.42. "**Initial Business Plan**" has the meaning ascribed thereto in Section 6.2;

1.1.43. "**Major Business Decision**" means a decision which would create a significant change in the nature of, or a departure from, the Business of the Corporation as it exists as of the Effective Date;

1.1.44. "**Marketing Information**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.45. "**Officer**" means any Person who is appointed as an officer of the Corporation from time to time;

1.1.46. "**Ordinary Course of Business**"– an action taken by a Person will be deemed to have been taken in the Ordinary Course of Business, only if that action:

(a) is consistent in nature, scope and magnitude with the past practices of such Person and is taken in the ordinary course of the normal, day-to-day operations of such Person;

(b) does not require authorization by the board of directors or shareholders of such Person (or by any Person or group of Persons exercising similar authority) and does not require any other separate or special authorization of any nature; and

(c) is similar in nature, scope and magnitude to actions customarily taken, without any separate or special authorization, in the ordinary course of the normal, day-to-day operations of other Persons who are in the same line of business as such Person;

1.1.47. "**Ownership Interest**" means, with respect to a Shareholder at a particular time, all of the Shares in which that Shareholder has an interest at that time, all Advances owed by the Corporation to that Shareholder at that time, and all other claims of that Shareholder at that time for money owing to that Shareholder from the Corporation;

1.1.48. "**Parties**" means the parties to this Agreement from time to time, including those named or referred to above the recitals to this Agreement, and "**Party**" means any one of them;

1.1.49. "**Person**" includes any individual, partnership, firm, company, corporation, incorporated or unincorporated association, co-tenancy, joint venture, syndicate, fiduciary, estate, trust, government, governmental or quasi-governmental agency, board, commission or authority, organization or any other form or entity howsoever designated or constituted, or any group, combination or aggregation of any of them;

1.1.50. "**Preferred Shares**" means those Shares that are not Common Shares, including those Shares which are presently designated as Class "G" Preferred Shares, Class "H" Preferred Shares, Class "I" Preferred Shares and Class "J" Preferred Shares;

1.1.51. "**Preferred Shareholders**" means those Persons holding an interest in the issued Preferred Shares from time to time;

1.1.52. "**Prime Rate**" means that rate of interest designated by **BANK OF NOVA SCOTIA** (main branch in Red Deer, Alberta) as its "prime rate" for Canadian dollar commercial loans in Canada, as declared by the said bank from time to time;

1.1.53. "**Principal**" means any natural Person or group of Persons who have the right to Control a Corporate Shareholder, *provided however* that Corp 1 shall not have a Principal for any purpose under this Agreement and any provision herein referring to the Principal of a Corporate Shareholder shall not apply to Corp 1;

1.1.54. "**Prior USA**" has the meaning ascribed thereto in Section 2.6;

1.1.55. "**Proportionate Share**" means, with respect to a Shareholder at a particular time, the percentage determined by dividing the number of Common Shares held by that Shareholder at that time by the total number of issued and outstanding Common Shares at that time, and multiplying that result by one hundred (100);

1.1.56. "**Secretary**" means the secretary of the Corporation and if there is no secretary, then the President of the Corporation;

1.1.57. "**Security**" has the meaning ascribed thereto in the Securities Act;

1.1.58. "**Securities Act**" means the *Securities Act* of Alberta, RSA 2000, Ch. S-4, as amended from time to time;

1.1.59. **"Senior Debt"** means the indebtedness of the Corporation to Encompass Credit Union pursuant to the offer to finance dated November 29, 2018 from Encompass Credit Unit to the Corporation, as updated, revised and/or amended from time to time;

1.1.60. "**Shareholder Advances**" means, with respect to a Shareholder, all outstanding (i.e., the full principal amount outstanding) loans and guarantee fees, including any accrued interest thereon, due and owing from time to time by the Corporation to such Shareholder; for the avoidance of doubt, the amounts outstanding from time to time under the HAES Promissory Note shall be deemed a Shareholder Advance for all purposes under this Agreement;

1.1.61. "**Shareholders**" means all Persons that have an Ownership Interest, as the case may be, in the issued Shares of the Corporation, or a Person who may hereafter become a shareholder of the Corporation, and "**Shareholder**" means any one of the foregoing;

1.1.62. "**Shareholder Payment Terms**" means the terms of payment set out in Schedule "A" hereto;

1.1.63. "**Shares**" means any issued and outstanding shares of the Corporation;

1.1.64. "**Subsidiary**" means, with respect to any corporation, another corporation more than fifty (50%) percent of the outstanding voting shares of which are owned or Controlled directly or indirectly by such first mentioned corporation, or by one or more Subsidiaries of such first mentioned corporation;

1.1.65. "**Taxes**" means all federal, provincial, income, gross receipts, windfall profits, severance, property, production, sales, use, license, excise, employment, premium, recording, documentary, transfer, back-up withholding or similar taxes imposed on the income, properties or operations of Seller, together with any interest, additions, or penalties with respect thereto and with respect to any information reporting requirements imposed by the ITA or ETA or any similar provision of provincial law, together with any interest in respect of such additions or penalties;

1.1.66. "**Team Group**" means, collectively, [REDACTED – SHAREHOLDER PERSONAL INFORMATION];

1.1.67. "**Third Party**" means any Person that is not a party to this Agreement;

1.1.68. "**Trade Secrets**" shall have the meaning attributed thereto in Schedule "F" attached hereto;

1.1.69. "**Transaction Documents**" has the meaning given to such term in the HAES APA;

1.1.70. "**Transfer**" means any sale, assignment, transfer, exchange, conveyance, arrangement or disposition (whether directly or indirectly, by operation of law or by court order or other judicial process) by which or as a consequence legal title or beneficial ownership passes from one Person to another Person, or to the same Person to be held in a different manner or capacity, whether or not for value;

1.1.71. "**Valuation Calculation**" means the calculations and determinations to be carried out pursuant to Schedule "B" hereto;

1.1.72. "**Voting Shareholders**" means those Shareholders who hold Voting Shares, or where the Voting Shares are held by a trustee, the beneficial owner of the Voting Shares, as the case may be;

1.1.73. "**Voting Shares**" means those Shares that have the right to vote at all meetings of the Shareholders attached to them.

1.2. **Headings:** Headings of the Articles and Sections hereof are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3. **Construction:** Words importing singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neuter genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

1.4. **Defined Terms:** Words and phrases used in this Agreement and not defined herein have the same meaning assigned to them in the Act or the Securities Act, as the case may be.

1.5. **Calculation of Time Periods:** Unless otherwise specified herein, when calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day.

1.6. **Schedules:** The following schedules are incorporated into and form an integral part of this Agreement:

Schedule "A" – Shareholder Payment Terms

Schedule "B" – Valuation Calculation

Schedule "C" – Acknowledgement and Consent

Schedule "D" – Escrow Agreement

Schedule "E" – Life Insurance Policies (if any)

Schedule "F" – Non-Competition, Non-Solicitation and Confidentiality Covenants

Article 2
IMPLEMENTATION OF AGREEMENT

2.1. **Effect of Agreement:** Each Shareholder shall vote or cause to be voted the Shares owned by the Shareholder in such a way so as to fully implement the terms and conditions of this Agreement as they may exist from time to time, and shall, if any Director for any reason refuses to exercise his or her discretion in accordance with the terms of this Agreement, forthwith take such steps as are necessary to remove each such Director.

2.2. **Deemed Consent:** Each of the Shareholders and Directors shall be deemed to have consented to any Transfer of Shares made in accordance with this Agreement, and each covenants and agrees to waive any restriction on Transfer contained in the Articles or Bylaws in order to give effect to any Transfer of Shares made in accordance with this Agreement.

2.3. **Conflict:** In the event of any conflict between the provisions of this Agreement, on the one hand, and the Articles on the other, the provisions of this Agreement shall govern. In the event of any conflict between the provisions of this Agreement, on the one hand, and the Bylaws on the other, the provisions of this Agreement shall govern. Each Shareholder agrees to vote or cause to be voted the Shares owned by the Shareholder so as to cause the Articles or the Bylaws (as the case may be) to be amended to resolve any such conflict in favour of the provisions of this Agreement.

2.4. **Notice By Corporation of Shareholder Agreement:** The Corporation, by its execution hereof, hereby acknowledges that it has actual notice of the terms of this Agreement, consents thereto and hereby covenants with each of the Shareholders that it will at all times during the continuance hereof be governed by this Agreement in carrying out its business and affairs and accordingly, shall give or cause to be given such notices, execute or cause to be executed such deeds, transfers and documents and do or cause to be done all such acts, matters and things as may from time to time be necessary or conducive to the carrying out of the terms and intent hereof.

2.5. **Reservation of Discretion, Power and Authority:** The discretion, power and authority of the Directors to manage the business and affairs of the Corporation and to authorize or take any action or cause or permit the Corporation to do anything is hereby restricted and limited by and to the extent that (a) such discretion, power or authority is reserved by or given to the Shareholders under any provision of this Agreement, or (b) a Binding Shareholder Direction is required, with the effect that the Directors and the Officers have only those discretions, powers and authorities that remain after taking into account anything reserved by or given to the Shareholders under this Agreement, or anything requiring a Binding Shareholder Direction.

2.6. **Prior Agreement**: This Agreement supersedes and takes the place of that certain unanimous shareholders agreement dated May 10, 2017 made between the Corporation and the shareholders of the Corporation, as amended by a unanimous shareholders agreement amendment dated as of September 30, 2018 between the Corporation and the shareholders of the Corporation (collectively, the "**Prior USA**"), and any other understandings, agreements, representations and warranties, both written and oral, with respect to the subject matter of the Prior USA.

2.7. **Guarantor as Signatory**: The Parties hereto agree and acknowledge that the Guarantor is a signatory to this Agreement solely for the purpose of providing the unlimited guarantee on behalf of Corp 1 as contained in Section 3.6.

Article 3
FINANCING

3.1. **Borrowings Generally:** It is the general intent of the Shareholders that money required from time to time by the Corporation shall be obtained (to the greatest extent possible) by the Corporation borrowing the same from a bank, trust company, credit union or other commercial lender.

3.2. **Shareholders' Advances:** Notwithstanding Section 3.1, each of the Voting Shareholders agrees to advance to the Corporation such Advances as may be agreed by the Voting Shareholders by way of Binding Shareholder Direction.

3.3. **<u>Conditions of Shareholders' Advances</u>:** All Advances made by the Shareholders to the Corporation shall be subject to the following terms and conditions, unless determined otherwise by Binding Shareholder Direction:

3.3.1. each Advance shall be evidenced by a note issued by the Corporation, as the case may be, in the principal amount thereof, which note shall provide that the repayment of the amount therein is subject to the terms and conditions contained in this Agreement;

3.3.2. each Advance shall accrue interest as determined by Binding Shareholder Direction;

3.3.3. all repayments of Advances shall be made by the Corporation to the Shareholders pro rata in proportion to the amount owing to each Shareholder divided by the amount of all Advances then outstanding;

3.3.4. subject to the provisions of this Agreement, no Shareholder shall demand repayment of the whole or any portion of the Advances outstanding prior to the times for repayment thereof; and

3.3.5. all Advances shall be secured with the intent that no Shareholder shall be entitled to recover all or any portion of any Advance in priority to any other Shareholder except as otherwise expressly provided in this Agreement.

3.4. **<u>Subordination</u>:** Each of the Shareholders agrees that upon request following a Binding Shareholder Direction they shall subordinate all Shareholder Advances and security interests in favour of (i) any bank or lending institution providing financing to the Corporation; and (ii) the HAES Promissory Note.

3.5. **<u>Guarantees Regarding Corporation</u>:** With regard to any guarantee agreement (a "**Guarantee Agreement**") with respect to the indebtedness of the Corporation to a creditor, the Shareholders agree as follows:

3.5.1. Upon a Binding Shareholder Direction, each Shareholder (and, where the Shareholder is a Corporate Shareholder and required by such Binding Shareholder Direction, the Principals of each such Shareholder), shall be obliged to enter into a Guarantee Agreement and to pledge their respective credit on behalf and for the benefit of the Corporation (and each such Shareholder shall cause its Principals to enter into any such Guarantee Agreement as and when required), subject, in each case, to the limitation that:

(a) no Shareholder shall be required to provide any Guarantee Agreement for any amount of indebtedness of the Corporation in excess of the Proportionate Share of such indebtedness of that Shareholder; and

(b) no Principal of a Shareholder shall be required to provide any Guarantee Agreement for any amount of indebtedness of the Corporation in excess of the Proportionate Share of such indebtedness of the Corporate Shareholder of which the Principal is a principal.

3.5.2. In the event that a Shareholder or its Principal (a "**Performing Party**") satisfies a debt or liability of the Corporation for or in lieu of any other Shareholder or other Principal (a "**Non-Performing Party**") who fails or refuses to satisfy its share of debt or liability of the Corporation under a Guarantee Agreement executed by that Non-Performing Party:

(a) the Non-Performing Party, as to its Proportionate Share, agrees to indemnify and save harmless that Performing Party for any and all amounts which that Performing Party may pay to a creditor of the Corporation for or in lieu of the Non-Performing

Party, and each Performing Party shall specifically have a right of action against the Non-Performing Party and their respective Principals in respect thereof; and

(b) in addition to all other rights it may have, the Performing Shareholder shall be deemed to have a security interest in the Shares, Shareholder Advances and all security interests in relation thereto granted by the Corporation to the Non-Performing Party for the amounts paid by the Performing Party for or in lieu of the Non-Performing Party.

3.5.3. The provisions of this Section 3.5 shall not merge with the termination of this Agreement, but shall survive and continue in force for the benefit of those Persons claiming contribution and indemnity as aforesaid.

3.6. **Guarantees Regarding Corp 1:** With regard to any obligation of Corp 1 hereunder this Agreement, the Guarantor hereby agrees as follows:

3.6.1. The Guarantor unconditionally guarantees each and every obligation, covenant, representation, warranty and all other matters pertaining to Corp 1 hereunder (individually, a "**Corp 1 Obligation**" and collectively, the "**Corp 1 Obligations**").

3.6.2. To the extent permitted by law, the Guarantor waives all defences, counterclaims or offsets that are legally available to the Guarantor with respect to the carrying out of any Corp 1 Obligation of Corp 1.

3.6.3. The other Shareholders and/or the Corporation, as applicable, are hereby authorized at any time, in their sole discretion and without notice to take, change, release or in any way deal with any security securing the Debt without in any way it's obligation of the Guarantor.

