EXECUTION VERSION – SEPTEMBER 30, 2020

PIONEER PIPELINE LIMITED PARTNERSHIP
as Seller

- and -

ATCO GAS AND PIPELINES LTD.
as Purchaser

AMENDED AND RESTATED PIPELINE SALE AGREEMENT

September 30, 2020

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SCHEDULES

[redacted private information]

AMENDED AND RESTATED PIPELINE SALE AGREEMENT

THIS AMENDED AND RESTATED PIPELINE SALE AGREEMENT dated as of September 30, 2020 between **PIONEER PIPELINE LIMITED PARTNERSHIP**, a partnership formed under the laws of Alberta (the "**Seller**") and **ATCO GAS AND PIPELINES LTD.**, a corporation formed under the laws of Alberta (the "**Purchaser**").

WHEREAS the Seller wishes to sell, assign, transfer and convey to the Purchaser, and the Purchaser wishes to purchase, assume and accept from the Seller, the Pipeline Assets upon the terms and subject to the conditions contained in this Agreement;

[redacted confidential history]

WHEREAS the Seller and the Purchaser have agreed to amend and restate the Original Agreement in its entirety;

NOW THEREFORE, in consideration of the premises and the mutual agreements and covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby covenant and agree as follows

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

In this Agreement, including the recitals thereto, the following terms have the following meanings:

[redacted confidential information]

"**Abandonment and Reclamation Obligations**" means all duties and obligations, whether arising under contract, applicable Law or otherwise, arising from or relating to:

(a) the abandonment, closure, decommissioning, dismantling, disposal and removal of the Pipeline and Tangibles; and

(b) the reclamation, remediation and restoration of the surface and subsurface of any lands on which any of the property or assets described in the preceding clause are or were located, and any other lands which are or were used to gain access thereto, but, in each case, only insofar as the foregoing pertain to the construction, installation, operation, maintenance or other activities undertaken in connection with the Pipeline and Tangibles,

but excluding the Excluded Liabilities.

[redacted confidential information]

"**Additional Indemnitees**" means, with respect to any Person to which an indemnity is granted pursuant to Article 11, its Affiliates and the respective shareholders, directors, officers, servants, agents, advisors and employees of that Person and its Affiliates and with respect to Purchaser includes [redacted confidential information].

"**ADRIC Rules**" has the meaning specified in Section 13.3(a).

"**Adverse Change**" has the meaning specified in Section 7.8(b).

"**Adverse Change Notice**" has the meaning specified in Section 7.8(b).

"**AER**" means the Alberta Energy Regulator or any successor thereto having jurisdiction over the Pipeline Assets, the operation thereof, and the Transaction.

"**AER Application**" has the meaning specified in Section 6.1(c).

"**AER Approval**" means the approvals and consents from the AER required to transfer the Pipeline Assets and the Permits that are listed in [redacted confidential information] as assignable from Seller to Purchaser, in form and substance and on terms and conditions satisfactory to the Purchaser acting reasonably.

"**AER Licenses**" means AER License No. 60496 and Line 1 of AER License No. 60789.

"**AER Filing Outside Date**" means the date which is [redacted] days following the date on which the AUC Approvals referred to in paragraphs (a) and (c) of the definition of "AUC Approvals" are received.

"**AFE**" means an authorization for expenditure in respect of the Pipeline Assets which has been approved in accordance with the [redacted confidential information].

"**Affiliate"** means, as to a Person, any other Person controlling, controlled by or under common control with that Person where "control", "controlling" or "controlled" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities or by contract, partnership agreement, trust arrangement or other means, either directly or indirectly; provided that direct or indirect ownership of equity interests of a Person carrying more than 50% of the voting rights shall be deemed to constitute control of that Person.

"**Agreement**" means this amended and restated pipeline sale agreement and all Exhibits and Schedules attached hereto and any instruments in amendment or confirmation of it; and the expressions "Article", "Section", "Exhibit" and "Schedule" followed by a number or letter, as the case may be, mean and refer to the specified Article, Section, Exhibit or Schedule of this Agreement.

[redacted confidential information]

"**Approving Parties**" has the meaning specified in Section 15.3.

"**Arbitrator**" has the meaning specified in Section 13.3(c).

[redacted confidential information]

[redacted confidential information]

[redacted confidential information]

"**Assumed Liabilities**" has the meaning specified in Section 3.1.

"**AUC**" means the Alberta Utilities Commission, or any successor thereto having jurisdiction over the Pipeline Assets, the operation thereof, and the Transaction.

"**AUC Application**" has the meaning specified in Section 6.1(c).

"**AUC Approvals**" means receipt from the AUC of:

(a) the approvals required to transfer the Pipeline Assets from the Seller to the Purchaser and to integrate the Pipeline Assets and their operations into the Purchaser's regulated system on the Closing Date;

(b) a pipeline licence or licences for the operation of the Pipeline Assets by the Purchaser as part of the Purchaser's regulated system effective as of the Closing Date; and

(c) approval on a final basis to include in Purchaser's regulated revenue requirement commencing on the Closing Date the acquisition costs associated with the Transaction, including the entirety of the Purchase Price and other costs related to the Transaction,

in form and substance and on terms and conditions satisfactory to the Purchaser acting reasonably.

"**AUC Filing Outside Date**" means [redacted date], provided that, if the Purchaser is delayed, hindered or prevented, in whole or in part, from having prepared or filed all AUC Applications by such date by reason of Excusable Purchaser Delay, the AUC Filing Outside Date shall, subject to the Purchaser complying with its obligations under Section 6.1(d), be extended for a period equivalent to the period of such delay, hindrance or prevention.

"**Authorizations**" means, with respect to any Person, any order, permit, certification, approval, waiver, license, consent, concession, exemption, grant, notice, right, privilege or similar authorization of or from any Governmental Entity having jurisdiction over the Person or its property, business or affairs.

"**BIA**" has the meaning specified in Section 4.1(j).

"**Board Approvals**" has the meaning specified in Section 4.1(e).

"**Books and Records**" means copies of all operating records, technical files, drawings, technical reports, design registrations, construction records, records confirming the location of the Pipeline Assets, maintenance records and technical data (including electronic data such as, but not limited to, rectifier readings, pressure control and over pressure protection system configurations and set point records) that directly relate to the Pipeline Assets (including its construction and environmental impact assessment) or are otherwise currently, and/or during the Interim Period, used in the operation, maintenance or ownership of the Pipeline Assets and shall include those books and records required to be maintained under CSA Z662 Oil and Gas Pipeline Systems and required to be maintained by the AER, including pursuant to Part 4 of the Pipeline Rules, but, excluding financial data and financial information relating to the Pipeline Assets.

"**BRC**" means Tidewater's Brazeau River Complex, including all equipment necessary for the delivery of natural gas from storage at the BRC to the Pipeline at all relevant receipt points, up to and including the upstream side of the Custody Transfer Point at such receipt points.

"**Business Day**" means any day of the year, other than a Saturday or Sunday, on which banks in Calgary, Alberta are open for commercial banking business during normal banking hours.

"**CBCA**" has the meaning specified in Section 4.1(j).

"**CCAA**" has the meaning specified in Section 4.1(j).

"**Claims**" means, in relation to any Person or its property, any and all:

(a) debts, costs, expenses, liabilities, obligations, losses, damages, fines or penalties imposed on, incurred by, suffered by or asserted against such Person or to which it or its property is or may be subject;

(b) actions, suits, claims or proceedings of whatsoever nature or kind, including regulatory or administrative, pending or threatened against such Person or its property; and

(c) judgments, orders (including abatement orders or other remedial actions), directions (conditional or otherwise) or other remedies issued or made against such Person or its property,

in each of the foregoing cases whether contingent or absolute, matured or unmatured, liquidated or unliquidated, accrued or not accrued, asserted or not asserted, known or unknown, determined, determinable or otherwise whenever or howsoever arising and, except as otherwise expressly provided herein, includes all reasonable out-of-pocket costs, disbursements and expenses paid or incurred by such Person in defending any action.