3.6.4. This Section 3.6 is for the use and benefit of the other Shareholders and/or the Corporation, as applicable.

3.6.5. The Liability of the Guarantor will continue until payment is made of every obligation of the Debtor now or later incurred in connection with the Debt and until payment is made of any loss or damage incurred by the lender with respect to any matter covered by this Section 3.6 or any of the Agreement.

3.6.6. The Guarantor further waives all rights, by statute or otherwise, to require the other Shareholders and/or the Corporation, as applicable, to institute suit against Corp 1, and to exercise diligence in enforcing its guarantee or any other instrument.

3.6.7. The other Shareholders and/or the Corporation, as applicable, may, at their option, proceed in the first instance against the Guarantor to enforce the Corp 1 Obligations covered by this Section 3.6 without first proceeding against any other person, firm or corporation, including Corp 1.

Article 4
DIRECTORS AND OFFICERS

4.1. **Board of Directors**:

4.1.1. Unless otherwise determined by a Binding Shareholder Direction and notwithstanding the Articles, the Board shall consist of a maximum of five (5) Directors.

4.1.2. The Board shall consist of the following:

(a) three (3) Director Nominees of the Team Group; and

(b) two (2) Director Nominees of Corp 1.

4.1.3. The Voting Shareholders agree to vote their Shares so as to elect the respective Director Nominees of each of the Team Group and Corp 1.

4.1.4. Upon the Team Group nominating an individual or individuals for appointment as a Director, the Voting Shareholders shall forthwith appoint that individual or individuals as a Director.

4.1.5. Upon Corp 1 nominating an individual or individuals for appointment as a Director, the Voting Shareholders shall forthwith appoint that individual or individuals as a Director.

4.2. **Board Approval Matters**: Subject to Article 6, the Board has responsibility for managing, or supervising the management of, the business and affairs of the Corporation and its Business. Without limiting the generality of the foregoing sentence, the following matters shall be for Board approval:

4.2.1. the annual budget of the Corporation;

4.2.2. Business Plans after the Initial Business Plan;

4.2.3. remuneration of employees of the Corporation excluding executives;

4.2.4. financial statements of the Corporation, and reports of auditors to the Corporation on such financial statements; and

4.2.5. litigation matters affecting the Corporation.

4.3. **Quorum and Adjourned Meetings:** Subject to the requirements of the Act, three (3) Directors shall constitute a quorum for the transaction of business at any meeting of the Board, provided that at least one (1) of such three (3) Directors must be a Director Nominee of Corp 1 in order for quorum to be constituted. Where a meeting is adjourned, whether or not a quorum is present, notice of the time and place of the adjourned meeting shall be given to all Directors.

4.4. **Voting:** Except as otherwise required by law or by this Agreement, and expressly subject to anything reserved or restricted for decision or approval by the Shareholders by Binding Shareholder Direction or otherwise, questions arising at any meeting of the Board shall be decided by a majority of the votes cast by the Directors in respect of the question. On those occasions when there is a tie vote, the Chairman shall not have a second or casting vote. The Director Nominees shall have the following votes at each meeting of the Board:

4.4.1. the Director Nominees of the Team Group shall each have one (1) vote for an aggregate maximum of three (3) votes; and

4.4.2. the Director Nominees of Corp 1 shall each have one (1) vote for an aggregate maximum of two (2) votes.

4.5. **Officers:** Unless directed otherwise by a Binding Shareholder Direction, the Officers of the Corporation shall be as follows at the Effective Date:

4.5.1. [REDACTED – PERSONAL INFORMATION]; and

4.5.2. [REDACTED – PERSONAL INFORMATION].

4.6. **Remuneration:** Except as otherwise provided for in this Agreement, remuneration of the Directors and Officers in their capacities as directors and officers of the Corporation shall be as directed from time to time by a Binding Shareholder Direction, and remuneration paid by the Corporation to the Directors in their capacities as Directors shall be equal.

4.7. **Director's and Officer's Insurance**. No later than thirty (30) Business Days after the Effective Date, and at all times thereafter, the Corporation shall maintain insurance for its Directors and Officers in an amount of, at minimum, [REDACTED – COMMERCIALLY SENSITIVE INFORMATION] per Director and Officer, or such greater amount to be determined by Binding Shareholder Direction.

4.8. **Communication Facilities:** Each of the Shareholders consents to and agrees to instruct their respective Director Nominees to consent to a Director or any other individual entitled to attend a meeting of the Board participating in the meeting by means of telephone or other communication facilities that permit all individuals participating in the meeting to hear and speak to each other.

4.9. **Removal from Office:** A Shareholder may, by written notice to the other Shareholders, request that its respective Director Nominee be removed from office, and the Voting Shareholders shall vote their Shares in favour of any such removal so requested.

4.10. **Frequency and Place of Meetings:** The Board shall meet at least once per fiscal quarter. Each of the Shareholders consents and agrees to instruct their respective Director Nominees to consent to meetings of Directors being held outside of Alberta, and in any event meetings of Directors shall be held at such location as a majority of the Directors shall consent or agree to from time to time, and failing such agreement shall be held at the head offices of the Corporation.

4.11. **Vacated Office:**

4.11.1. The office of Director shall be vacated if a Director:

(a) resigns his or her office by notice in writing delivered to the registered office of the Corporation; or

(b) is convicted of an indictable offence and the other Directors shall have resolved to remove him; or

(c) ceases to be qualified to act as a Director pursuant to the Act.

4.11.2. In the event of a vacancy occurring in the Board by reason of the departure of a Director Nominee, the Shareholder whose Director Nominee shall have departed the Board shall advise the remaining Shareholders by notice in writing of a new Director Nominee and the Voting Shareholders agree to vote their shares so as to elect the new Director Nominee in accordance with the provisions of the Act and this Agreement.

4.12. **Notice and Frequency of Meetings:** Unless all Directors waive in writing their right to notice, the notice of each meeting of Directors shall be given by the Secretary to each Shareholder and Director and such notice shall be accompanied by an agenda giving reasonable details of the matters to be discussed or voted upon at the meeting.

4.13. **No Delegation by Directors:** No delegation shall be permitted by the Directors of any of their powers.

4.14. **Reports to Shareholders:** The Directors shall, in a timely fashion, provide to each Voting Shareholder monthly financial statements for the Corporation prepared by the Corporation and such other reasonable reports as the Voting Shareholders may request from time to time, regarding the operations and affairs of the Corporation.

Article 5
SHAREHOLDERS

5.1. **Special Meetings:** Any one (1) of the Directors may call a special meeting of the Shareholders at any time and shall do so on the request of any one (1) of the Voting Shareholders.

5.2. **Place of Meetings:** The Shareholders consent to meetings of Shareholders being held outside of Alberta, and in any event, meetings shall be held at such location as the Voting Shareholders shall determine by a Binding Shareholder Direction from time to time, and failing such agreement, shall be held at the head offices of the Corporation.

5.3. **Persons Entitled to be Present:** The only individuals entitled to be present at a meeting of Shareholders shall be those entitled to vote thereat (or their proxies), the Directors and Accountants of the Corporation, and others who, although not entitled to vote, are entitled or required under any provision of the Act or the Articles to be present at the meeting. Any other individual may be admitted where authorized by a Binding Shareholder Direction.

5.4. **Quorum:**

5.4.1. A quorum must be present at a meeting of Shareholders in order for the Shareholders to transact the business of that meeting.

5.4.2. Subject to Section 5.4.3 below, a quorum for the transaction of business at any meeting of Shareholders shall be that number of Shareholders present (in person or by proxy) who represent at least sixty-five (65%) of the Voting Shares then issued.

5.4.3. If a quorum is not present at the opening of a meeting of Shareholders, the Shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business (and any other business so transacted shall not be valid). If notice shall have been given to all Shareholders of the place and time of an adjourned meeting, those Shareholders present at the adjourned meeting shall constitute a quorum and may transact the business of that adjourned meeting only if the adjourned meeting is held no fewer than fifteen (15) Business Days following the date of the notice of the adjourned meeting and Shareholders holding at least fifty (50%) percent of the Voting Shares then issued and outstanding are present at that adjourned meeting in person or by proxy.

5.5. **Voting:** Except as otherwise required by the Act or by this Agreement, and expressly subject to Article 6 hereof, at any meeting of Shareholders every question shall be decided by a majority of the votes cast by those Shareholders entitled to vote in respect of the question.

5.6. **Communication Facilities:** The Shareholders hereby consent to a Shareholder or any other individual entitled to attend a meeting of Shareholders participating in the meeting by means of telephone or other communication facilities that permit all persons participating in the meeting to hear and speak to each other.

5.7. **Notice of Shareholders' Meetings:** Unless all Voting Shareholders waive in writing their right to notice, at least fifteen (15) days' notice of each meeting of Shareholders shall be given to each Voting Shareholder and such notice shall be accompanied by an agenda giving reasonable details of the matters to be discussed or voted upon at the meeting. Notice shall be given to each Voting Shareholder and their respective Principal in accordance Section 16.6 hereof. Any Voting Shareholder may call for a meeting of Shareholders upon request in writing to the Secretary and upon receipt of such request, the Secretary shall call a meeting of Shareholders.

5.8. **Parties to Agreement:** Notwithstanding any other provision herein, no issue or Transfer of Shares to any Person shall be made until after such Person agrees in writing to be bound by and to observe the terms and provisions of this Agreement. A Person so agreeing shall be deemed to be a Party to this Agreement and a Shareholder.

5.9. **Shares of the Corporation:**

5.9.1. The provisions of this Agreement relating to Shares of the Corporation shall apply mutatis mutandis to any shares or other securities into which such Shares may be converted, changed, reclassified, redivided, redesignated, redeemed, subdivided or consolidated; to any Shares or other securities that are received by the Shareholders hereto as part of a new issue, as a stock dividend or distribution payable in Shares or other securities of the Corporation; and to any Shares or other securities of the Corporation or of any successor or continuing company or corporation to the Corporation that may be received by the Shareholder hereto on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

5.9.2. Notwithstanding the Articles or the Act, and except for any Shares issuable to Corp 1 pursuant to the HAES Promissory Note, the Directors shall not be entitled to approve or authorize, and no steps shall be taken by any Party hereto to effect:

(a) the declaration of any dividends on Shares;

(b) the subdivision, redivision, reduction, combination, conversion, redesignation, reclassification, cancellation or consolidation of any class of Shares;

(c) the issuance of rights, options, warrants, Shares (whether by way of a stock dividend or otherwise) or securities convertible into or exchangeable for any Shares to holders of any class of Shares;

(d) the distribution or issuance of Shares (or securities convertible into or exchangeable for Shares), rights, options, securities, warrants, evidences of indebtedness, or assets to holders of any class of Shares; or

(e) the reclassification, reorganization or other amendment of any terms associated with Shares,

unless such action is approved by Binding Shareholder Direction.

Article 6
CONDUCT OF THE BUSINESS OF THE CORPORATION

6.1. **Matters Requiring a Binding Shareholder Direction:** Each of the following matters or things shall require a Binding Shareholder Direction before they may be authorized or approved by the Voting Shareholders, Directors or Officers, or acted upon or undertaken by the Corporation:

6.1.1. make any changes to the Articles or Bylaws;

6.1.2. any amalgamation, consolidation, merger, partnership, joint venture or other combination of the Corporation with any other Person, any arrangement or other corporate reorganization, or any dissolution, liquidation or winding-up of the Corporation;

6.1.3. increase, decrease, convert, subdivide, consolidate or reclassify any of the authorized or issued capital of the Corporation, alter the capital structure of the Corporation in any way;

6.1.4. declare or pay any dividends (whether in cash or in kind) on any class of Shares, increase or decrease the stated capital of any class of Shares, or otherwise make any distribution of capital in cash or in kind to the Shareholders;

6.1.5. the adoption of, or amendments to, any dividend policy;

6.1.6. sell, lease or exchange or otherwise dispose of or encumber all or substantially all of the property of the Corporation;

6.1.7. disposal of any equipment of the Corporation exceeding $1,000,000 in value over any 12-month period, other than the equipment listed as “disposable” in Schedule 2.1(b) of the HAES APA;

6.1.8. material business acquisitions/disposals, including but not limited to the acquisition of the shares, assets or business of any other entity;

6.1.9. acquiring any interest in land unless specifically contemplated in an approved Business Plan;

6.1.10. relocating any snubbing units and associated equipment outside of Canada;

6.1.11. ceasing to carry on any substantial part of the Business;

6.1.12. any material change to in the scope or nature of the Business including commencement of any business or operational activities outside of Canada;

6.1.13. issue, redeem or repurchase any Shares, except in accordance with the terms of this Agreement or the Transaction Documents; for the avoidance of doubt, a Binding Shareholder Resolution shall not be required for the Corporation to issue Shares to Corp 1 pursuant to the HAES Promissory Note;

6.1.14. except in accordance with the provisions of this Agreement, the hypothecation, mortgage, pledge, charge or other encumbrance of any of the assets of the Corporation;

6.1.15. enter into any long term debt arrangement (other than the Senior Debt), or amend any agreements or arrangements with respect to long term debt including the Senior Debt;

6.1.16. making any loan or giving credit or other financial accommodation to any Person except in the ordinary course of Business;

6.1.17. the making or amendment of any contract, including, without limitation, employment contracts, between the Corporation and any Person that is not at arm's length with any of the Shareholders, or making of any payment to any Person not dealing at arm's length with any of the Shareholders, other than the HAES APA and the Transaction Documents;

6.1.18. without limiting the effect of Section 6.1.17, enter into any arrangements or agreements or change any existing arrangements or agreements with HAES SD Holding Corp., High Arctic Energy Services Inc., Dynamic Well Control Inc., or Superior Fire Control Ltd. or their Affiliates;

6.1.19. the provision of financial assistance by the Corporation, whether by guarantee or otherwise, to any Shareholder or Person not dealing at arm's length with any Shareholder;

6.1.20. the making or implementation of any Major Business Decision except as contemplated by the HAES APA and the Transaction Documents;

6.1.21. except as is contemplated in this Agreement or the Transaction Documents, payment of or amendment of salary, benefits, bonuses, or other remuneration by the Corporation to the

Shareholders or Principals or to any Person not dealing at arm's length with any of the Shareholders except as contemplated by the HAES APA and the Transaction Documents;

6.1.22. appoint or vary the terms of services of Directors and executive management (which includes without limitation the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and Vice President, Operations, and any future executive officer or appointment that is reasonably interpreted as equivalent to any of the foregoing);

6.1.23. the making of any assignment for the benefit of any creditor of the Corporation;

6.1.24. approval of the Initial Business Plan;

6.1.25. material changes to any accounting standards, principles or policies of the Corporation;

6.1.26. any proposal for an initial public offering of the Corporations or any of its wholly-owned subsidiaries;

6.1.27. the granting of any stock option, or the authorization, creation or implementation of any option plan, bonus, pension or retirement plan or trust, profit sharing or other incentive plan or program, involving any Securities of the Corporation or other means of reward, recognition or compensation;

6.1.28. the acquisition or creation of any Subsidiary of the Corporation, or the Transfer of any interest the Corporation may have in any Subsidiary of the Corporation;

6.1.29. any transaction out of the Ordinary Course of Business except as contemplated by the HAES APA and the Transaction Documents;

6.1.30. the termination of employment of any individual that is an Employee Shareholder;

6.1.31. to cause the Corporation to make or take any step or pass a resolution to do so which requires a special resolution of Shareholders under the Act; and

6.1.32. the taking of any steps to wind-up or terminate the existence of the Corporation.