"**Closing**" or "**Close**" means the completion of the Transaction.

"**Closing Cash**" has the meaning specified in Section 2.3.

"**Closing Date**" means the tenth (10th) Business Day following the satisfaction or waiver of all of the Closing conditions set out in Sections 8.1, 8.2 and 8.3 (other than those conditions that by their nature can only be satisfied as of the Closing Date), or such other date as the Parties may agree to in writing.

"**Closing Time**" means the time of Closing on the Closing Date.

"**Commissioner**" means the Commissioner of Competition appointed under the Competition Act or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition and includes the Commissioner's representatives, where the context requires.

[redacted confidential information]

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means the occurrence of one or more of the following:

(a) an advance ruling certificate ("**ARC**") pursuant to section 102 of the Competition Act shall have been issued by the Commissioner in respect of the Transaction and such ARC remains in full force and effect; or

(b) the Commissioner shall have waived the obligation to notify and supply information under Part IX of the Competition Act pursuant to subsection 113(c) of the Competition Act in respect of the Transaction (the "**Waiver**") and confirmed in writing that the Commissioner does not, at that time, intend to make an application under section 92 of the Competition Act (a "**No Action Letter**") in connection with the Transaction, on terms satisfactory to the Parties acting reasonably, and such Waiver and No Action Letter remain in full force and effect; or

(c) the Parties shall have notified the Commissioner under section 114 of the Competition Act and the waiting period under section 123 of the Competition Act shall have expired or been waived and the

Commissioner shall have issued a No Action Letter in connection with the transactions contemplated by this Agreement, on terms satisfactory to the Parties acting reasonably, and such No Action Letter remains in full force and effect.

"**Confidentiality Agreement**" means the confidentiality agreement dated November 20, 2019 among TransAlta, Tidewater, [redacted confidential information] and Purchaser (as amended by way of the Joinder Agreement).

[redacted confidential information]

[redacted confidential information]

"**Covenant Breach**" has the meaning specified in Section 7.8(b)(ii).

"**Custody Transfer Point**" means the point at which responsibility for, or ownership of, commodities changes, as quantified by quality and quantity measurement equipment and documented for fiscal purposes by measurement and accounting systems, as shown on the schematic attached as Schedule A.

"**Data Room**" means the contents of the secure online repository for document storage and distribution which Purchaser was given access to on [redacted date], utilized for the review, sharing, and disclosure of documentation relating to the Pipeline Assets as may have been updated from time to time prior to the execution date of this Agreement.

"**Data Signals Work**" [redacted confidential information].

"**Disclosure Materials**" means:

(a) all materials and information included in the Data Room;

(b) all information included in any representation or warranty of the Seller in Section 4.1 or in any Schedule to this Agreement, in each case that expressly qualifies a representation or warranty; and

(c) in respect of the period after the date hereof, any Disclosure Materials Supplement delivered by the Seller to the Purchaser in accordance with Section 7.8.

"**Disclosure Materials Supplement**" has the meaning specified in Section 7.8(a).

"**Dispute**" has the meaning specified in Section 13.1.

"**Due Diligence Deficiency**" has the meaning specified in Section 7.3(e).

"**Effective Time**" means 12:00:01 am on the Closing Date.

"**Environment**" means the components of the earth and includes:

(a) air, land and water;

(b) all layers of the atmosphere;

(c) all organic and inorganic matter and living organisms; and

(d) the interacting natural systems that include components referred to in (a) through (c) above.

"**Environmental Claim**" means all past, present and future Claims and other duties and obligations, whether arising under contract, tort, negligence, strict liability, applicable Laws or otherwise, arising from, relating to or associated with:

(a) any damage, pollution, contamination or other adverse situations pertaining to the Environment howsoever and by whomsoever caused and regardless of whether such damage, pollution, contamination or other adverse situations occur or arise in whole or in part prior to, at or subsequent to the Effective Time;

(b) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, release, emission or discharge of Petroleum Substances, oilfield wastes, water, Hazardous Substances, environmental contaminants and all other substances and materials regulated under any applicable Laws;

(c) compliance with, or the consequences of any non-compliance with, or violation or breach of, any Environmental Laws;

(d) sampling, monitoring or assessing the Environment or any potential impacts thereon from any activities or operations; or

(e) the protection, reclamation, remediation or restoration of the Environment,

in each case, that relate to or arise by virtue of the Pipeline Assets, the ownership, use or operation thereof or any past, present or future construction, installation, operation, maintenance or other activities conducted in connection with the Pipeline Assets or on or in respect of the lands upon which any of the Pipeline Assets are or were located and any other lands which are or were used to gain access thereto, but only insofar as the foregoing pertain to the Pipeline Assets or any lands upon which any of the Pipeline Assets are or were located or any other lands which are or were used to gain access thereto and, for certainty, excluding any of the foregoing to the extent relating to or arising by virtue of the Excluded Liabilities, the Excluded Assets, the ownership, use or operation thereof or any past, present or future construction, installation, operation, maintenance or other activities conducted in connection with the Excluded Assets.

"**Environmental Laws**" means all applicable Laws and agreements with Governmental Entities and all other statutory requirements relating to the protection of the Environment and includes those applicable Laws relating to:

(a) the storage, generation, use, handling, manufacture, processing, labelling, advertising, sale, display, transportation, treatment, Release, threatened Release, and disposal of Hazardous Substances, including those pertaining to occupational health and safety;

(b) record-keeping, reporting, licensing, permitting, investigation, remediating, and cleaning up in connection with any presence or Release, or the threat of same, of Hazardous Substances;

(c) record-keeping, reporting, licensing, permitting, remitting, registration, or collection requirements in connection with greenhouse gases or related taxes; and

(d) the management, use, restoration or compensation for use or damage to natural resources.

"**Escrow Agent**" has the meaning specified in Section 14.4(b)(ii).

"**Escrow Agreement**" has the meaning specified in Section 14.4(b)(iii);

"**Escrow Funds**" has the meaning specified in Section 14.4(b)(ii).

"**Escrowed Closing**" has the meaning specified in Section 14.4(a).

"**Excluded Assets**" means all of the following assets, property and interests of the Seller (or, as applicable, the other members of the Seller Group):

(a) all assets, property or interests of any Person other than the Seller, including any assets, property or interests of either Tidewater or TransAlta or any of their respective Affiliates that are not expressly included in the Pipeline Assets;

(b) [redacted confidential];

(c) all assets, property or interests of the Seller, Tidewater or TransAlta upstream of the upstream side of the Custody Transfer Point at each receipt point and all assets, property or interests of the Seller downstream of the downstream side of the inspection and cleaning tools receiver at each delivery point, in each case as identified on the schematic attached as Schedule A;

(d) all insurance policies and insurance proceeds or rights to insurance proceeds;

(e) the Proprietary Information;

(f) the proprietary technology of the Seller, TransAlta or Tidewater and other technology not used primarily in the operation of the Pipeline Assets;

(g) the SCADA system and all equipment and hardware associated therewith;

(h) all surplus line pipe owned by the Seller (other than the Included Line Pipe);

(i) the tax and financial records or economic evaluations of the Seller, TransAlta or Tidewater or any of their respective Affiliates relating to the Pipeline Assets;

(j) rights of the Seller, TransAlta or Tidewater or any of their respective Affiliates to or in respect of trademarks;

(k) all revenues and benefits from the ownership or operation of the Pipeline Assets by the Seller, TransAlta or Tidewater relating to the period prior to the Effective Time;

(l) the [redacted confidential information];

(m) [redacted confidential information];

(n) the Permits identified on [redacted confidential information] as not assignable to the Purchaser at Close; and

(o) all original and copies of financial data and information relating to the Pipeline Assets, including all books of account, financial statements, tax records, audit working papers, general ledgers, personnel records, business reports, plans, projections, research and development reports and records, but excluding the Books and Records.