6.2. **Business Plans**: The Corporation shall cause to be developed a three-year program for the conduct of the Business (the "**Business Plan**"), which shall include the following:

6.2.1. annual projections of operating costs, capital costs and revenue;

6.2.2. proposed marketing plans and activities for the Business;

6.2.3. financing plans including any proposed debt and equity funding;

6.2.4. aggregate limits for expenditure and borrowings;

6.2.5. acquisitions and disposals; and

6.2.6. management structure.

The first Business Plan after the date of this Agreement, which shall cover the current financial year and the following two (2) financial years of the Corporation (the "**Initial Business Plan**"), shall be developed by the Corporation and tabled for approval by the Shareholders no later than 90 days after the Effective Date.

6.3. **Application to Subsidiary:** For clarity and avoidance of doubt, the provisions of Section 6.1 shall also apply to each Subsidiary of the Corporation, *mutatis mutandis*, and each of the matters and things specified therein, if undertaken or proposed to be undertaken by a Subsidiary of the Corporation, shall also require a prior Binding Shareholder Direction before they may be undertaken by that Subsidiary, or authorized or approved by the Corporation (in its capacity as a shareholder of that Subsidiary) or the directors or officers of that Subsidiary.

6.4. **Invalidity without Binding Shareholder Direction:** Anything requiring a prior Binding Shareholder Direction which is authorized, approved, ratified or undertaken absent such Binding Shareholder Direction shall be invalid, and null and void.

Article 7
DISTRIBUTION OF PROFITS AND DIVIDENDS

7.1. **Distribution of Profits:** Except when precluded or otherwise prohibited by the terms of any debt financing and to the extent permitted by law, the profits of the Corporation available for distribution, after making such provisions and transfers to reserves as may be required in the majority opinion of the Board to meet expenses or anticipated expenses, may be distributed annually:

7.1.1. by way of repayment of Shareholder Advances on a pro rata basis; and thereafter

7.1.2. by way of dividends (or such other repayment of capital as requested by each Shareholders, subject to the approval required above).

7.2. **Dividends on Voting Shares:** Subject to the Act, but notwithstanding anything contained in the Articles or the Bylaws, the declaration and issuance of dividends of the Corporation shall be in the Board's sole and absolute discretion; provided however, that no dividend of the Corporation shall be paid to any Voting Shareholder which would be different on a dollar per Share basis than the dividend paid to the other Voting Shareholders of the Corporation.

7.3. **Dividends on Preferred Shares:** Nothing herein shall require the agreement of the Voting Shareholders for the payment of any dividends to Preferred Shareholders where the Preferred Shareholders are entitled to such dividends under the terms and conditions of such Preferred Shares.

Article 8
RESTRICTIONS ON TRANSFER AND ISSUANCE

8.1. **General Prohibition on Transfer:** Except as provided for in this Agreement, no Ownership Interest may be Transferred or be offered for Transfer, or pledged, hypothecated or encumbered by a Shareholder, without the unanimous prior written consent of the Voting Shareholders, and any such Transfer or offer for Transfer that is not permitted, or that is not in compliance with this Agreement, shall be invalid and void *ab initio*.

8.2. **Permitted Transfers:**

8.2.1. **Transfer to a Controlled Entity:** A Shareholder may Transfer all or any part of the Ownership Interest of such Shareholder to a Controlled Entity of such Shareholder, provided that, at or before the time of such Transfer:

(a) the Controlled Entity executes and delivers a duly executed Acknowledgement and Consent;

(b) the Shareholder making the Transfer executes and delivers a continuing guarantee with respect to all of the obligations of the Controlled Entity under this Agreement, in form and substance acceptable to the Board; and

(c) the Shareholder making the Transfer executes and delivers a written undertaking in favour of the other Shareholder that he will not permit the Controlled Entity to cease to be a Controlled Entity of such Shareholder.

8.2.2. **Transfer from Controlled Entity:** Any Shareholder that is a Controlled Entity may Transfer all or any part of the Interest of such Shareholder to the Principal of such Shareholder, provided that if such Principal is not already a Party to this Agreement, then at or before the time of such Transfer such Principal executes and delivers a duly executed Acknowledgement and Consent.

8.2.3. **Transfer to an RRSP:** Any Individual Shareholder may Transfer all or any part of the Interest of such Individual Shareholder into an RRSP of which such Individual Shareholder is the sole beneficiary, provided that at or before the time of such Transfer the trustee of such RRSP executes and delivers a duly executed Acknowledgement. Notwithstanding any such Transfer, the Individual Shareholder making the Transfer shall, with respect to such Interest or part thereof, continue to be bound by this Agreement, and shall not permit any further Transfer of such Interest or part thereof from such RRSP (except pursuant to Section 8.2.4) or any change in interest in such RRSP. For greater certainty, this Section shall not be construed as permitting any Transfer of an Interest or any part thereof from an Individual Shareholder to an RRSP of which his spouse is a beneficiary.

8.2.4. **Transfer from an RRSP:** Any Shareholder who is an RRSP may Transfer all or any part of the Interest of such Shareholder to the beneficiary of such RRSP, provided that if such beneficiary is not already a Party to this Agreement, then at or before the time of such Transfer, the beneficiary shall execute and deliver a duly executed Acknowledgement.

8.2.5. **Security Interest:** Any Shareholder may mortgage, pledge, encumber, hypothecate or otherwise grant a security interest in all or any part of his Interest to a lender as security for the payment of a bona fide debt of the Shareholder, provided that (i) the rights of such lender are expressly subject to the provisions of this Agreement and the lender acknowledges the same in writing, and (ii) the realization or attempted realization upon all or any part of such Interest by a secured party pursuant to the exercise of such a security interest shall be subject to the provisions of Article 9.

8.3. **Permitted Trades Exempt from Part of this Agreement:** A Transfer of all or any part of an Ownership Interest made with the prior approval and consent of the Shareholders given by Binding Shareholder Direction and any other consent or approvals required by the Articles shall be exempt from the provisions of Article 8 and Article 9.

8.4. **Change of Control Prohibited:** Except with the prior approval and consent of the Shareholders given by Binding Shareholder Direction, no Corporate Shareholder and no Principal of a Corporate Shareholder shall permit a Change of Control of such Corporate Shareholder from the status of such Corporate Shareholder as at the date of this Agreement or as at the date such Corporate Shareholder becomes subject to this Agreement, as the case may be. This Section 8.4 shall not apply to Corp 1..

8.5. **Acknowledgement by New Shareholders:** Notwithstanding any other provisions of this Agreement, no proposed acquisition of Shares by any Person other than a Shareholder, whether as a result of the issue of new Shares or a Transfer of Shares, shall be valid, and no such issue or Transfer shall be recorded and no such Shares shall be registered in the name of such Person on the books of the Corporation, unless and until such Person executes and delivers to the Corporation, for itself and on behalf of the other Shareholders, a duly executed Acknowledgement and Consent.

8.6. **No Encumbrances:** Each of the Shareholders represents to and agrees with each of the other Shareholders that, as of the Effective Date, the Shares owned or held by the Shareholder are free from all liens, charges and encumbrances whatsoever, and there exists no binding agreement, arrangement or commitment whereby any Party has a right or option to acquire such Shares or any part of them.

8.7. **Modification of Shares:** The provisions of this Agreement relating to Shares of the Corporation shall apply *mutatis mutandis* to any Shares or other Security into which such Shares may be converted, changed, reclassified, redivided, redesignated, redeemed, subdivided or consolidated, to any Shares or Security that are received by a Shareholder, or to any Security of the Corporation or of any successor or continuing company or corporation that may be received by a Shareholder on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

8.8. **Issuance of Additional Securities and Pre-emptive Rights:**

8.8.1. Subject to the restrictions set forth in this Agreement, and excluding Shares that may be issued to Corp 1 pursuant to the HAES Promissory Note, the Voting Shareholders, acting unanimously, shall have the sole right, from time to time, in their discretion, to authorize the allotment and issuance of such number of additional Securities of the Corporation of any kind or class at such price or prices and to such Person or Persons as the Voting Shareholders, acting unanimously, determine to be in the best interest of the Corporation.

8.8.2. In doing so, unless unanimously agreed otherwise, each Voting Shareholder shall have the first right and option, *pari passu*, to acquire from among those Securities allotted and available for issuance, on the same terms available to any other Person, such type and number of Securities as may be required in order for such Shareholder to maintain an Ownership Interest in the Corporation that is no less than such Shareholder's Proportionate Share of all Ownership Interests of the Corporation as same existed immediately prior to the issuance of any such Securities.

Article 9
RIGHTS OF FIRST OFFER

9.1. **Offer to Sell:** If any Shareholder (herein referred to as an "**Offering Shareholder**") desires to Sell all or a portion of its Shares to any Independent Third Party, the other Shareholders (in this Article 9, collectively, the "**Other Shareholders**") shall have a right of first offer in respect of such Shares in accordance with this Article 9.

9.2. **Transfer Notice:** The Offering Shareholder shall give a written notice (the "**Offer Transfer Notice**") to the Other Shareholders of its intention to Sell Shares, which Offer Transfer Notice shall set out the following:

9.2.1. the number of Shares that the Offering Shareholder is proposing to Sell; and

9.2.2. the price and terms of payment under which the Offering Shareholder proposes to Sell such Shares (it being understood that such offer must be for cash consideration).

9.3. **Purchase Notice:** Any Other Shareholder shall have the right, during the thirty (30) day period following receipt of the Offer Transfer Notice, to elect to purchase all (but not less than all) of the Shares being Sold by the Offering Shareholder upon the terms contained in the Offer Transfer Notice by giving written notice (the "**Offer Purchase Notice**") to the Offering Shareholder accepting the offer of the Offering Shareholder contained in the Offer Transfer Notice. If more than one Other Shareholder delivers an Offer Purchase Notice, then the offered Shares shall be allocated among such Other Shareholders in accordance with their Proportionate Shares, unless otherwise agreed by such Shareholders.

9.4. **<u>Failure to Purchase</u>:** If none of the Other Shareholders gives to the Offering Shareholder an Offer Purchase Notice within the thirty (30) day period referred to in Section 9.3, or if the Sale of the Shares of the Offering Shareholder fails to close as contemplated in Section 9.5, then the Other Shareholders shall be deemed to have refused to purchase the Shares referred to in the Offer Transfer Notice and the Offering Shareholder may, within one hundred twenty (120) days after the latter of the expiration of such thirty (30) day period or the failure to close, as the case may be, offer the number of Shares set forth in the Offer Transfer Notice at a price and on terms which shall not be more favorable to the proposed purchaser than those specified in the Offer Transfer Notice subject to the provisions of Article 10 hereof. If no such Sale is consummated, the rights of the Other Shareholders shall revive in respect of such Shares and if the Offering Shareholders shall thereafter desire to Sell Shares he shall again give notice under this Article 9 and so on from time to time.

9.5. **<u>Closing</u>:** It shall be a condition of the closing of any purchase and sale under this Article 9 for the benefit of the purchasing Shareholder that the Offering Shareholder deliver against payment the certificate or certificates representing the subject Shares duly endorsed in blank and a representation and warranty dated the day of closing to the effect that the Offering Shareholder has good right and lawful authority to sell the subject Shares, that the subject Shares are not subject to any contractual or other restrictions (other than pursuant to this Agreement or the Articles), and that such Shares are owned by the Offering Shareholder free and clear of any liens, encumbrances, mortgages, pledges, charges or security interests of any kind whatsoever. The purchase and sale of the Shares shall close within sixty (60) days of the delivery of the Offer Transfer Notice by the Offering Shareholder or Shareholders, and shall be completed in accordance with the terms set out in Article 15.

Article 10
<u>RIGHTS OF FIRST REFUSAL</u>

10.1. **<u>Offer to Sell</u>:** If any Shareholder (in this Article 10, a "**Selling Shareholder**") receives an offer to purchase all or a portion of its Shares from a bone fide Independent Third Party and desires to sell all or a portion of its Shares, each other Shareholder (in this Article 10, collectively, the "**Other Shareholders**") shall have a right of first refusal in respect of such Shares in accordance with this Article 10.

10.2. **<u>Transfer Notice</u>:** The Selling Shareholder shall give a written notice (the "**ROFR Transfer Notice**") to the Other Shareholders of its intention to Sell Shares, which ROFR Transfer Notice shall set out the following:

10.2.1. the number of shares that the Selling Shareholder proposes to Sell (it being understood that such Sale must be for all and not less than all of the Shares held by the Selling Shareholder); and

10.2.2. the name and address of the Independent Third Party, together with an executed copy of such offer to purchase, with all terms and conditions of such offer contained therein (it being understood that such offer must be for cash consideration).

10.3. **<u>Purchase Notice</u>:** The Other Shareholders shall have the right, during the thirty (30) day period following receipt of the ROFR Transfer Notice, to elect to purchase all (but not less than all) of the Shares being Sold by the Selling Shareholder upon the terms contained in the ROFR Transfer Notice by giving written notice (the "**ROFR Purchase Notice**") to the Selling Shareholder accepting the offer of the Selling Shareholder contained in the ROFR Transfer Notice. If more than one Other Shareholder delivers a Purchase Notice, then the offered Shares shall be allocated among such Other Shareholders in accordance with their Proportionate Shares, unless otherwise agreed by such Shareholders.