"**Excluded Liabilities**" means:

(a) any and all Claims (excluding all past, present and future Environmental Claims and the Abandonment and Reclamation Obligations) and other obligations, liabilities and responsibilities of the Seller or any other member of the Seller Group with respect to the Pipeline Assets or the construction, operation, maintenance, use or ownership thereof or any other operations, services or other activities conducted in connection therewith and which arise or accrue in respect of the Pipeline Assets or the construction, ownership, use, operation, installation or maintenance thereof as a result of any fact, matter, circumstance or event occurring or in existence prior to the Effective Time;

(b) [redacted confidential information]; and

(c) any and all past, present or future Claims and other obligations, liabilities and responsibilities of any kind with respect to the Excluded Assets, the ownership, use or operation thereof or the construction, installation, operation, maintenance or other activities conducted in connection with the Excluded Assets.

"**Excusable Purchaser Delay**" means any event, change, occurrence, development, condition, effect, state of facts, or circumstance, whether in existence on or prior to the date of this Agreement or otherwise, that is beyond the reasonable control of the Purchaser and that delays, hinders or prevents the Purchaser from performing, in whole or in part, the applicable act or obligation required of the Purchaser under this Agreement, including any:

(a) national or international political or social conditions, including armed hostilities, national emergency or acts of war (whether or not declared), sabotage, terrorism, changes in government, military actions or "force majeure" events, or any escalation or worsening of any of the foregoing;

(b) earthquakes, hurricanes, floods, tornados, tsunamis, forest fires, wildfires, mudslides, other natural disasters or other "acts of God";

(c) epidemics, pandemics, public health emergencies, quarantines or any communicable disease outbreaks (including COVID-19);

(d) circumstance that delays, hinders or prevents any access to, or consultation or negotiation with, any third party;

(e) change or circumstance in the industries or market sectors in which the Partnership operates, including any change in the regulatory or legal enforcement environment generally affecting the industries or market sectors in which the Partnership operates;

(f) changes or proposed changes in Laws or the interpretation, implementation or enforcement thereof by any Governmental Entity;

(g) action or omission by the Seller, any other member of the Seller Group or their respective Affiliates, unless taken at the written request of the Purchaser or its agents or Affiliates;

(h) action taken by the Purchaser or its Affiliates expressly required by this Agreement, or taken at the written request or with the written consent of the Seller or its agents or Affiliates; or

(i) failure by the Purchaser or its Affiliates to take any action if such action is prohibited by applicable Law or by this Agreement or the failure to take such action is at the written request or with the written consent of the Seller or its Affiliates.

"**Existing Breach**" has the meaning specified in Section 7.8(b)(i).

"**Final Statement of Adjustments**" has the meaning specified in Section 2.5(b).

"**Fundamental Representations**" has the meaning specified in Section 11.4(a)(i).

"**GAAP**" means generally accepted accounting principles as defined by the Accounting Standards Board of the Canadian Institute of Chartered Accountants in the Handbook of the Canadian Institute of Chartered Accountants as they exist on the date of this Agreement.

[redacted confidential information]

"**Governmental Entity**" means:

(a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);

(b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;

(c) any court, tribunal, commission, individual arbitrator or arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and

(d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional licensing body.

[redacted confidential information]

"**GST**" means the goods and services tax payable pursuant to the GST Legislation.

"**GST Legislation**" means Part IX of the *Excise Tax Act* (Canada).

"**Hazardous Substance**" means any substance or material that is prohibited, controlled or regulated under any Environmental Laws including any sound, heat, vibration, radiation or other form of energy, contaminant, pollutant, dangerous substance, toxic substance, designated substance, controlled product, hazardous waste, subject waste, hazardous material, dangerous good or petroleum, its derivatives, byproducts or other hydrocarbons.

[redacted confidential information]

"**Included Line Pipe**" means one joint of the 7.3 mm wall thickness surplus line pipe of Seller that is the same line pipe that was used by Seller to construct the Pipeline.

"**Indemnification Notice**" has the meaning specified in Section 11.12.

"**Indemnification Objection Notice**" has the meaning specified in Section 11.12.

"**Indemnified Losses**" means all losses, costs, damages, expenses, charges, fines, penalties, assessments or other liabilities whatsoever.

"**Indemnified Party**" has the meaning specified in Section 11.12.

"**Indemnifying Party**" has the meaning specified in Section 11.12.

"**Independent Accountant**" has the meaning specified in Section 2.5(d).

"**Intellectual Property**" means any and all proprietary or industrial rights provided under patent law, copyright law, trade-mark law, design patent or industrial design law, semi-conductor chip, layout, architecture, topology or mask work law, trade secret law or any other applicable Law that provides a right in intellectual property or the expression or use of intellectual property and the goodwill associated therewith or symbolized thereby, and any applications, registrations or any other evidence of a right in any of the foregoing pertaining to the Pipeline Assets.

"**Interim Period**" means the period between 12:00:01 a.m. (Calgary time) on the date of this Agreement and, unless terminated earlier in accordance with Section 10.1, the Closing Time.

"**ITA**" means the *Income Tax Act* (Canada).

[redacted confidential information]

"**Laws**" means any and all laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, ruling or awards, and general principles of common and civil law and equity, binding on or affecting the Person or property referred to in the context in which the word is used.

[redacted confidential]

"**Lien**" means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), title retention agreement or arrangement, restrictive covenant, easement, encroachment or other encumbrance of any nature or any option, right of first refusal or other restriction on transfer and will include any arrangement or condition which, in substance, secures payment or performance of an obligation.

"**Material Adverse Change**" means any event, change, occurrence, development, condition, effect, state of facts, or circumstance (each, a "**Change**") that has been, is or would be reasonably likely to be, individually or in the aggregate, materially adverse to the Pipeline Assets or to the ownership, operation, condition or liabilities thereof, taken as a whole; provided, however, that no Change to any of the following, alone or in combination, shall be deemed to constitute, or be taken into account in determining whether there has been a Material Adverse Change:

(a) financial, securities, credit, commodity (including natural gas and LNG) or currency markets (including changes in prevailing interest or exchange rates, actual or forecasted commodity (including natural gas and LNG) supply, demand or prices, and including any disruption in such markets and any decline in the price of any security or any market index) or general economic, business or regulatory conditions globally or in any country or region thereof, and including any enactment, amendment, suspension or termination of any trade agreement or convention;

(b) the industries or market sectors in which the Partnership operates, including any change in the economic, business, financial, regulatory or legal enforcement environment generally affecting the industries or market sectors in which the Partnership operates;

(c) national or international political or social conditions, including armed hostilities, national emergency or acts of war (whether or not declared), sabotage, terrorism, changes in government, military actions or "force majeure" events, or any escalation or worsening of any of the foregoing;

(d) earthquakes, hurricanes, floods, tornados, tsunamis, forest fires, wildfires, mudslides, other natural disasters or other "acts of God";

(e) epidemics, pandemics, public health emergencies, quarantines and any communicable disease outbreaks (including COVID-19);