10.4. **Failure to Purchase:** If none of the Other Shareholders gives to the Selling Shareholder a ROFR Purchase Notice within the thirty (30) day period referred to in Section 10.3 or if the Sale of the Shares of the Selling Shareholder fails to close as contemplated in Section 10.5, then the Other Shareholders shall be deemed to have refused to purchase the Shares referred to in the ROFR Transfer Notice and the Selling Shareholder may within thirty (30) days after the latter of the expiration of such thirty (30) day period or the failure to close, as the case may be, Sell any or all of its Shares to the Independent Third Party named in the ROFR Transfer Notice at a price and on terms which shall not be more favourable to the Independent Third Party than those specified in the ROFR Transfer Notice. If no Sale is consummated, the rights of the Shareholders shall revive in respect of such Shares and if the Selling Shareholder shall thereafter desire to Sell Shares it shall again give notice under this Article 10 and so on from time to time.

10.5. **Closing:** It shall be a condition of the closing of any purchase and sale under this Article 10 for the benefit of the purchasing Shareholder(s) that the Selling Shareholder deliver against payment the certificate or certificates representing the subject Shares duly endorsed in blank and a representation and warranty dated the day of closing to the effect that the Selling Shareholder has good right and lawful authority to sell the subject Shares, that the subject Shares are not subject to any contractual or other restrictions (other than pursuant to this Agreement or the Articles), and that such Shares are owned by the Selling Shareholder free and clear of any liens, encumbrances, mortgages, pledges, charges or security interests of any kind whatsoever. The purchase and sale of the Shares shall be completed in accordance with the terms set out in Article 15.

Article 11
TAG-ALONG RIGHTS

11.1. **Participation**: If at any time, a Shareholder or group of Shareholders who (together with their Affiliates) holds not less than 30% of the outstanding Common Shares of the Corporation (in this Article 11, collectively, the "**Selling Shareholder**") proposes to sell any of its Common Shares to an Independent Third Party (the "**Proposed Transferee**"), and the other Shareholders (each, a "**Tag-Along Shareholder**") do not individually or collectively exercise their right of first offer under Article 9 or right of first refusal under Article 10, each Tag-Along Shareholder shall be permitted to participate in such sale (a "**Tag-Along Sale**") on the terms and conditions set forth in this Article 11.

11.2. **Sale Notice**: Before the consummation of the sale described in Section 11.1, the Selling Shareholder shall deliver to the Corporation and each other Shareholder a written notice (a "**Sale Notice**") of the proposed sale subject to this Article 11 no more than ten (10) Business Days after the execution and delivery by all the parties thereto of the definitive agreement entered into with respect to the Tag-along Sale and, in any event, no later than twenty (20) before the closing date of the Tag-Along Sale. The Tag-Along Notice shall make reference to the Tag-Along Shareholders' rights hereunder and shall describe in reasonable detail:

11.2.1. the number and class of Common Shares to be sold by the Selling Shareholder;

11.2.2. the name of the Proposed Transferee;

11.2.3. the per-share purchase price and the other material terms and conditions of the sale, including a description of any non-cash consideration in sufficient detail to permit the valuation thereof;

11.2.4. the proposed date, time and location of the closing of the sale; and

11.2.5. a copy of any form of agreement proposed to be executed in connection therewith.

11.3. **Shares to be Sold**:

11.3.1. Each Tag-Along Shareholder shall exercise its right to participate in a sale of Common Shares by the Selling Shareholder subject to this Article 11 by delivering to the Selling Shareholder a written notice (a "**Tag-Along Notice**") stating its election to do so and specifying the number of and class of Common Shares to be sold by it no later than ten (10) Business Days after receipt of the Sale Notice (the "**Tag-Along Period**"). The offer of each Tag-Along Shareholder set forth in a Tag-Along Notice shall be irrevocable and, to the extent such offer is accepted, such Tag-Along Shareholder shall be bound and obligated to sell in the proposed sale on the terms and conditions set forth in this Article 11. Each Tag-Along Shareholder shall have the right to sell in a sale subject to this Article 11 the number of Common Shares equal to the product obtained by multiplying (x) the number of Common Shares held by the Tag-Along Shareholder by (y) a fraction (A) the numerator of which is equal to the number of Common Shares the Selling Shareholder proposes to sell or transfer to the Proposed Transferee and (B) denominator of which is equal to the number of Common Shares then owned by such Selling Shareholder.

11.3.2. The Selling Shareholder shall use its commercially reasonable efforts to include in the proposed sale to the Proposed Transferee all of the Common Shares that the Tag-Along Shareholders have requested to have included under the applicable Tag-Along Notices, it being understood that the Proposed Transferee shall not be required to purchase Common Shares in excess of the number set forth in the Sale Notice. If the Proposed Transferee elects to purchase less than all of the Common Shares sought to be sold by the Tag-Along Shareholders, the number of shares to be sold to the Proposed Transferee by the Selling Shareholder and each Tag-Along Shareholder shall be reduced so that each such Shareholder is entitled to sell its Proportionate Shares of the number of Common Shares the Proposed Transferee elects to purchase (which in no event may be less than the number of Common Shares set forth in the Sale Notice).

11.3.3. Each Tag-Along Shareholder who does not deliver a Tag-Along Notice in compliance with Section 11.3.1 shall be deemed to have waived all of such Tag-Along Shareholder's rights to participate in such sale, and the Selling Shareholder shall (subject to the rights of any participating Tag-Along Shareholder) thereafter be free to sell to the Proposed Transferee its Common Shares at a per share price that is no greater than the per share price set forth in the Sale Notice and on other terms and conditions which are not materially more favourable to the Selling Shareholder than those set forth in the Sale Notice, without any further obligation to the non-accepting Tag-Along Shareholders.

11.4. **Consideration**: Each Shareholder participating in a sale under this Article 11 shall receive the same consideration per Share after deduction of such Shareholder's proportionate share of the related expenses in accordance with Section 11.6.

11.5. **Conditions of Sale**: Each Tag-Along Shareholder shall make or provide the same representations, warranties, covenants, indemnities and agreements as the Selling Shareholder makes or provides in connection with the Tag-Along Sale (except that, in the case of representations, warranties, covenants, indemnities and agreements pertaining specifically to the Selling Shareholder, the Tag-Along Shareholder shall make the comparable representations, warranties, covenants, indemnities and agreements pertaining specifically to itself); provided that all representations, warranties, covenants and indemnities shall be made by the Selling Shareholder and each other Tag-Along Shareholder severally and not jointly and any indemnification obligation in respect of breaches of representations and warranties that do not relate to such Tag-Along Shareholder shall be in an amount not to exceed the aggregate proceeds received by such Tag-Along Shareholder in connection with any sale consummated under this Article 11.

11.6. **Expenses**: The fees and expenses of the Selling Shareholder incurred in connection with a sale under this Article 11 and for the benefit of all Shareholders (it being understood that costs incurred by or on behalf of the Selling Shareholder for its sole benefit will not be considered to be for the benefit of all Shareholders), to the extent not paid or reimbursed by the Corporation or the Proposed

Transferee, shall be shared by all the Shareholders on a pro rata basis, based on the consideration received by each Shareholder; provided that no Shareholder shall be obligated to make any out-of-pocket expenditure before the consummation of the transaction consummated under this Article 11.

11.7. **Cooperation**: Each Shareholder shall take all actions as may be reasonably necessary to consummate the Tag-Along Sale, including, without limitation, entering into agreements and delivering certificates and instruments, in each case consistent with the agreements being entered into and the certificates being delivered by the Selling Shareholder.

11.8. **Deadline for Completion of Sale**: The Selling Shareholder shall have 90 days following the expiration of the Tag-Along Period in which to sell the Common Shares described in the Sale Notice, on terms not more favourable to the Selling Shareholder than those set forth in the Sale Notice (which 90-day period may be extended for a reasonable time not to exceed 120 days to the extent reasonably necessary to obtain any regulatory approvals). If at the end of such period the Selling Shareholder has not completed such sale, the Selling Shareholder may not then effect a sale of Common Shares subject to this Article 11 without again fully complying with the provisions of this Article 11.

11.9. **Sales in Violation of the Tag-Along Right**: If the Selling Shareholder sells or otherwise transfers to the Proposed Transferee any of its Common Shares in breach of this Article 11, then each Tag-Along Shareholder shall have the right to sell to the Selling Shareholder, and the Selling Shareholder undertakes to purchase from each Tag-Along Shareholder, the number of Common Shares that such Tag-Along Shareholder would have had the right to sell to the Proposed Transferee under this Article 11, for a per share amount and form of consideration and upon the term and conditions on which the Proposed Transferee bought such Common Shares from the Selling Shareholder, but without indemnity being granted by any Tag-Along Shareholder to the Selling Shareholder; provided that nothing contained in this Article 11 shall preclude any Shareholder from seeking alternative remedies against such Selling Shareholder as a result of its breach of this Article 11. The Selling Shareholder shall also reimburse each Tag-Along Shareholder for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred under the exercise or the attempted exercise of the Tag-Along Shareholder's rights under this Section 11.9.

Article 12
TRANSFER UPON DEFAULT

12.1. **Definitions:** In this Article 12:

12.1.1. "**Closing Date**" means the date that a Disposing Shareholder and the Corporation agree upon, provided that if they are unable to agree on a date it shall be the day that is ninety (90) days after the date a Shareholder Default has occurred and if such day is not a Business Day it shall be the next occurring Business Day;

12.1.2. "**Shareholder Default**" shall be deemed to have occurred if, and immediately prior to the date, that:

(a) a Principal, or a Shareholder, is petitioned into bankruptcy or makes an assignment for the benefit of its creditors;

(b) proceedings are instituted for the dissolution or winding-up of a Corporate Shareholder;

(c) an order is made by a court of competent jurisdiction under the *Matrimonial Property Act* (Alberta) or other similar legislation which purports to deal with the

Shares held by a Shareholder, or the shares or other ownership interest held by a Principal in the capital of a Corporate Shareholder;

(d) the Shares held by a Shareholder, or the shares or other ownership interest held by a Principal in the capital of a Corporate Shareholder, are seized or attached in any way for the payment of any judgment of a court of competent jurisdiction;

(e) a Change of Control occurs with respect to a Corporate Shareholder other than Corp 1;

(f) a Shareholder is in default of the provisions of this Agreement; or

(g) a Shareholder attempts or purports to Transfer the Shares held by that Shareholder absent compliance with this Agreement.

12.1.3. "**Disposing Shareholder**" means: (a) the applicable Shareholder, where a Shareholder Default has occurred with respect to that Shareholder, or (b) the applicable Corporate Shareholder, where a Shareholder Default has occurred with respect to the Principal of that Corporate Shareholder;

12.1.4. "**Purchase Price**" means the purchase price for an Ownership Interest determined in accordance with this Article 12 and the Valuation Calculation.

12.2. **Compulsory Sale Upon Shareholder Default:** If a Shareholder Default occurs with respect to a Shareholder or the Principal of a Shareholder, the remaining Shareholders shall have the right to purchase the Disposing Shareholder’s Shares, each in accordance with his or her Proportionate Share (or in such other proportions as may be agreed by the remaining Shareholders) for the Purchase Price. If the remaining Shareholders do not in a timely manner exercise their right to purchase the Disposing Shareholder’s Shares, then the Corporation shall forthwith purchase all of the disposing Shareholder's interest in the Corporation in accordance with the provisions of this Article 12.

12.3. **Purchase Price for Ownership Interest:** The Purchase Price for an Ownership Interest that is sold and purchased under this Article 12 shall be determined in accordance with the Valuation Calculation, applied as of the date that a Deemed Disposition of Shares occurs.

12.4. **Closing:** The closing of a purchase and sale under this Article 12 shall occur on the Closing Date, at which time:

12.4.1. the Disposing Shareholder shall deliver to the purchasing Shareholders or the Corporation, as the case may be, all documents necessary to fully Transfer and convey to the Corporation or its nominee the entirety of the Ownership Interest of that Disposing Shareholder, including a duly endorsed Transfer of all applicable Shares; and

12.4.2. the purchasing Shareholder or the Corporation, as the case may be, shall pay to the Disposing Shareholder the portion of the Purchase Price payable on the Closing Date.

12.5. **Payment Terms:** All amounts owing from the purchasing Shareholders or the Corporation, as the case may be, to the Disposing Shareholder under this Article 12 shall be payable in accordance with the Shareholder Payment Terms.

12.6. **Other Sale Terms:** A purchase and sale under this Article 12 shall be completed in accordance with this Article 12, and Article 15 to the extent not addressed by, and not inconsistent with Article 13.

12.7. **No Compliance with Section 15.7:** Notwithstanding anything to the contrary, the requirements of Section 15.7 shall not apply to any transaction under this Article 12, and no Party shall be entitled to the benefit of, or be required to comply with, Section 15.7 in respect thereof.

12.8. **Survival:** The provisions of this Article shall survive the termination of this Agreement, and shall also survive any act, event or occurrence that results in any Party ceasing to be a Shareholder.

12.9. **Remedies**: The provisions of this Article 12 are in addition to all other remedies which the parties or the Corporation may have against the Disposing Shareholder.

Article 13
SALE ON DEATH OR DISABILITY

13.1. For the avoidance of doubt, the provisions of Article 13 requiring a Corporate Shareholder to sell its Ownership Interest shall not apply to Corp 1.

13.2. **Post Mortem Tax Advice:** The Parties agree that in the event that a Principal or Individual Shareholder dies, and before implementing any purchase of the Ownership Interest of the deceased Principal or Shareholder, the deceased's representative, the Corporation, and the remaining Shareholder will collectively seek professional tax advice, after which they may agree on an alternative arrangement for the sale of the Ownership Interest of the deceased Principal or Individual Shareholder, the use of any Insurance proceeds, and elections in respect of the capital dividend account, rather than the arrangement described below. If within 30 days (or any extended period agreed on) of receiving such tax advice the Parties fail to confirm agreement in principle on an alternative arrangement, or if within 180 days (or any extended period agreed on) of agreement in principle on an alternative arrangement the Parties fail to implement such arrangement, then and only then (the "**Operative Date**") will the provisions below in this Article 13 apply and become operative.

13.3. **Selling Offer of Deceased or Disabled Shareholder:** In the event of the death or Disability of all of the Principals of a Corporate Shareholder or an Individual Shareholder, or the Corporate Shareholder in which the Principal held shares or the deceased or disabled Shareholder, as the case may be, shall be deemed to have made an offer to sell the Ownership Interest of the Corporate Shareholder or Shareholder, as the case may be, to the Corporation and the Corporation shall be deemed to have accepted the said offer.

13.4. **Effective Date and Closing Date:** The effective date of the purchase and sale contemplated in Section 13.3 above shall be the date of death or the date of Disability of the Principal(s) or Shareholder, as the case may be. The closing of the transaction of purchase and sale contemplated in Section 13.3 above shall take place on the date which shall be the latest of the following:

13.4.1. in the case of death, the date which is sixty (60) days after the Operative Date and the provisions of Sections 13.3 to 13.19 inclusive become operative or such other date as may be practicable and agreed upon;

13.4.2. in the case of death, the date which is seven (7) days following receipt of all necessary governmental releases or approvals (including, without limitation, a grant of probate) required to be obtained in order to effect a valid transfer of the Ownership Interest (and the Parties hereto covenant and agree to use their best efforts to obtain such releases and approvals);

13.4.3. in the case of death or Disability, the date which is thirty (30) days after the purchase price is finally determined in accordance with the provisions of Schedule "B" (Valuation of Shares) hereof; and

13.4.4. in the case of death, the date upon which the Corporation receives the proceeds of insurance (if any) payable on the life of the deceased individual.

On the Closing Date, the Shareholder whose Ownership Interest is being acquired pursuant to the provisions of this Article 13 (the "**Disposing Shareholder**") shall (in the case of Disability) deliver, or (in the case of death) be deemed to have delivered to the Corporation the Shares being purchased as part of the Ownership Interest of the Disposing Shareholder.

13.5. **Purchase Price:** The purchase price payable by the Corporation for the Ownership Interest of the Disposing Shareholder shall be a price per Share determined in accordance with Schedule "B" (Valuation Calculation), multiplied by the number of Shares held by the Disposing Shareholder plus the amount of the indebtedness of the Corporation to the Disposing Shareholder, if any, plus the amount of any declared but unpaid dividends payable on the Shares of the Disposing Shareholder (collectively, the "**Ownership Interest**").

13.6. **Payment of Purchase Price:** The terms of payment of the purchase price shall be the Shareholder Payment Terms as set out in Schedule "A" attached hereto.

13.7. **Insurance:** The Corporation agrees with each of the Shareholders hereto that upon the unanimous decision of the Voting Shareholders, the Corporation will maintain or cause to be maintained in good standing and with the Corporation named as beneficiary, a life insurance policy or policies on the life of any one (1) or more of the Principals or Individual Shareholders, in an amount sufficient to fund the purchase of Shares as contemplated by this Article 13. All such life insurance policies (the policies maintained under this Article 13 or replacements thereof being hereinafter sometimes referred to the "**Insurance**") shall be listed on Schedule "E" hereto. Notwithstanding the foregoing, the Shareholders acknowledge that unless they unanimously agree otherwise, the Corporation need not place and maintain any insurance contemplated hereunder.

13.8. **Cancellation of Insurance:** In the event that the Corporation intends to cancel a life insurance policy (or policies) on the life of a Principal Shareholder or Individual Shareholder, prior to cancellation thereof, the Corporation shall give written notice (the "**Cancellation Notice**") to the individual whose life is insured thirty (30) days prior to the date of the intended cancellation (the "**Cancellation Date**"). At any time following the date of the Cancellation Notice but prior to the Cancellation Date, that individual, as the case may be, may elect by written notice (the "**Election Notice**") to the Corporation to have the said Policy (or policies) transferred to himself or herself, as the case may be, (or to any other Person) and upon receipt of the Election Notice and in that event, the Corporation shall transfer and assign the Policy for its respective cash surrender value, to the individual whose life is insured, as the case may be, or such other Person as the said individual may stipulate.

13.9. **Assignment to Trustee:** Upon the demand of any one or more of the Shareholders, the Corporation shall assign its interest in the Insurance to a bare trustee acceptable to the Shareholders who shall hold the policies and receive all the Insurance Proceeds (as defined herein) on behalf of the Corporation and upon the terms and conditions provided herein. Neither the Corporation nor any such trustee shall otherwise hypothecate, charge, encumber, assign or dispose of its interest in the Insurance or any part thereof, change the beneficiary thereunder or borrow on the security of that interest, subject always to the terms and conditions of this Agreement. The assignment of the Corporation's interest in the Insurance as by this Article 13 shall not relieve the Corporation of its obligations hereunder. In the event that the Corporation does not assign the policies and insurance proceeds, the Corporation agrees that it shall receive the Insurance Proceeds in trust for the purposes set out in this Article 13.

13.10. **Payment of Premiums:** The Corporation shall promptly pay all premiums for the Insurance when those premiums are due and shall provide the Shareholders with evidence of such payments and copies of the Insurance policies.

13.11. **<u>Termination of Obligation</u>:** The provisions of this Article 13 shall continue in force and effect until the occurrence of any of the following events:

13.11.1. The bankruptcy, receivership, winding-up or dissolution of the Corporation;

13.11.2. The execution of an agreement to terminate the provisions of this Article by the Shareholders;

13.11.3. The ownership of all of the Shares of the Corporation by one Shareholder;

13.11.4. The other provisions of this Agreement requiring the purchase and sale of Shares and Shareholder Advances between the Shareholders or between a Shareholder and the Corporation shall be terminated upon the death of a Principal Shareholder or Individual Shareholder, as the case may be, and the provisions of this Article 13 shall apply.

13.12. **<u>Effect of Termination</u>:** Upon the termination of this Article 13, any policies constituting the Insurance which will not then have been paid or be payable by reason of the death of all of the Principals of a Corporate Shareholder or an Individual Shareholder, as the case may be, having taken place may, at the option of the surviving Shareholders, be transferred and assigned for their respective cash surrender values (if any) to the Individual Shareholder or Principal on whose life such policy or policies had been placed. This Section 13.12 shall survive the termination of this Article 13 and shall accordingly fully obligate the Parties following termination.

13.13. **<u>Use of Insurance Proceeds</u>:** The Corporation and Shareholders agree to use the insurance proceeds ("**Insurance Proceeds**") received on the death of all of the Principals of a Corporate Shareholder or Individual Shareholder , as the case may be, for no other purpose other than as required or allowed under the terms of this Agreement.

13.14. **<u>Payment of Insurance Proceeds</u>:**

13.14.1. Subject to the terms of this Agreement and upon the earlier of ten (10) Business Days after receipt of the Insurance Proceeds payable as a result of the death of all of the Principals of a Corporate Shareholder or Individual Shareholder, as the case may be, or at the Closing Date (whichever is the sooner) the Disposing Shareholder shall transfer the Shares owned by the Disposing Shareholder (the "**Seller**"), to the Corporation and the Corporation shall repurchase or redeem that number of Shares which are equivalent in value to the balance in the Corporation's capital dividend account following receipt of the Insurance Proceeds, not exceeding the Purchase Price. At the same time, the Corporation shall make the election referred to in 13.19 hereof in respect of the purchase of the above Shares.

13.14.2. If the payment described in Section 13.14.1 above is less than the price to be paid for all of the Shares of the Seller, the Corporation will repurchase or redeem the balance of such Shares for the Purchase Price payable in accordance with the provisions of 13.18 hereof.

13.15. **Purchase Price:** The amount payable by the Corporation to purchase the Shares (the "Purchase Price"), shall be determined as at the date immediately before the death of the deceased Principal pursuant to Schedule "B" hereof.

13.16. **<u>Adjustments</u>:** Further, the Corporation shall, in accordance with Section 13.18 pay and discharge all debts owing by the Corporation to the Disposing Shareholder, including salaries earned, bonuses declared and unpaid, dividends declared and unpaid, Shareholder Advances and interest, if any, thereon owing to the Disposing Shareholder and/or deceased Principal by the Corporation at the date of death, the aggregate amount of which, together with the Purchase Price, is herein alternatively called, "**the Deceased's Total Investment**" or "**Ownership Interest"**.

13.17. **No Insurance:** Notwithstanding the foregoing, if the Insurance stipulated under this Agreement has not been obtained or is not payable for any reason attributable to the Deceased Shareholder, then the Corporation shall not be required to make the election referred to in Section 13.19 hereof.

13.18. **Payment:** The Deceased's Total Investment shall be payable by the Corporation to the Disposing Shareholder as follows:

13.18.1. Upon payment of the Insurance Proceeds payable to it as a result of the deceased Principal's death, the Corporation shall pay to the Disposing Shareholder in payment or part payment, as the case may be, pursuant to Sections 13.14 and 13.15, so much of the Insurance Proceeds as does not exceed the Deceased's Total Investment. Such proceeds shall be paid first in respect of the Purchase Price of the Shares and only after that amount is fully paid shall they be applied to the balance of the Deceased's Total Investment.

13.18.2. If no Insurance Proceeds have been received by the Corporation on that date which is six (6) months after the date of death of the deceased Principal, the Corporation shall pay to the Seller the Deceased's Total Investment pursuant to Schedule "A".

13.18.3. Any unpaid balance of the Deceased's Total Investment, after payments under Section 13.14.1, shall be paid by the Corporation in annual installments as provided for in Schedule "A". The Corporation shall have the right to prepay any part or all of the balance at any time without notice or bonus. Upon the default in payment of any installment of principal or interest where default has continued for twenty days, the entire balance then due and owing shall, at the option of the Seller, immediately become due and payable in full.

13.19. **Election by Corporation:** If the purchase occurs pursuant to this Article 13 and provided the Corporation receives the Insurance Proceeds, the Corporation shall elect in the prescribed form and manner prior to the first anniversary date of the deceased Principal's death and contemporaneously with the purchase of the Disposing Shareholder's Shares, that the dividend deemed to be created on the redemption or repurchase of the Disposing Shareholders Shares by virtue of Section 13.2 hereof and Section 84(3) of the ITA as amended, or any similar provision enacted in substitution therefore, shall be payable out of the Corporation's capital dividend account as defined in the ITA and in any relevant provincial law.

Article 14
NON-COMPETITION COVENANT

14.1. The parties acknowledge that Corp 1 and the Corporation are subject to certain non-competition and non-solicitation obligations contained in the HAES APA, and accordingly the provisions of this Article 14 shall not apply to Corp 1 and the only non-competition and non-solicitation obligations of Corp 1 shall be those contained in the HAES APA.

14.2. Each Shareholder and each Principal shall not, while it or any member of its Immediate Family is a shareholder of the Corporation, directly or indirectly, either individually or in partnership or in conjunction in any way with any Person or Persons, whether as principal, agent, consultant, shareholder, guarantor, creditor or in any other manner whatsoever:

14.2.1. solicit, interfere with or endeavour to entice away from the Corporation, or accept any business from or the patronage of or render any service to, sell to or contract or attempt to contract with any Person who was a client, customer or supplier of the Corporation, or a prospective client, customer or supplier of the Corporation (to the extent but only to the extent that such business, patronage, service, or contract is substantially similar to and competitive with the business of the Corporation or any additional businesses from time to time carried on by the Corporation (collectively, a "**Competitive Business**"));

14.2.2. offer employment to or endeavour to entice away from the Corporation, any individual employed (or retained as a consultant) by the Corporation or its Subsidiaries or Affiliates at the date of such Shareholder ceasing to be a shareholder of the Corporation, or who was so employed or retained at any time during the previous one (1) year period or interfere in any way with the relationship between any such employee (or consultant) and the Corporation, its Affiliates or Subsidiaries; or

14.2.3. engage in anywhere in the Province of Alberta, carry on or otherwise be concerned with or have any interest in, or advise, lend money to, guarantee the debts or obligations of, permit his name, or any part thereof, to be used or employed by any person, firm, association, syndicate or corporation engaged in or concerned with or having any interest in a business (in any form) which is a Competitive Business.

The Shareholders and Principals have or will have specific knowledge of the affairs of the Corporation and its business. Therefore, the Shareholders and Principals hereby acknowledge and agree that all covenants, provisions and restrictions contained in this Section 14.2 are reasonable and valid in the circumstances of this agreement, and all defences to the strict enforcement thereof by the Corporation (in respect of which the Corporation is contracting herein as agent) are hereby waived.

14.3. The Shareholders and Principals acknowledge that in the course of being, or being associated with, a Shareholder, the Shareholders and Principals will have access to and will be entrusted with Confidential Information.

14.4. The Shareholders and Principals acknowledge and agree that the Confidential Information is the exclusive property of the Corporation. Except as may be required by applicable laws, and except as permitted hereunder, each Shareholder and Principal covenants and agrees that it will not disclose (directly or indirectly) at any time any of the Confidential Information to any person, other than to its directors, officers, employees, agents or professional advisors that have a need to know such information, nor shall the Shareholder or Principal use or exploit (directly or indirectly), such information for any purpose other than for the benefit of the Corporation, nor will it disclose for any purpose other than for the benefit of the Corporation the private affairs of the Corporation or any other information which it may acquire during its tenure as a Shareholder or Principal with respect to the business and affairs of the Corporation.

14.5. Notwithstanding the foregoing, a Shareholder or Principal shall be entitled to disclose such Confidential Information if such disclosure is required pursuant to applicable laws or pursuant to a subpoena, order, recommendation or direction issued by a court, arbitrator or any Governmental Authority, provided that the Shareholder or Principal shall first have:

14.5.1. properly notified the Corporation;

14.5.2. consulted with the Corporation, at the Corporation's sole expense, on the advisability of taking steps to resist such requirements; and

14.5.3. if the disclosure is required or deemed advisable, co-operated with the Corporation, at the Corporation's sole expense, in an attempt to obtain an order or other assurance that such information will be accorded confidential treatment.

14.6. Nothing in this Article 14 shall be construed as limiting or impairing in any way any of the rights of the Corporation, its Affiliates and Subsidiaries whether at law, in equity or otherwise against the Shareholder or Principal with respect to the disclosure, use or exploitation in any manner whatsoever to any person or for any purpose, as the case may be, of any of the Confidential Information.

14.7. The covenants in this Article 14 are given by the Shareholders and each Principal acknowledging that the Corporation carries on, or will carry on, business initially throughout Alberta, that it or he will have significant responsibilities in connection with such corporations and their respective businesses and affairs, and that it or he either has or will have specific knowledge of the private affairs and business of the Corporation. Therefore, the parties hereby agree that all restrictions contained in this Article 14 are reasonable, necessary and fundamental to the protection of the Corporation and its business and that a breach by a Shareholder or Principal would result in immediate and irreparable damages to the Corporation that could not adequately be compensated for by monetary award. Accordingly, it is expressly agreed by each Shareholder and its respective Principal, that, in addition to all other remedies available to it, the Corporation shall be entitled to the immediate remedy of an interim, interlocutory and permanent injunction as well as an accounting of all profits arising out of any breach by the Shareholder or the Principal or nominees thereof.

14.8. The provisions of this Article 14 shall survive the termination of this agreement.

Article 15
SALE PROVISIONS

15.1. **Applicability:** In the event of a purchase or sale of Shares provided for in this Agreement, the provisions of this Article 15 shall apply unless specifically stipulated to the contrary, but shall only apply to the extent not inconsistent with any other provision of this Agreement.