(f) changes or proposed changes in Laws or the interpretation, implementation or enforcement thereof by any Governmental Entity;

(g) changes or proposed changes in GAAP, or the interpretation, implementation or enforcement thereof by any applicable independent accounting standards-setting body;

(h) any failure or anticipated failure to meet any budgets, projections, forecasts or predictions of financial performance or estimates of revenue, earnings, cash flow or cash position, for any period (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Change has occurred);

(i) any action or omission by the Purchaser or its Affiliates, unless taken at the written request of the Seller or its agents or Affiliates;

(j) the taking of any action by the Seller, any other member of the Seller Group or their respective Affiliates expressly required by this Agreement, or taken at the written request or with the written consent of the Purchaser or its agents or Affiliates;

(k) the failure by the Seller, any member of the Seller Group or their respective Affiliates to take any action if such action is prohibited by applicable Law or by this Agreement or the failure to take such action is at the written request or with the written consent of the Purchaser or its Affiliates;

(l) the negotiation, execution, delivery, announcement, pendency or performance of this Agreement or the consummation of the purchase and sale of the Pipeline Assets contemplated by this Agreement, or any public disclosure relating to any of the foregoing, including:

    (i) the impact thereof on relationships, contractual or otherwise, with customers, suppliers, partners, employees (including any employee departures or labor union or labor organization activity), financing sources or Governmental Entities; or

    (ii) the impact thereof on revenue, profitability, or cash flows; or

(m) any matters that constitute a Notifiable Event as referred to in Section 7.8(a) to the extent that:

(i) the Seller has complied with its obligations (including notice requirements) in Section 7.8;

(ii) the Notifiable Event did not arise in whole or in part as a result of the breach by the Seller of, or failure of the Seller to comply with its obligations under, this Agreement; and

(iii) subject to Section 14.4, the Notifiable Event is finally resolved in accordance with the procedures set forth, in Section 7.8,

provided that, in respect of a Change to any matter referred to in paragraphs (a) through (g) of this definition of Material Adverse Change, such Change does not primarily relate to (or have the effect of primarily relating to) the Pipeline Assets, or disproportionately affect the Pipeline Assets as compared to other similar assets. References in certain Sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Material Adverse Change" has occurred.

"**Miscellaneous Interests**" means, subject to the limitations and exclusions below in this definition, all property and rights that pertain to, and all interests in, the Pipeline and the Tangibles, or either of them (but excluding the Pipeline and Tangibles themselves), whether absolute, contingent, legal or beneficial, including:

(a) the [redacted confidential information];

(b) the Permits, together with all extensions, renewals, replacements, substitutions or amendments of or to any such Permits;

(c) Intellectual Property; and

(d) the Books and Records,

provided that, Miscellaneous Interests do not include:

(i) any of the foregoing property or rights to the extent that they comprise, include or pertain to or are derived from the proprietary technology, evaluations or forecasts or interpretations (whether geological, geophysical, engineering, economic or otherwise) of the Seller, Tidewater, TransAlta or their respective Affiliates; or

(ii) any Excluded Assets or any of the foregoing associated exclusively with the Excluded Assets.

[redacted confidential information]

[redacted confidential information]

[redacted confidential information]

[redacted confidential information]

"**Notice**" has the meaning specified in Section 15.1.

"**Notifiable Event**" has the meaning specified in Section 7.8(a).

"**Objection Notice**" has the meaning specified in Section 2.6(b)(iv).

[redacted confidential information]

"**Operating and Capital Maintenance Budget**" means the operating and capital maintenance budget in respect of the Pipeline Assets prepared by the Seller in accordance with the [redacted confidential information] and, for the purposes of this Agreement, shall mean: (a) the operating and capital maintenance budget for the 2020 operating year attached as Schedule K hereto; and (b) any operating and capital maintenance budgets approved in accordance with the [redacted confidential information] for future operating years.

"**Ordinary Course**" means, with respect to an action taken by a Person, that such action is consistent with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person.

"**Original Agreement**" has the meaning specified in the recitals hereto.

"**Outside Date**" means [redacted date], or such later date agreed by the Parties in writing or to which the Outside Date may be automatically extended, without any action of either Party, in accordance with Section 7.8(c).

[redacted confidential information]

"**Parties**" means the Seller and the Purchaser and "**Party**" means any of them.

"**Partnership**" means the Seller.

"**Permits**" means all Authorizations in respect of the construction, installation, ownership, use or operation of the Pipeline Assets, or any of them, (other than Authorizations in respect of the construction or installation of the Pipeline Assets, or any of them, which have expired in accordance with their terms and which are not necessary for the ownership, use or operation of the Pipeline Assets, or any of them), including as listed and described in [redacted confidential information].

"**Permitted Liens**" means those Liens listed in Schedule E, except to the extent such Liens arose in respect of or relate to the construction or installation of the Pipeline Assets or arise in respect of or relate to the [redacted private information] (including, in each case, any contract or agreement with [redacted private information], or any other contractor).

"**Person**" means a natural person, sole proprietorship, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning.

"**Petroleum Substances**" means petroleum, natural gas, natural gas liquids and other related hydrocarbons and any and all other substances related to any of the foregoing, whether liquid or gaseous, including for certainty bitumen, diluent and dilbit.

"**Pipeline**" means the Seller's 131 kilometre 20" outside diameter natural gas pipeline operating under the AER Licenses, with an aggregate length of 131 kilometres and extending from [redacted confidential information], and [redacted confidential information], to [redacted confidential information], that connects the BRC to TransAlta's [redacted confidential information] and [redacted confidential information] power generation facilities, a schematic of which is attached as Schedule A, including:

(a) all meters and related facilities used to measure the volumes and characteristics of the Petroleum Substances entering or leaving the Pipeline or used to measure volumes of Petroleum Substances for the purposes of detecting leaks from the Pipeline;

(b) all block/isolation valves and related facilities associated with the Pipeline;

(c) all equipment downstream of the upstream side of the Custody Transfer Point at each receipt point and all equipment upstream of the downstream side of the inspection and cleaning tools receiver at each delivery point but excluding the [redacted confidential], in each case as identified on the schematic attached as Schedule A; and

(d) all launcher and receiver piping assemblies, riser sites, and cathodic protection facilities, including groundbeds and rectifiers.

"**Pipeline Assets**" means, collectively, all assets of the Seller and, as applicable, the other members of the Seller Group, comprising the Pipeline, the [redacted confidential information] and the interests in the Pipeline Right of Way granted thereby, the Tangibles, the Miscellaneous Interests and the Included Line Pipe, but expressly excluding, in all cases, the Excluded Assets.

"**Pipeline Right of Way**" means all lands in respect of which the Seller or any other member of the Seller Group has been granted a subsisting right or interest to enable Seller or the applicable other member of the Seller Group to construct, access, operate and maintain the Pipeline.

"**Policies**" has the meaning specified in Section 4.1(s).

"**Post-Closing Seller's Required Consents**" means the Seller's Required Consents that the Parties have agreed will be pursued following the Closing in accordance with Sections 7.6, 12.1 and 12.2, as specifically identified with an asterisk (*) in Schedule F.

[redacted confidential information],

[redacted confidential information]

"**Prime Rate**" means the rate of interest equal to the annual rate of interest announced from time to time by the main Calgary branch of the Canadian Imperial Bank of Commerce as the reference rate then in effect for determining interest rates on Canadian dollar commercial loans in Canada.

"**Proprietary Information**" means any internal valuations of the Pipeline Assets (or any of them), prepared by the Seller, Tidewater, TransAlta or their respective Affiliates or any of their respective consultants, agents or advisors and all communications between the Seller, Tidewater, TransAlta or their respective Affiliates and their attorneys seeking or rendering legal advice related to the Pipeline Assets.