15.2. **Terminology:** In this Article 15, the Person or Persons selling Shares shall be referred to as the "**Seller**"; the Person or Persons purchasing Shares shall be referred to as the "**Purchaser**"; the closing of the transaction of purchase and sale shall be referred to as "**Closing**", which shall occur on the date determined elsewhere in this Agreement or any earlier or later date agreed to by the Purchaser and the Seller for such Closing; the "**Purchased Shares**" shall mean the Shares that are to be Transferred by the Seller to the Purchaser on Closing; the amount payable for the Purchased Shares shall be referred to as the "**Purchase Price**"; and the transaction of purchase and sale between the Purchaser and the Seller in respect of the Purchased Shares shall be referred to as the "**Transaction**".

15.3. **General Sale Provisions:** Subject to Section 15.1, the following provisions shall apply to each Transaction:

15.3.1. any Director Nominees which the Seller may have appointed shall forthwith resign from the Board without any additional compensation, and in circumstances where no one else shall be entitled to become a Director to replace any Director who so resigns, the Shareholders agree to vote their Shares to reduce the number of Directors of the Corporation accordingly.

15.3.2. the full amount of the Purchase Price shall be payable on Closing by certified cheque or by bank draft, provided that if the terms of sale and purchase specifically contemplate that a portion of the Purchase Price shall be payable after Closing:

(a) the Purchaser shall also deliver to the Seller on Closing a demand promissory note (bearing variable rate interest at the Prime Rate from time to time) for such portion of the Purchase Price payable after Closing together with any security or guarantee for the payment of same as may be requested by the Seller, acting reasonably; and

(b) the Seller and the Purchaser shall also enter into the Escrow Agreement on Closing.

15.3.3. Upon receipt of the Purchase Price (or portion thereof) payable on Closing, and any demand promissory note for any portion of the Purchase Price payable after Closing together with any security or guarantee for the payment of same as may be required or requested:

(a) the Seller shall, if the full amount of the Purchase Price has been paid on Closing, transfer the Purchased Shares to the Purchaser on Closing, and deliver the required share certificates duly endorsed for transfer;

(b) the Seller shall, if only a portion of the Purchase Price has been paid on Closing, transfer a portion of the Purchased Shares to the Purchaser on Closing corresponding with the portion of the Purchase Price so paid on Closing, and deposit in escrow in accordance with the Escrow Agreement the balance of the Purchased Shares, together, in both cases, with the required share certificates duly endorsed for transfer.

15.3.4. The Seller shall do all things required to deliver good and marketable title to the Purchased Shares to the Purchaser free and clear of all registered liens and registered security interests whatsoever.

15.3.5. If the Seller is indebted to the Corporation at Closing in an amount verified by the Accountants, the Purchaser shall be entitled to pay all or any portion of such indebtedness and to take credit against the Purchase Price for the amount so paid.

15.3.6. If the Corporation is indebted to the Seller at Closing in an amount verified by the Accountants, unless otherwise provided for herein, the Purchaser shall purchase such indebtedness from the Seller at its face amount as shown in the Corporation's books of account and shall pay the purchase price in accordance with the same terms that apply to the purchase of the Shares.

15.3.7. If the Seller has executed a Guarantee Agreement respecting any liabilities of the Corporation, then the Purchaser shall use his or her best efforts to deliver a release of such guarantees to the Seller on Closing, provided that if the delivery of or cancellation of any such Guarantee Agreement is not obtained, the Purchaser shall deliver to the Seller an indemnity in writing, in form reasonably satisfactory to counsel for the Seller, indemnifying the Seller against any and all claims, demands, costs, expenses and costs paid, suffered or incurred by him or her with respect to the said Guarantee Agreement, and provided further if the Purchaser is the Corporation, then the other Shareholder and the Principals thereof shall also provide the said indemnity to the Seller.

15.3.8. If the Purchaser is the Corporation, then the other Shareholder and the Principals thereof shall also provide a guarantee to the Seller of any portion of the Purchase Price payable after Closing, and shall also provide to the Seller any security for the payment of such guarantee as may be required or requested by the Seller, acting reasonably.

15.4. **Failure to Close:** If the Seller should fail to complete the Transaction on Closing, other than in any circumstance where the Purchaser has failed to observe and perform all of the Purchaser's obligations and covenants in respect of the Transaction, the Purchaser (or the secretary if the Purchaser is a corporation) shall have the right, without prejudice to any other rights which the Purchaser may have, (a) upon payment by the Purchaser of the full amount of the Purchase Price to the credit of the Seller in any chartered bank in either the City of Red Deer, Alberta or the Town of Vermilion, Alberta, or to the solicitors for the Corporation on behalf of and in the name of the Seller, (b) upon notifying the Seller that payment has been made as aforesaid together with all pertinent contact details, and (c) upon complying with all other obligations and covenants of the Purchaser in respect of the Transaction, and (d) upon complying with the applicable provisions of this Agreement, to complete the Transaction and to obtain the delivery of all share certificates to which the Purchaser is then entitled. Subject to the foregoing, the Seller hereby irrevocably constitutes the Purchaser (or the secretary of the Purchaser is the Purchaser is a corporation) the true and lawful attorney of the Seller to complete the Transaction and to execute any and every document necessary in that behalf, and confirms that the said power of attorney may be exercised during any subsequent legal incapacity of the Seller.

15.5. **Prohibited Actions Pending Completion of Closing:** No Shareholder shall vote his or her Shares or any of them without the prior written consent of any Seller who has not been paid in full hereunder or who is still a creditor of the Corporation, which consent shall not be unreasonably withheld, in favour of a resolution:

15.5.1. to amend or alter in any way the Articles or memorandum of the Corporation;

15.5.2. to declare or pay any dividends other than as have in the past been regularly paid and provided that all dividends received by a Purchaser who is in default hereunder shall be received by the defaulting Purchaser in trust for the Seller and paid over to the Seller forthwith and such payment shall be applied first to pay any interest due hereunder and the balance to reduce the principal;

15.5.3. to make any other distribution of the Corporation's capital or surplus or to pay any salary, bonus or other remuneration in excess of amounts that have in the past been regularly paid;

15.5.4. to wind-up or liquidate the Corporation;

15.5.5. to alter the capital structure of the Corporation in any manner; or

15.5.6. to sell any assets of the Corporation except in the ordinary course of the business of the Corporation.

15.6. **Escrow Terms Pending Full Payment:** So long as any portion of the Purchase Price owing for any Shares determined and payable pursuant to this Agreement shall remain unpaid in whole or in part, the Seller and the Purchaser or Purchasers of such Shares shall enter into the Escrow Agreement in respect thereof.

15.7. **Representations and Warranties:** Except where this Agreement provides to the contrary, in the event of any Transfer of Purchased Shares from a Seller to a Purchaser, the Shareholders hereby covenant and agree that such Purchaser shall be entitled receive the following representations and warranties from such Seller on Closing, subject to any disclosure to the contrary that may be required in order to make such representations and warranties correct and not misleading at the time they are made, which representations and warranties shall survive the completion of the Transaction, for the benefit of the Purchaser only, for a period of eighteen (18) months following the Closing:

15.7.1. other than in respect of the Transaction, there is no written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement or option in favour of any person or corporation for the purchase of any of the Purchased Shares;

15.7.2. the Seller is resident in Canada within the meaning of the ITA;

15.7.3. the Seller is not aware of any lien, charge, encumbrance or security interest upon any of the Purchased Shares;

15.7.4. to the knowledge of the Seller, there are no actions, suits, judgments, investigations, proceedings or claims outstanding or pending or threatened against or affecting the Purchased Shares; and

15.7.5. the Seller is the legal and beneficial holder of the Purchased Shares, which are validly issued and outstanding as fully paid and non-assessable.

15.8. **Proportionate Share:** Where more than one Shareholder is entitled but not obligated to purchase the Ownership Interest thereof of one or more other Shareholders, the right to acquire the Ownership Interest or part thereof, as the case may be, may be exercised by any or all of the Shareholders so entitled according to their respective Proportionate Shares or as they may otherwise in writing agree upon. If less than all of the Shareholders so entitled shall elect to acquire such Ownership Interest or part thereof, the right to acquire such Ownership Interest or part thereof shall be apportioned among the Shareholders as so elect in accordance with their respective Proportionate Shares, or as they may otherwise in writing agree upon.

15.9. **Non-Competition and Non-Solicitation:** In the event of a purchase and sale of Shares pursuant to Article 9, Article 10, Article 11, Article 12 or Article 13, the Seller, unless such seller is Corp 1, and the Principals thereof shall be deemed to have granted to the Purchaser the covenants set forth in Schedule "F" attached hereto. For the avoidance of doubt, Corp 1 shall not be subject to the covenants set forth in Schedule "F".

Article 16
GENERAL

16.1. **Duration of Agreement:** Except with respect to provisions of this Agreement which expressly continue in force after termination, this Agreement shall continue in full force and effect until terminated by unanimous agreement of the Shareholders or until one Shareholder owns all of the Shares of the Corporation.

16.2. **Endorsement on Share Certificates:** Any and all certificates representing Shares of the Corporation now or hereafter owned by the Shareholders or the Corporation as the case may be, during the currency of this Agreement (whether such Shares are issued initially or with respect to transfer or otherwise) shall have endorsed thereon in bold type the following legend:

> "*THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO THE PROVISIONS OF A UNANIMOUS SHAREHOLDERS AGREEMENT DATED WITH EFFECT THE **[27TH]** DAY OF **[JULY]**, 2022, BETWEEN THE CORPORATION, AND EACH OF THE SHAREHOLDERS OF THE CORPORATION, AND SUCH SHARES ARE NOT TRANSFERABLE ON THE BOOKS OF THE CORPORATION EXCEPT IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF SUCH AGREEMENT.*"

16.3. **Appointment of Agent:** Each Shareholder hereby appoints the Secretary as agent and attorney for the Parties hereto for the purpose of effecting any Transfer of Shares made in accordance with the terms hereof.

16.4. **Time:** Time shall be of the essence of this Agreement.

16.5. **Non-Waiver:** No provision of this Agreement shall be deemed to be waived unless such waiver is in writing. Any waiver of any default committed by any of the Parties hereto in the observance of the performance of any part of this Agreement shall not extend to or be taken in any manner to affect any other default.

16.6. **Notices:** Any notice or other communication required or permitted to be given by any Party hereto to any other Party shall be in writing and shall be delivered personally, by prepaid courier or by prepaid registered mail addressed to the Party to which it is to be given as follows:

16.6.1. **If to the Corporation:** At its registered office as filed with the Registrar of Corporations for Alberta;

16.6.2. **If to a Corporate Shareholder:** At its registered office as filed with the Registrar of Corporations for Alberta, with a copy to each Principal of the Corporate Shareholder (which copy shall be delivered in accordance with this Section 16.6);

16.6.3. **If to a Principal or Individual:** At the residence address of the Principal or Individual or at the address of such Principal or Individual last appearing on the records of the Corporation,

or to such other address as any Party may from time to time notify the other Parties hereto in accordance with this Section 16.6.

Any notice shall be deemed to have been duly given (i) if personally delivered, on the date of actual delivery thereof, (ii) if sent by courier, on the expiration of seven (7) Business Days after being delivered to the courier, (iii) if sent by mail, at the expiration of seven (7) Business Days after a prepaid envelope containing the same has been placed in the registered mail and in the event of interruption of postal service, at the expiration of seven (7) Business Days following the resumption of such service.

16.7. **Enurement:** This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective heirs, successors, administrators and permitted assigns.

16.8. **Appointment of Accountants:** The Accountants for the Corporation shall be approved at each Annual General Meeting of the Corporation following their determination by Binding Shareholder Direction.

16.9. **Cessation of Interest:** From and after the date on which a Shareholder shall cease to be a Shareholder in the Corporation, all rights and liabilities of the Shareholder as a Shareholder of the Corporation shall be at an end, except as expressly provided in this Agreement.

16.10. **Jurisdiction:** This Agreement shall be construed and enforced in accordance with, and the rights of the Parties shall be governed exclusively by, the laws of the Province of Alberta.

16.11. **Resolution of Disputes:**

16.11.1. The Parties to a Dispute shall negotiate in good faith and attempt to resolve that Dispute within sixty (60) days after the date that a Party gives notice of that Dispute to any other Party. Subject to Section 16.11.3 below, if the Parties to that Dispute are unable to reach agreement within such sixty (60) day period (or such longer period as they may agree) then any Party to that Dispute may request the utilization of the services of a professional mediator who is unaffiliated with any Party and is knowledgeable in the field of the Dispute, and the other Party or Parties to the Dispute shall cooperate with such request and share the reasonable costs of such mediator. Such mediation shall be concluded within sixty (60) days of such mediator's selection. Without limiting any of the rights of the Parties, the mediation procedures herein must be exhausted by a Party prior to the pursuit of binding arbitration as specified below. All negotiations pursuant to any such mediation shall be considered confidential settlement discussions, and no Party may offer into evidence, mention or otherwise use statements made in connection with such negotiations in any subsequent alternative dispute resolution or litigation proceeding.

16.11.2. Subject to the Section 16.11.3 below, any Dispute that is not settled to the mutual satisfaction of the Parties to that Dispute pursuant to direct negotiation or professional mediation services as specified above shall be settled by binding arbitration conducted in Red Deer, Alberta (or such other location as may be agreed to by the Parties to that Dispute and in accordance with the rules adopted by the Arbitration and Mediation Society of Alberta in effect on the date that a Party gives notice of its demand for arbitration under this Section. The submitting Party shall submit such Dispute to arbitration by providing a written demand for arbitration to each other Party to the Dispute, and the Parties to the Dispute shall thereafter select a single neutral arbitrator with significant contract resolution experience. If the Parties to the Dispute cannot agree on a single neutral arbitrator within fifteen (15) Business Days after the written demand for arbitration is provided, then the arbitrator shall be selected pursuant to the National Arbitration Rules of the ADR Institute of Canada, Inc. The decisions of the arbitrator shall be final and binding upon the Parties in all respects, and shall be the sole and exclusive remedy between the Parties regarding any Dispute submitted to arbitration pursuant to this Section. Judgment upon any award may be entered and enforced in any court having jurisdiction over a Party or any of its assets. Each Party shall each bear the cost of preparing and presenting its own case. The cost of the arbitration, including the fees and expenses of the arbitrator, shall be sole responsibility of the losing Party. The arbitrator shall be instructed to establish procedures such that a decision can be rendered within sixty (60) calendar days of the appointment of the arbitrator. All limitations of damages herein shall be binding upon the arbitrator. This Agreement and the rights and obligations of the Parties shall remain in full force and effect pending the award in any arbitration proceeding hereunder. The arbitration conducted pursuant hereto shall be confidential. A Party shall not disclose or permit the disclosure of any information about the evidence adduced or the documents produced by the other Parties in the arbitration proceedings or about the existence, contents or results of the proceeding except as may be required by (a) law, rule, applicable regulation, interrogatories, subpoenas, civil investigative demands or other similar legal process, stock exchange rules or disclosure requirement of a governmental authority, including any securities regulator, or (b) as required in an action in aid of arbitration or for enforcement of an arbitral award.

16.11.3. The obligation to mediate or arbitrate specified above shall not be binding upon any Party with respect to (a) requests for preliminary injunctions, temporary restraining orders, specific performance or other procedures in a court of competent jurisdiction to obtain interim relief when deemed necessary by such court to preserve the status quo or prevent irreparable injury pending resolution by arbitration or other means, or (b) actions to collect payments not subject to a bona fide Dispute, or (c) any matter that is referable to the Accountants, a Valuator or any other firm of accountants or valuators pursuant to any other provision or any Schedule of this Agreement.

16.12. **Alterations to Agreement:** No alteration or amendment to this Agreement shall take effect unless it is in writing and duly signed by all Parties, provided that it shall not be necessary to obtain the signature (in order to make such alterations or amendments effective) of any Party who is no longer Shareholder at the time the alteration or amendment purports to be effective, and no alteration or amendment shall apply retroactively.

16.13. **Indemnification of Shareholders and Directors:** The Corporation shall, to the fullest extent permitted by applicable law and the Act, defend, indemnify and save harmless each Shareholder and each Director against, and reimburse each Shareholder and Director for, any and all liabilities, costs, claims, losses or expenses which such Shareholder or Director may incur, suffer or become subject to by reason of any act performed or omitted to be performed by the Corporation, excluding any liabilities, costs, claims, losses or expenses which such Shareholder or such Director may incur, suffer or become subject to by reason of its or his own fraud, wilful misconduct or negligence.

16.14. **Severability:** Should any part of this Agreement be declared or held to be invalid for any reason, the invalidity shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect and be construed as if this Agreement had been executed without the invalid portion and it is hereby declared the intention of the parties that this Agreement would have been executed without reference to any portion that may, for any reason, be hereafter declared or held invalid.

16.15. **Independent Legal Advice:** Each of the Parties acknowledges that it has received, or waived the opportunity to receive, independent legal, tax and other professional advice in connection with this Agreement.

16.16. **Execution:** This Agreement may be executed in several counterparts, each of which shall be an original, but all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or other means of electronic communication shall be effective as delivery of a manually executed counterpart of this Agreement. Counterpart signature pages may be attached to a copy of this Agreement to form a single document containing all of the signatures of the Parties.

[***remainder of page left blank intentionally - signature page follows***]

IN WITNESS WHEREOF, each of the Parties hereto has duly executed this Unanimous Shareholders Agreement with effect as of the Effective Date.

CORPORATION:

TEAM SNUBBING SERVICES INC.

Per: *"/s/ TEAM SNUBBING SERVICES INC."*

Per: ______________________________

SHAREHOLDERS:

HAES SD HOLDING CORP.

Per: *"/s/ HAES SD HOLDING CORP."*

Per: ______________________________

______________________________ Witness	______________________________ **[REDACTED – SHAREHOLDER PERSONAL INFORMATION]**
______________________________ Witness	______________________________ **[REDACTED – SHAREHOLDER PERSONAL INFORMATION]**
______________________________ Witness	______________________________ **[REDACTED – SHAREHOLDER PERSONAL INFORMATION]**
______________________________ Witness	______________________________ **[REDACTED – SHAREHOLDER PERSONAL INFORMATION]**
______________________________ Witness	______________________________ **[REDACTED – SHAREHOLDER PERSONAL INFORMATION]**

GUARANTOR:

HIGH ARCTIC ENERGY SERVICES INC.

Per: *"/s/ HIGH ARCTIC SERVICES INC."*

Per: ______________________________

SIGNATURE PAGE TO UNANIMOUS SHAREHOLDER AGREEMENT

SCHEDULE "A"
SHAREHOLDER PAYMENT TERMS

The terms of this Schedule "A" apply only where this Agreement expressly stipulates that the Shareholder Payment Terms shall apply, and this Schedule shall then apply if and only to the extent not inconsistent with any other provision of this Agreement.

Subject to the foregoing, in the event of the acquisition of any Ownership Interest by the Corporation from a Shareholder pursuant to the terms of this Agreement, the Shareholder Payment Terms for the payment of the purchase price for such Ownership Interest (the "**Purchase Price**") shall be as follows:

1. If there are insurance proceeds payable to the Corporation in respect of any event or circumstance that has given rise to, or that is associated with, the acquisition of the Ownership Interest by the Corporation, those insurance proceeds shall be used by the Corporation, to the fullest extent possible, to pay the Purchase Price to the Shareholder on the applicable Closing Date.

2. The balance of the principal portion of the Purchase Price (less any insurance proceeds where applicable) shall be payable to the Shareholder as follows:

   (a) an amount equal to twenty-five (25%) percent of the unpaid Purchase Price shall be paid on the Closing Date;

   (b) the balance of the unpaid Purchase Price shall be paid to the Shareholder in three (3) equal annual installments, each of which shall be payable on the sixtieth (60^{th}) day following the fiscal year end of the Corporation, commencing on the sixtieth (60^{th}) day following the fiscal year end of the Corporation in which the acquisition of the Ownership Interest has occurred;

   (c) the payment of any portion of the Purchase Price attributable to outstanding Preferred Shares shall be by way of an annual pro-rata redemption of those Preferred Shares over a three (3) year period, based on the redemption value of the applicable Preferred Shares, which shall occur contemporaneously with each of the three (3) equal annual installments referred to above; and

   (d) if the Corporation is indebted to the Shareholder (or Affiliate) for Shareholder Advances, the payment of the Purchase Price attributable to the outstanding Shareholder Advances shall be by way of an annual pro-rata payment over a three (3) year period, which shall occur contemporaneously with each of the three (3) equal annual installments referred to above.

3. The unpaid portion of the Purchase Price not paid on the Closing Date shall bear interest at the Prime Rate calculated monthly, not in advance. Such interest shall be payable to the Shareholder monthly, commencing on the last day of the month in which the Closing Date has occurred, and thereafter on the last day of each and every month thereafter until the Purchase Price shall be paid in full.

4. Notwithstanding any of the other provisions of this Schedule "A", the Corporation shall have the option to pre-pay all or any portion of the Purchase Price for such Ownership Interest at any time without notice, bonus or penalty.

SCHEDULE "B"
VALUATION CALCULATION

The terms of this Schedule "B" apply only where this Agreement expressly stipulates that the Valuation Calculation shall apply, and this Schedule shall then apply if and only to the extent not inconsistent with any other provision of this Agreement.

Subject to the foregoing, in the event of the acquisition of any Ownership Interest by the Corporation from a Shareholder pursuant to the terms of this Agreement, the Valuation Calculation to determine the purchase price for such Ownership Interest (the "**Purchase Price**") shall be as follows:

1. For the purposes of this Schedule "B":

   (a) "**Relevant Time**" means, with respect to a Valuation Calculation, the time or date stipulated in this Schedule, or in any other provision of this Agreement, that such Valuation Calculation is to be applied, determined as of, or made effective;

   (b) "**Valuator**" means the qualified business valuator that the Corporation and the Shareholder may agree upon within thirty (30) days of the occurrence of the event that gives rise to the need for a valuation, provided that in the event that the Corporation and the Shareholder have not or cannot mutually agree on a valuator, then each of the Corporation and the Shareholder shall appoint one (1) valuator, and the Purchaser Price for the Ownership Interest shall be the average of the two resulting valuations.

2. The Purchase Price for the Ownership Interest shall be determined as of the Relevant Time, and shall be the aggregate of:

   (a) the net aggregate amount of Shareholder Advances and other amounts owed to that Shareholder as of the Relevant Time, determined by subtracting all amounts owed by that Shareholder to the Corporation and each Subsidiary at the Relevant Time from all Shareholder Advances and other amounts owed by the Corporation and each Subsidiary to that Shareholder at the Relevant Time;

   (b) the redemption value of all the Preferred Shares held by the Shareholder as of the Relevant Time;

   (c) the amount attributable to the value of all the Common Shares held by the Shareholder at the Relevant Time, as determined by the Valuator utilizing a method of valuation that would usually be utilized as if all of the Shareholders were selling all of the issued Shares to an arm's length third party purchaser; and

   (d) any declared and unpaid dividends on the Common Shares and the Preferred Shares as of the Relevant Time.

3. The Purchase Price for the Ownership Interest shall take into account all dividends that the Corporation may declare following the Relevant Time but prior to the acquisition of that Ownership Interest by the Corporation.

4. The value of Common Shares at the Relevant Time shall be subject to the following assumptions and qualifications, namely:

   (a) such value shall be determined as if all outstanding Shares were owned by one Person and without any allowance or adjustment for any control premium or minority discount;

(b) such value shall be determined without regard to the value, benefits or proceeds of any policy of life insurance on any individual who is alive, or has died before or after, the Relevant Time;

(c) if in the professional opinion of the Valuator it is appropriate in the circumstances to do so, the Valuator may use more than one method of valuation and then average the amounts determined using each methods of valuation; and

(d) where an amount at the Relevant Time is to be determined in accordance with ASPE, such amount shall be determined on a consolidated basis where applicable, and shall be determined using those accounting principles and practices which shall have been used by the Corporation in the twelve (12) months immediately preceding the Relevant Time, provided that any such accounting principles and practices may be changed if and to the extent that such change is reasonably required by ASPE, and it is reasonable to do so in the circumstances in the professional opinion of the Valuator.

SCHEDULE "C"
ACKNOWLEDGEMENT AND CONSENT

The undersigned hereby acknowledges having received a copy of the Unanimous Shareholders Agreement attached hereto (the "**Unanimous Shareholders Agreement**"), and having obtained such advice from the undersigned's professional advisors as the undersigned shall have required, and consents to and agrees to be bound by all of the terms of the Unanimous Shareholders Agreement including, without limitation, all of the obligations of the undersigned as a Shareholder or Principal.

DATED at _________________, Alberta, this _______ day of _________________, ________.

____

Per: ________________________________

Per: ________________________________

____________________________________ ____________________________________
Witness Name:

SCHEDULE "D"
ESCROW AGREEMENT

TO THAT SHAREHOLDERS AGREEMENT BETWEEN [●] AND [●] (THE "**CORPORATION**") DATED FOR REFERENCE THE ____ DAY OF _______________________, ________.

BETWEEN:

____
(hereinafter called the "**Vendor**")

OF THE FIRST PART

- and -

____
(hereinafter called the "**Purchaser**")

OF THE SECOND PART

- and -

____
(hereinafter called the "**Escrow Holder**")

OF THE THIRD PART

WHEREAS:

A. By an agreement dated for reference the ________ day of ______________________, 20____ (the "**Shareholders' Agreement**") between, inter alia, the Vendor and the Purchaser, it was agreed that in the event of a sale and purchase of shares in the capital of _______________ (the "**Corporation**") that any unpaid portion of the purchase price for such shares (the "**Unpaid Purchase Price**") would be secured by the execution and delivery of an escrow agreement.

B. The Vendor is selling and the Purchaser is buying shares in the capital of the Corporation and is depositing with the Escrow Holder the Escrow Documents (as hereinafter defined), for release in accordance with this agreement, to secure the payment of the Unpaid Purchase Price.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT for and in consideration of the premises and the covenants and agreements herein contained, the parties declare and agree as follows:

1. The Purchaser has delivered to the Escrow Holder a sealed envelope, and the Escrow Holder acknowledges receipt thereof, containing the following documents (which, together with any other documents delivered from time to time to the Escrow Holder, are collectively the "**Escrow Documents**"), which shall be held by the Escrow Holder in escrow subject to the terms and conditions of this Agreement:

    1.1 share certificate(s) no. ___ in the name of the Purchaser (collectively, the "E**scrow Shares**"), which are equivalent in value to the shares in the capital of the Corporation for which there remains Unpaid Purchase Price, all which shall have been duly endorsed in blank for transfer;

    1.2 a certified copy of a resolution of the directors of the Corporation which unconditionally and irrevocably consents to and approves the transfer of the Escrow Shares, currently or in the future;

    1.3 a copy of the Shareholders' Agreement;

1.4 a statement of the Unpaid Purchase Price and the terms of payment thereof; and

1.5 an executed copy of the agreement of any purchase and sale (hereinafter called the "**Share Purchase Agreement**") between the Vendor and the Purchaser in respect of the shares in the capital of the Corporation.

2. The Escrow Holder shall hold the Escrow Documents in escrow and undelivered, and, unless then prohibited by an order of a court of competent jurisdiction, shall release and deliver the Escrow Documents:

2.1 to the Purchaser, thirty (30) days after receipt by the Escrow Holder of a statutory declaration sworn by the Purchaser (or an authorized signatory of the Purchaser, if applicable) stating that the Unpaid Purchase Price has been paid in full and that all other obligations of the Purchaser pursuant to this agreement, the Shareholders' Agreement and the Share Purchase Agreement (collectively, the "**Agreements**") have been performed and completed in full (together with a certificate of incumbency of the authorized signatory of the Purchaser executed under seal by the secretary of the Purchaser, if applicable); OR

2.2 to the Vendor, thirty (30) days after the receipt by the Escrow Holder of a statutory declaration sworn by the Vendor (or an authorized signatory of the Vendor, if applicable) stating that the Purchaser has failed to pay when due a portion of the Unpaid Purchase Price or is otherwise is in default of the terms of any of the Agreements (including the specifics of such default) and that such default has continued for fourteen (14) days after written notice thereof has been given to the Purchaser by the Vendor, unless the Purchaser shall before such release and delivery of the Escrow Documents have delivered to the Escrow Holder a certified cheque payable to the Vendor in the full remaining amount of the Unpaid Purchase Price (the acknowledgement of the Vendor in writing being sufficient authority as to the sufficiency of the said cheque) in which case the Escrow Holder shall forthwith upon receipt of any such cheque deliver it to the Vendor,

whichever shall first occur.