"**Prudent Industry Practice**" means those prudent practices, methods, techniques and standards that are commonly used by a significant portion of the industry under similar circumstances and that would ordinarily be expected from a prudent, skilled and experienced operator in the transmission pipeline industry in Canada to operate and maintain equipment and facilities similar to the Pipeline Assets lawfully, efficiently, economically and safely; provided that Prudent Industry Practice is not restricted to the optimum practice, method or act to the exclusion of all others, but rather comprises the spectrum of acceptable practices, methods and acts applicable to the specific circumstances.

"**Public Statement**" has the meaning specified in Section 15.3.

"**Purchase Price**" has the meaning specified in Section 2.2.

"**Purchaser**" has the meaning specified on the first page of this Agreement.

"**Purchaser's Required Consents**" has the meaning specified in Section 5.1(e).

[redacted confidential information]

"**Regulatory Approvals**" means:

(a) the Competition Act Approval;

(b) the AER Approval; and

(c) the AUC Approvals.

"**Release**" means the intermittent, gradual or spontaneous releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, depositing, dispersal, migrating or dumping, whether accidental or unintentional.

"**Relevant Persons**" has the meaning specified in Section 4.1(j).

"**Response Notice**" has the meaning specified in Section 13.2(c).

"**Responsible Persons**" means [redacted private information] and, for purposes of representations and warranties given by Seller at the Closing Time, includes their respective successors in title.

[redacted confidential information]

"**Rights Held in Trust**" has the meaning specified in Section 12.2(a).

"**Securityholder Approvals**" has the meaning specified in Section 4.1(e).

"**Seller**" has the meaning specified on the first page of this Agreement.

"**Seller Group**" means the Seller, [redacted confidential information], Tidewater and TransAlta.

"**Seller Group Assets**" means those Contracts, [redacted confidential information] and Permits identified in [redacted confidential information] , respectively, as being in the name of or held by a member of the Seller Group other than the Seller.

"**Seller's Counsel**" means Burnet, Duckworth & Palmer LLP.

"**Seller's Required Consents**" has the meaning specified in Section 4.1(f).

"**Senior Officers' Conference**" has the meaning specified in Section 13.2(e).

"**Senior Officer's Notice**" has the meaning specified in Section 13.2(c).

"**Statement of Adjustments**" has the meaning specified in Section 2.5(a).

"**Survival Period**" has the meaning specified in Section 11.4(a).

"**Surviving Obligations**" has the meaning specified in Section 10.2(a).

[redacted confidential information]

[redacted confidential information]

"**Tangibles**" means, subject to the limitations and exclusions below in this definition, all of the Seller's tangible depreciable property, equipment and assets used or held or intended for use, in connection with the Pipeline (other than the Pipeline itself) including:

(a) all Petroleum Substances and chemicals (in any state) within or held for use in the Pipeline Assets and any such substances held as linepack, linefill, working stock or tank bottoms; and

(b) all other spare parts, tools, equipment, supplies, chemicals, lubricants, fuels, and other inventories that are used or held for use for the sole purpose of, or in connection with or related to, the construction, installation, operation or maintenance of the Pipeline or any of the other Tangibles,

including as listed and described in Schedule L, but expressly excluding, in all cases, the Excluded Assets or any of the foregoing associated exclusively with the Excluded Assets.

"**Tax**" or "**Taxes**" means all taxes, duties, fees, premiums, assessments, levies and other charges of any kind whatsoever imposed by any taxing or other Governmental Entity, together with all interest, penalties and fines in respect thereof.

"**Technical Expert**" has the meaning specified in Section 14.1.

[redacted confidential information]:

(a) the [redacted confidential information];

(b) the [redacted confidential information];

(c) the [redacted confidential information]; and

(d) the [redacted confidential information].

[redacted confidential information]

[redacted confidential information]

"**Termination Notice**" has the meaning specified in Section 7.8(c).

"**Third Party**" means any Person other than the Purchaser or the Seller, Tidewater, TransAlta, or any Affiliate of the Purchaser, the Seller, Tidewater or TransAlta.

"**Third Party Claim**" means any Claim that is instituted or asserted by a Third Party, including a Governmental Entity, against an Indemnified Party which entitles such Indemnified Party to make claim for indemnification under this Agreement.

"**Tidewater**" means Tidewater Midstream and Infrastructure Ltd.

[redacted confidential information]

"**Transaction**" means the transactions contemplated by this Agreement.

"**TransAlta**" means TransAlta Generation Partnership.

[redacted confidential information]

[redacted confidential information]

[redacted confidential information]

[redacted confidential information]

"**Unassigned Rights**" has the meaning specified in Section 12.1.

[redacted confidential information]

1.2 Rules of Interpretation

In this Agreement, unless a clear and contrary intention appears:

(a) any reference in this Agreement or [redacted confidential information] to gender includes all genders and words importing the singular number only will include the plural and vice versa;

(b) the provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation;

(c) all references in this Agreement [redacted confidential information] to dollar amounts, unless otherwise specifically indicated, are expressed in lawful currency of Canada;

(d) in this Agreement and [redacted confidential information] :

(i) the words "including" and "includes" mean "including (or includes) without limitation";

(ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of"; and

(iii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding";

(e) the accounting terms specified in the definitions of "Holdback Credit Event" and "Termination Credit Event" shall have the meanings given to them in Schedule P, which the Seller represents are the same definitions used in Tidewater's senior credit agreement; provided that if at any time Tidewater's senior credit agreement is amended such that the definitions in Schedule P no longer reflect the definitions for such terms in such senior credit agreement, the definitions in Schedule P will be deemed to be amended accordingly, Seller shall, within two (2) Business Days, provide Purchaser with Notice of any such amendments and any amendments to any financial ratios in its senior credit agreement upon which in the definitions of "Holdback Credit Event" and "Termination Credit Event" are based;

(f) all other accounting terms not specifically defined in this Agreement will be interpreted in accordance with GAAP;

(g) the Exhibits and Schedules attached to this Agreement are incorporated into this Agreement by reference and are deemed to be part hereof. If any term or condition of such Exhibit or Schedule conflicts or is inconsistent with any term or condition in the main body of this Agreement, the term or condition in the main body of this Agreement shall prevail to the extent of the conflict or inconsistency;

(h) reference to any agreement, document or instrument means such agreement, document or instrument as amended, restated or supplemented and in effect in accordance with the terms thereof and, if applicable;

(i) reference to any Law means such Law and the regulations promulgated thereunder as amended, supplemented, codified, replaced or re-enacted, in whole or in part;

(j) payments are to be made in immediately available funds;

(k) references to time of day or date means the local time or date in Calgary, Alberta;

(l) where any payment or calculation is to be made, or any other action is to be taken, on or as of a day that is not a Business Day, the payment or calculation is to be made, or the other action is to be taken, as applicable, on or as of the next following Business Day; and

(m) an undertaking by a Party not to do or to omit to do any act or thing includes an undertaking not to allow, cause or assist in the doing or omission of such act or thing.

1.3 Knowledge

Where any representation or warranty of the Seller contained in this Agreement is expressly qualified by reference to the knowledge or awareness (or similar qualification) of the Seller, it will be deemed to refer to the actual knowledge of any of the Responsible Persons and the knowledge any of them would have after having made reasonable enquiries into the relevant subject matter.

1.4 Seller's Obligations

Where the performance of any covenant or obligation of the Seller contained in this Agreement requires the action or cooperation of, or relates to any Pipeline Asset or any matter that is owned or held by or within the control of, another member of the Seller Group, the inaction or noncooperation of such other member of the Seller Group does not relieve the Seller in any way from its covenants or obligations in this Agreement and the covenant or obligation of the Seller shall be deemed to include a covenant or obligation of the Seller to cause the applicable member of the Seller Group to comply with such covenant or obligation.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

Upon the terms and subject to the conditions contained in this Agreement, the Seller agrees to sell, assign, transfer and convey to the Purchaser, and the Purchaser agrees to purchase, assume and accept from the Seller, all of the right, title and interest in and to the Pipeline Assets, free and clear of all Liens other than Permitted Liens, and in each case, as in existence as of the Closing Time.

2.2 Purchase Price

The aggregate purchase price payable by the Purchaser to the Seller for the Pipeline Assets will be an amount equal to [redacted confidential information] dollars ($[redacted confidential information]), (the "**Purchase Price"**), subject to adjustment in accordance with Sections 7.8(g) and 11.10.

2.3 Payment of Closing Cash

The Purchaser will pay the Purchase Price as follows:

(a) by paying to (or, in accordance with Section 8.1(l), as may be directed by) the Seller at Closing:

(i) the Purchase Price;

(ii) [redacted confidential information]

(iii) plus, GST payable in accordance with Section 2.7;

(iv) plus, or minus, as applicable, an amount equal to the net amount payable by one Party to the other Party pursuant to the Statement of Adjustments, as determined in accordance with Section 2.5(a),

(collectively, the "**Closing Cash**"); and

(b) [redacted confidential information];

in each case by way of wire transfer.

2.4 Economic Benefits/Burdens

(a) It is the intention of the Parties that the Transaction shall be on a cash free, debt free basis and that, subject to Closing, and notwithstanding the Closing Time:

(i) the Purchaser shall:

(A) be entitled to all revenues and benefits from the ownership and operation of the Pipeline Assets from and after the Effective Time as determined on an accrual basis in accordance with GAAP; and

(B) be responsible for all expenditures and obligations pertaining to the ownership, operation and development of the Pipeline Assets from and after the Effective Time as determined on an accrual basis in accordance with GAAP; and

(ii) the Seller shall:

(A) be entitled to all revenues and benefits from the ownership and operation of the Pipeline Assets prior to the Effective Time as determined on an accrual basis in accordance with GAAP; and

(B) be responsible for all expenditures and obligations pertaining to the ownership, operation and development of the Pipeline Assets prior to the Effective Time as determined on an accrual basis in accordance with GAAP.

(b) In accordance with Section 2.4(a), all revenues, benefits, expenditures and obligations pertaining to the ownership, operation and development of the Pipeline Assets, shall be apportioned between the Seller and the Purchaser as of the Effective Time, on an accrual basis in accordance with GAAP, subject to the following:

(i) all costs relating to any work performed or goods and services provided in respect of the Pipeline Assets will be deemed to have accrued as of the date the work was performed or the goods or services were provided, regardless of the time at which those costs became payable; and

(ii) all rentals and similar payments, property taxes and other periodic costs that relate to the Pipeline Assets shall be apportioned between the period before the Effective Time and the period after the Closing Date on a *per diem* basis; and

(iii) the Seller shall be solely responsible for the payment of all Excluded Liabilities.

(c) Notwithstanding anything to the contrary within this Section 2.4, the Parties acknowledge and agree that Tidewater, TransAlta and [redacted confidential information] will be party to the transportation service agreements for the transportation of natural gas on the Pipeline after the Effective Time and [redacted confidential information] will be party to any other transportation and shipping agreement in connection with the Pipeline Assets and Purchaser will not be a party to such agreements. Considering such, Purchaser will not be responsible to account for the revenues applicable to any transportation, shipping agreement or other agreement on or in respect to the Pipeline Assets for the purpose of the Statement of Adjustments subject to Section 2.5.

2.5 Apportionment of Economic Benefits/Burdens

(a) The Seller shall prepare a statement based on the Seller's good faith estimate of the apportionment of the revenues, benefits, expenditures and obligations as between the Parties pursuant to and in accordance with Section 2.4 and detailing the net amount payable by one Party to the other Party in respect of such apportionment (the "**Statement of Adjustments**") and deliver a copy of such statement, together with reasonable supporting documentation, to the Purchaser no later than the fifth (5th) Business Day prior to the Closing Date. The Statement of Adjustments shall be substantially in the form of and prepared on a basis consistent with the sample form of the Statement of Adjustment attached as Exhibit F. The Seller shall assist the Purchaser in verifying the amounts and adjustments set forth in the Statement of Adjustments.

(b) Within ninety (90) days following the later of the Closing Date and the date the Escrowed Funds, if any, are released in accordance with Section 14.4 (or such other date as is mutually agreed to by the Parties in writing), the Purchaser will prepare and deliver to the Seller a statement of adjustments to be made between the Parties pursuant to Section 2.4 that were not included, or not properly included, in the Statement of Adjustments detailing the net amount payable by one Party to the other Party in respect of such adjustments (the "**Final Statement of Adjustments**").

(c) Within fifteen (15) Business Days following receipt of the Final Statement of Adjustments, the Seller will notify the Purchaser in writing if the Seller accepts, or has any objections to, it. The notice of objection must contain a statement of the basis of the Seller's objections and each amount in dispute.

The Purchaser will provide the Seller access, upon every reasonable request, to the Purchaser's accounting books and records and the appropriate personnel to verify the accuracy, presentation and other matters relating to the preparation of the Final Statement of Adjustments. The Seller will be deemed to have accepted the Final Statement of Adjustments if it does not notify the Purchaser of its acceptance or objection within the said period of fifteen (15) Business Days.

(d) If the Seller disputes the Final Statement of Adjustments, the Seller and the Purchaser will work expeditiously and in good faith in an attempt to resolve such dispute within a period of fifteen (15) Business Days after the date of notification by the Seller to the Purchaser of such dispute, failing which the dispute will be submitted for determination to [redacted confidential information] (the "**Independent Accountant**"); provided that in the event [redacted confidential information] refuses or is otherwise unable to act as the Independent Accountant, the Parties shall cooperate in good faith to appoint an independent accounting firm qualified and of national recognition in Canada that is mutually agreeable to the Parties and "Independent Accountant" shall mean such firm. The Independent Accountant shall act as expert and not as arbitrator and shall be required to determine the items in dispute that have been referred to it as soon as reasonably practicable but in any event not later than thirty (30) days after the date of referral of the dispute to it. In making its determination, the Independent Accountant will only consider the issues in dispute placed before it. The Seller and the Purchaser shall provide or make available, all documents and information as are reasonably required by the Independent Accountant to make its determination. The determination of the Independent Accountant shall be final and binding on the Parties, and not subject to appeal (absent manifest error) and the Final Statement of Adjustments shall be finalized in accordance with such determination.

(e) The Seller and the Purchaser will each bear their own fees and expenses in preparing or reviewing, as the case may be, the Final Statement of Adjustments. In the case of a dispute and the retention of an Independent Accountant to determine such dispute, the costs and expenses of the Independent Accountant will be borne equally by the Purchaser, on the one hand, and the Seller, on the other. However, the Seller and the Purchaser will each bear their own costs in presenting their respective cases to the Independent Accountant.

(f) Upon acceptance of the Final Statement of Adjustments by the Seller in accordance with Section 2.5(c), or the resolution of any dispute in accordance with the foregoing, the Purchaser will promptly pay to the Seller, or the Seller will promptly pay to the Purchaser, as the case may be, any amounts owing pursuant to the Final Statement of Adjustments.