3. Upon receipt of the statutory declaration referred to in Section 2.1 of this agreement, the Escrow Holder shall forthwith give notice in writing to the Vendor of such receipt and shall send with such notice a copy of the statutory declaration. Upon receipt of such notice the Vendor may apply for an order from a court of competent jurisdiction prohibiting the Escrow Holder from releasing and delivering the Escrow Documents as required if, at such time, the Vendor, acting in good faith, believes the basis for such release or delivery is invalid or improper, or the Purchaser is not or should not be entitled to same.

4. Upon receipt of the statutory declaration referred to in Section 2.2 of this agreement, the Escrow Holder shall forthwith give notice in writing to the Purchaser of such receipt and shall send with such notice a copy of the statutory declaration. Upon receipt of such notice the Purchaser may apply for an order from a court of competent jurisdiction prohibiting the Escrow Holder from releasing and delivering the Escrow Documents as required if, at such time, the Purchaser, acting in good faith, believes the basis for such release or delivery is invalid or improper, or the Vendor is not or should not be entitled to same.

5. In the event the Escrow Holder fails or refuses to act hereunder, the Vendor may appoint a substitute Escrow Holder, provided such Escrow Holder is licensed to carry on a trust or banking business in Canada, or is a reputable law firm in the Province of Alberta that is capable of and willing to fulfilling the duties and responsibilities of the Escrow Holder hereunder that does not represent the Vendor or the Purchaser.

6. Until and unless the Escrow Holder receives a statutory declaration from the Vendor as is contemplated in Section 2.2 hereof and pursuant to which it delivers the Escrow Documents to the Vendor, the Purchaser shall be entitled:

   6.1 subject to the provisions of the Business Corporations Act of Alberta, to exercise all voting rights with respect to the Escrow Shares for all purposes not inconsistent with the terms of the Agreements;

   6.2 subject to the provisions of the Business Corporations Act of Alberta, to receive all dividends and other distributions in respect of the Escrow Shares made in compliance with the provisions of the Agreements provided, however, that any share representing stock dividends or distributions in respect of the Escrow Shares or resulting from a split, revisions, or reclassification of the Escrow Shares or received in exchange for the Escrow Shares as a result of an amalgamation or merger, shall be pledged and deposited with the Escrow Holder hereunder.

   6.3 In the event that the Vendor gives the Escrow Holder notice as is provided in Section 2.2 hereof, all dividends shall be paid to the Escrow Holder and shall held by it, and if the Escrow Documents are delivered to the Vendor as is contemplated hereunder, any dividends paid from time of such notice until delivery of the Escrow Documents shall be remitted by the Escrow Holder to the Vendor.

7. The remedies of the Vendor hereunder are in addition to and shall be concurrent with and without prejudice to and not in substitution for any rights or remedies at law or in equity which the Vendor may have to enforce its rights under the Share Purchase Agreement, the Shareholders' Agreement or any agreements made pursuant thereto.

8. Any notice required to be given hereunder by any party shall be deemed to have been well and sufficiently given if mailed by prepaid registered mail, telexed or telegraphed to, or delivered at, the address of the other party hereinafter set forth:

   To the Vendor:

   To the Purchaser:

   To the Escrow Holder:

   or at such other address as the other party may from time to time in writing, and any such notice shall be deemed to have been received, if mailed, telexed or telegraphed, seventy-two (72) hours after the time of mailing, telexing or telegraphing, and if delivered, upon the date of deliver. If normal mail service, telex service or telegraph service is interrupted by strike, slowdown, force majeure or other cause, a notice sent by the impaired means of communication will not be deemed to be received until actually received, and the party sending the notice shall utilize any other such services which have not been so interrupted or shall deliver such notice in order to ensure prompt receipt thereof.

9. The Purchaser shall pay from time to time the reasonable fees and expenses of the Escrow Holder in connection with the performance of its duties hereunder. The Purchaser and the Vendor shall indemnify and save harmless the Escrow Holder of and from all other claims, demands, damage, loss and expense arising out of its performance of its duties hereunder.

10. The Escrow Holder shall be deemed to have no notice or knowledge of the contents of the sealed envelope delivered hereunder and shall have no responsibility in respect of loss of the Escrow Documents except the duty to exercise reasonable care in the safekeeping thereof. The Escrow Holder may act herein on the advice of counsel but shall not be responsible for acting or failing to act on the advice of Counsel.

11. This Agreement shall enure to the benefit of and be binding upon the Vendor, the Purchaser and the Escrow Holder and their respecting personal representative, successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Escrow Agreement on the ________ day of ____________________, 20____.

VENDOR: ____

Per: ____

Per: ____

PURCHASER: ____

Per: ____

Per: ____

ESCROW HOLDER: ____

Per: ____

Per: ____

SCHEDULE "E"
LIFE INSURANCE POLICIES

1. The original policies referred to in the attached Unanimous Shareholders Agreement:

LIFE ASSURED	POLICY NO.	INSURER	AMOUNT

[REDACTED – PERSONAL INFORMATION]

[REDACTED – PERSONAL INFORMATION]

2. The following policies have been added:

LIFE ASSURED	POLICY NO.	INSURER	AMOUNT

SCHEDULE "F"
NON-COMPETITION, NON-SOLICITATION AND CONFIDENTIALITY COVENANTS

1. **Terminology:** The terminology used herein shall be that which is set forth in Sections 1.1 and 15.2 of the Agreement and in addition thereto, the following words and phrases shall have the meaning respectively ascribed thereto:

(a) "**Business**" means the business of the Corporation, which is an oil and gas service business focused on the provision of snubbing, underbalanced and well control services business;

(b) "**Business Premises**" means the premises from which the Corporation operates its Business, which, as of the Effective Date, is the premises municipally described as #5, 27123 HWY 597, Lacombe County, Alberta;

(c) "**Confidential Information**" means any technical, corporate, economic, marketing or other information, Trade Secrets, Customer Information, Financial Information, Marketing Information, and know-how concerning the present or past services, products, processes, procedures, modes for and of providing, marketing, distributing and selling goods and services related to the business of the Corporation which:

(i) derives economic value, actual or potential, from and not being known to and not being known to and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use; or

(ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy; or

(iii) is not known to others within the specific industry or trade of the Corporation; or

(iv) is not capable of acquisition elsewhere by those who are not employed by the Corporation; or

(v) is information that is not in the public domain, provided that the Obligors have not caused, directly or indirectly, that information to be in the public domain;

(d) "**Customer**" means any Person who has contracted for trucking or transport of goods by way of or through the Corporation;

(e) "**Customer Information**" means information pertaining to the Corporation's customer base and markets, including customer names and addresses and the names of employees of customers with whom the Corporation is in contact in its business, customer requirements and the Corporation's contracts with its customers, including details as to pricing and supply;

(f) "**Financial Information**" means information pertaining to the Corporation's costs, sales, income, accounting, profit, profitability, pricing, salary and wages;

(g) "**Marketing Information**" means information including, but not limited to, the Corporation's programs, plans, strategies and proposed future products, services, advertising and promotions, but excludes that information which is in the public domain so long as the Obligors have not caused, directly or indirectly, that information to be in the public domain;

(h) "**Obligors**" means, collectively, the Seller and the Principals thereof, and "**Obligor**" means any one of them;

(i) "**Prospective Customers**" means all Persons canvassed or solicited by the Corporation or any of its representatives prior to the Closing in connection with the Business, or by the Obligors at any time during the two (2) years prior to the Closing;

(j) "**Restricted Territory**" means any country where the Corporation is conducting business or has conducted business in the preceding 5 years;

(k) "**Term**" has the meaning ascribed thereto in Section 12 of this Schedule "F";

(l) "**Trade Secrets**" means confidential proprietary information of the Corporation including but not limited to a formula, pattern, compilation, program, method, technique, idea, designs, drawings, sketches, analyses, experiments, data, dyes, prototypes or process, or information contained or embodied in a product, device or mechanism which:

(i) is, or may be used in a trade or business; and

(ii) is not generally known in that trade or business; and

(iii) has economic value from not being generally known; and

(iv) is the subject of efforts that are reasonable to the circumstances to maintain its secrecy.

2. **Covenant not to Compete:** Each of the Obligors covenants and agrees with the Purchaser and the Corporation that it shall not, at any time during the Term, directly or indirectly, either individually or in partnership or jointly or in conjunction with any Person, as principal, agent, employee, shareholder or investor (other than as a passive shareholder holding less than five (5%) percent of a corporation or other entity whose equity securities are publicly traded on a stock exchange), partner, consultant, guarantor, lender, broker, or in any other manner, whatsoever, carry on business with, enter into or take part in the ownership or conduct of operations or management of or control of, any business that competes with the Business or any substantial part of the Business in the Restricted Territory, whether carried on or conducted through a corporation or otherwise.

Each of the Obligors, the Purchaser and the Corporation hereby declare that if any part of this Section 2 is determined to be unenforceable at law or in equity, then the foregoing covenant shall be reduced in scope or amended as to term, geographical area or otherwise, to the extent required so that the foregoing, as so reduced or amended, is enforceable at law or equity, and the unenforceable part shall be deemed to be amended accordingly.

3. **Non-Solicitation of Customers:** The Obligors each agree that they shall not at any time during the Term, on their own behalf or on behalf of or in connection with any other Person, directly or indirectly, in any capacity whatsoever:

(a) engage in soliciting the business of (or procure or assist the canvassing or soliciting of the business of) any Customer or Prospective Customer in connection with any activities which are substantially the same as, or are, in whole or in part, in competition with the Business;

(b) accept (or procure or assist the acceptance of) any business from any Customer or Prospective Customer in connection with any activities which are substantially the same as, or are, in whole or in part, in competition with the Business; or

(c) supply (or procure or assist the supply of) any goods or services to any Customer or Prospective Customer in connection with any activities which are substantially the same as, or are, in whole or in part, in competition with the Business.

4. **Non-Solicitation of Employees:** The Obligors each agree that they shall not at any time during the Term, on their own behalf or on behalf of or in connection with any other Person, directly or indirectly, in any capacity whatsoever:

(a) employ, offer employment to, or solicit the employment or engagement of, or otherwise entice away from the employment of the Purchaser or the Corporation, any individual who is employed by the Purchaser or the Corporation, whether or not such individual would commit any breach of his or her contract or terms of employment be leaving the employ of the Purchaser or the Corporation; or

(b) procure or assist any Person to employ, offer employment or solicit the employment or engagement of, or otherwise entice away any such individual from the employment of the Purchaser or the Corporation.

5. **Non-Interference:** The Obligors each agree that they shall not at any time during the Term, on their own behalf or on behalf of or in connection with any other Person, directly or indirectly, in any capacity whatsoever, interfere or attempt to interfere with the Business in an adverse manner, or persuade or attempt to persuade any Customer, Prospective Customer, employee or supplier of the Purchaser or the Corporation to discontinue or alter in an adverse manner such Person's relationship with the Purchaser or the Corporation.

6. **Directly or Indirectly:** For the purposes of this Schedule "F", the phrase "directly or indirectly" in respect of a Person shall include actions or omissions by such Person in any capacity whatsoever, including as an employer, principal, agent, joint venturer, partner, shareholder or other equity holder, independent contractor, licensor, licensee, franchiser, franchisee, distributor, consultant, supplier or trustee, or by and through any corporation, cooperative, partnership, trust, unincorporated association or otherwise, or actions or omissions by any Affiliate of such Person.

7. **Confidentiality:** Each Obligor acknowledges that it is aware or possessed of Confidential Information and covenants and agrees with the Corporation that it shall keep confidential any Confidential Information and that it will not divulge, communicate or use to the detriment of the Corporation, or otherwise misuse the Confidential Information, except only to the extent that:

(a) Confidential Information is available to the public generally in the form disclosed; or

(b) the Obligor is required by law (including for certainty the rules and guidelines of any relevant securities regulator, securities commission or stock exchange) to disclose, file or register the same, and a legal opinion has been obtained advising as to such requirement; or

(c) the Corporation has consented to such disclosure being made; or

(d) such disclosure is made to professional advisors on behalf of the Obligors to obtain advice thereon or in connection therewith and such advisors are bound to keep the Confidential Information confidential.

Each Obligor acknowledges that the Confidential Information is of value and that the Corporation has a proprietary interest therein.

8. **Several Covenants:** Each provision of this Schedule "F" shall constitute a separate and distinct covenant and shall be severable from all other covenants. If any provision of this Schedule "F" as applied to any party or circumstance is judged by a court of competent jurisdiction to be invalid or unenforceable, the same shall in no way affect any other provision of this Schedule "F", the application of such provision in any other circumstance, or the validity or enforceability of the provisions of this Schedule "F".

9. **Agreements and Acknowledgements**:

(a) The Obligors each agree that the provisions of this Schedule "F" are reasonable and intend this Schedule "F" to be enforced, as written. However, if any provision or part of this Schedule "F" would, but for this Section 9, be held to be unenforceable because of the duration, the area covered or the types of activities restricted in the covenants of this Schedule "F", the Obligors each agree that a court of competent jurisdiction making such determination shall have the power to reduce the duration or area to which such provision applies, or the type of activities restricted thereby, and for those purposes, to alter or to delete words or phrases, in each case, to the end that such provision, after such reduction, alteration or deletion, will be enforceable so as to restrict the maximum range of activities for the largest area and the longest duration that are both enforceable and consistent with the intent of the parties hereto, as expressed herein.

(b) The Obligors each acknowledge and confirm that:

(i) they have been independently advised by counsel in respect of the provisions of this Schedule "F";

(ii) this Schedule "F" is necessary to protect the interests of the Purchaser and the Corporation; and

(iii) the provisions of this Schedule "F" are reasonable and do not go beyond what is necessary to protect the interest of the Purchaser and the Corporation.

10. If an Obligor violates any of the provisions of this Schedule "F", then the Purchaser shall be entitled to maintain an action against such Obligor for damages; however, since an action for damages may not adequately compensate the Purchaser for such violation, in addition to the Purchaser's remedy for damages, the Purchaser shall also be entitled to injunctive or any other form of equitable relief, whether interim or permanent.

11. Each of the Obligors acknowledges and agrees that the breach or non-performance or threatened breach or non-performance of any of the covenants or promises contained herein may cause irreparable damage to Purchaser. Accordingly, each of the Obligors agrees that, in addition to any other claim for relief, the Purchaser may enforce the performance of any covenant of this Schedule "F" by injunction or other equitable relief upon application to a court of competent jurisdiction without obligation to post any undertaking as to damages, money or other surety.

12. The term of the covenants herein shall commence on the date of Closing and expire two (2) years following that date (the "**Term**").

13. Each Obligor agrees that the obligations herein are in addition to and shall not derogate from or limit any duties the Obligors may have at common law or in equity to the Purchaser.