2.6 [redacted confidential information]

2.7 Taxes and GST

(a) The Purchaser will be liable for and will pay, within the time periods required under applicable Law, all Taxes arising in connection with the sale, conveyance, assignment and transfer of the Pipeline Assets from the Seller to the Purchaser, including all federal and provincial sales, goods and service and transfer Taxes.

(b) The Parties shall cooperate with each other in good faith and shall use commercially reasonable efforts to assist the other Party in mitigating such Taxes. The Parties agree that the Pipeline and the [redacted confidential information] and the interests in the Pipeline Right of Way granted thereby constitute "real property" for purposes of the GST Legislation. To the extent permitted under section 221(2) of the GST Legislation, the Purchaser shall self-assess and remit directly to the appropriate Governmental Entity any GST (after reflecting the provisions of section 228(6) of the GST

Legislation) in connection with the portion of the Purchase Price that is allocable to the Pipeline and the [redacted confidential information] and the interests in the Pipeline Right of Way granted thereby. The Purchaser shall make and file a return(s) in accordance with the requirements of section 228(4) of the GST Legislation in respect thereof. Notwithstanding anything to the contrary in this Agreement, the Purchaser will be liable for and will pay any Taxes, interest, or penalties which may be assessed, including against the Seller, as a result of such property not being eligible for self-assessment or as a result of the Purchaser's failure to so self-assess within the prescribed time or form. The Seller shall charge, and the Purchaser shall pay to the Seller, on account of GST, an amount equal to 5% of the portion of the Purchase Price that is allocable to Pipeline Assets other than the Pipeline and the [redacted confidential information] and the interests in the Pipeline Right of Way granted thereby. The Seller will remit such amount to the appropriate taxation authorities in accordance with the GST Legislation. Notwithstanding anything to the contrary in this Agreement, the Seller will be liable for and will pay any Taxes, interest or penalties which may be assessed, including against the Purchaser, as a result of the Seller's failure to remit such GST in accordance with the GST Legislation.

2.8 Allocation of Purchase Price

The Seller and the Purchaser agree to allocate the Purchase Price, including the value of the Assumed Liabilities (and other relevant items that are properly treated as part of the Purchase Price) among the Pipeline Assets in accordance with the allocation set forth in Schedule I for all purposes, including Tax and financial accounting.

ARTICLE 3
ASSUMED LIABILITIES

3.1 Assumed Liabilities

(a) Subject to Closing and to the Purchaser's right to indemnification pursuant to Article 11, the Purchaser agrees to discharge, perform and fulfil the following obligations, liabilities and responsibilities with respect to the Pipeline Assets as and from the Effective Time (collectively, the "**Assumed Liabilities**"):

(i) all Claims and other obligations, liabilities and responsibilities which relate to, arise from, or are associated with the Pipeline Assets or the operation, maintenance, use or ownership thereof or any other operations, services, or other activities conducted in connection therewith and, in each case, which arise or accrue in respect of the Pipeline Assets as a result of any matter or circumstance occurring from and after the Effective Time;

(ii) all past, present and future Environmental Claims;

(iii) the Abandonment and Reclamation Obligations; and

(iv) any other obligations or liabilities expressly assumed under this Agreement,

but expressly excluding, in all cases, the Excluded Liabilities. For certainty, the Purchaser will be liable for the Assumed Liabilities in all respects.

(b) Subject to the accuracy of, and without limiting any of, the representations contained in Section 4.1 (or the certificate referred to in Section 8.1(a)), the Purchaser's assumption of liability in Section 3.1(a) and its indemnity provided in Section 11.3(c) with respect to Assumed Liabilities shall, subject to Article 11, apply without limit and without regard to the negligence of the Seller or any of its Additional Indemnitees. Subject to the accuracy of, and without limiting any of, the representations contained in Section 4.1 (or the certificate referred to in Section 8.1(a)), the Purchaser hereby waives, and acknowledges and agrees that it shall not exercise, any right or remedy against the Seller or any of the Seller's Additional Indemnitees in respect to any such Assumed Liabilities that Purchaser may otherwise have under applicable Laws, including any right to name the Seller or any of the Seller's Additional Indemnitees as a party to any Claim commenced by the Purchaser or by any Third Party in which the Purchaser is a party. For certainty, nothing in this provision will limit the Purchaser's rights, or the Seller's obligations, in respect of the indemnity provided in Section 11.2.

3.2 Excluded Liabilities

The Purchaser will not assume and will have no obligation to discharge, perform or fulfill any of the Excluded Liabilities. For certainty, the Seller will remain liable for the Excluded Liabilities in all respects.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE SELLER

4.1 Representations and Warranties of the Seller

The Seller represents and warrants as follows to the Purchaser and acknowledges and confirms that the Purchaser is relying upon such representations and warranties in entering into this Agreement and completing the Transaction:

(a) **Existence and Qualification.** The Seller:

- (i) is a limited partnership duly formed and validly existing and in good standing under the Laws of Alberta;

- (ii) has full power, capacity and authority to own its property and to carry on its business in each jurisdiction in which it operates;

- (iii) has full power, capacity and authority to enter into and perform its obligations under this Agreement and each of the [redacted confidential information] to which it is or will be a party; and

- (iv) is duly qualified, licensed or registered to carry on business in the Province of Alberta, being the only jurisdiction where the nature of the property owned by it or the business carried on by it makes such qualification necessary and has full legal right under the Laws of all such jurisdictions to own its property and to carry on the business carried on by it.

(b) **General Partner.** [redacted confidential information]:

- (i) is the sole general partner of the Seller;

- (ii) is a corporation duly incorporated and validly existing and in good standing under the Laws of Alberta**;**

- (iii) has full corporate power, capacity and authority (in its own capacity and in its capacity as the general partner of the Seller) to own its property and the property of the Seller which it owns on behalf of the Seller and to carry on its business and the business of the Seller in each jurisdiction in which it operates;

(iv) has full corporate power, capacity and authority to enter into and perform (in its own capacity and in its capacity as the general partner of the Seller) its obligations and the obligations of the Seller under this Agreement and each of the[redacted confidential information] to which it or the Seller is or will be a party; and

(v) is duly qualified, licensed or registered to carry on business in the Province of Alberta, being the only jurisdiction where the nature of the property owned by it or the business carried on by it makes such qualification necessary and has full legal right under the Laws of all such jurisdictions to own its property and to carry on the business carried on by it.

(c) **Validity of Agreement.** The execution, delivery and performance by the Seller (and by [redacted confidential information] in its capacity as the general partner of the Seller and, to the extent applicable pursuant to Section 1.4, the other members of the Seller Group) of this Agreement and each of the [redacted confidential information] to which it is or will be a party:

(i) have been duly authorized by all necessary corporate and partnership action on the part of each member of the Seller Group;

(ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) require any consent or approval under, result in a breach of, default under or a violation of, or conflict with, or allow any other Person to exercise any rights under any of the terms or provisions of:

(A) [redacted confidential information] ;

(B) the [redacted confidential information];

(C) the constating documents of any member of the Seller Group; or

(D) subject to receipt of the Seller's Required Consents, which have been obtained or will be obtained by the Seller on or prior to Closing, the Post-Closing Seller's Required Consents, which will be pursued following Closing in accordance with Sections 7.6, 12.1 and 12.2, and the Regulatory Approvals, any contracts or instruments to which any member of the Seller Group is a party or pursuant to which the Pipeline Assets may be affected;

(iii) subject to receipt of the Seller's Required Consents, which have been obtained or will be obtained by the Seller on or prior to Closing, the Post-Closing Seller's Required Consents, which will be pursued following Closing in accordance with Sections 7.6, 12.1 and 12.2, and the Regulatory Approvals, will not result in the violation of any applicable Law; and

(iv) will not constitute a default under, or result in a violation of any judgment, order, writ, injunction or decree of any Governmental Entity to which any member of the Seller Group is subject.

(d) **Execution and Binding Obligation.** This Agreement and each of the [redacted confidential information] to which any member of the Seller Group is or will be a party have been, or will be, at the Closing Time, as applicable, duly executed and delivered by it and constitute, or will at the

Closing Time, constitute, as applicable, legal, valid and binding obligations of it enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to:

(i) bankruptcy, winding-up, insolvency, arrangement and other similar applicable Laws of general application affecting the enforcement of creditors' rights; and

(ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(e) **Board and Securityholder Approvals.** The requisite approval from the boards of directors of each of [redacted confidential information], Tidewater and TransAlta approving the Agreement, , [redacted] and the consummation of the Transaction has been obtained (the "**Board Approvals**"). The requisite approvals and waivers (including of any pre-emptive rights or rights of first refusal) under each of the [redacted confidential information] and the [redacted confidential information] to permit the execution and delivery of the Agreement, [redacted confidential information] and the consummation of the Transaction have been obtained (the "**Securityholder Approvals**").

(f) **Seller's Required Consents.** There is no requirement for or on or by any member of the Seller Group to make any filing with, give any notice to, or obtain any consent, approval or Authorization of, any Governmental Entity or Person as a condition to the completion of the Transaction, other than those set forth in Schedule F (the "**Seller's Required Consents**") and the Regulatory Approvals.

(g) **Not a Non-Resident.** The Seller is not a non-resident of Canada within the meaning prescribed in the ITA.

(h) **GST Registration.** The Seller is registered for the purposes of the Tax imposed under the GST Legislation, having registration number [redacted confidential information].

(i) **Finders' Fees.** No member of the Seller Group has taken any action that would cause the Purchaser or its Affiliates to become liable for any claim or demand for a brokerage commission, finder's fee or other similar payment in connection with this Agreement, [redacted confidential information] or the Transaction.

(j) **No Insolvency or Bankruptcy Proceedings.** None of the Seller, [redacted confidential information], Tidewater, TransAlta or TransAlta Corporation (the "**Relevant Persons**") are insolvent within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (the "**BIA**") or otherwise, and none of them has committed any act of bankruptcy within the meaning of the BIA, filed any proceedings either under the BIA, the *Companies' Creditors Arrangement Act* (the "**CCAA**") or under the *Canada Business Corporation Act* (the "**CBCA**") or any similar provincial legislation applicable to the Relevant Persons, proposed any compromise or arrangement in connection with such proceedings, nor has any Person, including any creditor of any of the Relevant Persons, initiated any such proceedings against any of them, including any bankruptcy or receivership proceedings, or exercised any right to appoint a private receiver against the property of any of the Relevant Persons or otherwise taken or sought to take possession of any such property, nor is any of the foregoing pending against, contemplated by or, to the extent it would be material to the knowledge of the Seller, threatened against any of the Relevant Persons.

(k) **Title to the Pipeline Assets.** The Seller (and, in respect of the Seller Group Assets only, the applicable member of the Seller Group) has good and marketable title to the Pipeline Assets and the right to sell the Pipeline Assets to the Purchaser on the terms and conditions provided for in this Agreement and, except as provided in this Agreement or for or pursuant to any Permitted Liens:

(i) it has not agreed to assign, alienate or encumber its interest in the Pipeline Assets or any part thereof, and

(ii) as of the date hereof the Pipeline Assets are, and as of the Effective Time the Pipeline Assets will be, free and clear of all Liens (other than Permitted Liens).

No member of the Seller Group other than the Seller owns, holds or has title to any of the Pipeline Assets other than the Seller Group Assets.

(l) **Sufficiency of Assets.** Save in respect of the Excluded Assets, the [redacted confidential information], the [redacted confidential information], comprise all of the material rights, property and assets required for the carrying on of the hydrocarbon transportation business, including the ownership, operation, access to, use and maintenance of the Pipeline, in substantially the same manner as carried on at the date hereof and at the Effective Time by the Seller Group.

(m) **Permits.** No Permits are required with respect to the Pipeline Assets or the ownership, operation, use or maintenance thereof other than the Permits listed and described in [redacted confidential information] , true and complete copies of which have been made available in the Data Room. Each Permit is valid, subsisting and in good standing, the applicable member of the Seller Group holding the Permit is not and, to the knowledge of Seller, has never been, in default or breach of such Permit or any other Authorization in respect of the construction or installation of the Pipeline Assets, or any of them, and no proceeding is pending or, to the knowledge of the Seller, threatened to revoke or limit any Permit. Except as set out in Schedule O, each Permit is assignable to the Purchaser and each Permit is renewable by its terms or in the Ordinary Course without the need for any member of the Seller Group or the Purchaser to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine filing fees. Provided the Seller Required Consents and the Regulatory Approvals are obtained, the consummation of the Transaction will not cancel, suspend, terminate or otherwise require the modification of any Permit except in accordance with Schedule O.

(n) **No Options to Purchase Assets.** Except for the Purchaser under this Agreement and rights under the [redacted confidential information] and [redacted confidential information] (which have been waived pursuant to the Securityholder Approvals), no Person has any written or oral right, agreement, option, understanding or commitment, or any right or privilege capable of becoming such for the purchase or other acquisition from any member of the Seller Group of any of the Pipeline Assets.

(o) **Condition of Pipeline Assets.** The Pipeline and the Tangibles are, in all material respects, structurally sound, in good operating condition and repair having regard to their use and age and are adequate and suitable for the uses to which they are being put. None of the Pipeline or the Tangibles are in need of maintenance of repairs which are material in nature or cost except for routine maintenance and repairs in the Ordinary Course. The Pipeline Assets are now and have been operated in accordance with Prudent Industry Practice. None of the Pipeline Assets have been discontinued, decommissioned or abandoned.

(p) **Warranty Claims.** There have never been any material deficiencies with respect to the construction, condition or sufficiency of the Pipeline or the Tangibles. No member of the Seller Group has failed to give any notice or present any Claim under any warranty applicable to the

Pipeline or the Tangibles. No member of the Seller Group has made any warranty Claim against or to any Third Party with respect to the Pipeline or the Tangibles which has not been remedied or that remains outstanding in any material respect and, to the knowledge of Seller, no condition or circumstance exists pursuant to which any such Claim could be made.

(q) **Contracts and [redacted confidential information].** The applicable member of the Seller Group which is party to each [redacted confidential information] and each [redacted confidential information] has performed all of the material obligations required to be performed by it and is entitled to all benefits under such [redacted confidential information] and [redacted confidential information]; and such applicable member of the Seller Group is not, and to the knowledge of the Seller, no third party is, in material default of any such [redacted confidential information] or [redacted confidential information]. Each of the [redacted confidential information] and the [redacted confidential information] is in full force and effect, and there exists no default or event of default or event, occurrence, condition or act (including the purchase of the Pipeline Assets) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default of or in respect of the applicable member of the Seller Group, or to the knowledge of the Seller, any other party under such [redacted confidential information] or [redacted confidential information] other than any requirements to obtain the consent to assignment of the other party as contemplated in the Seller's Required Consents. Other than the Contracts, the [redacted confidential information], there are no contracts, agreements or arrangements to which any member of the Seller Group is a party that are material to the ownership, operation, use or maintenance of the Pipeline Assets. Other than the [redacted confidential information], there are no transportation agreements or other arrangements under which any member of the Seller Group or any Person acting on its behalf, is obligated to transport product of other Persons in the Pipeline. True, correct and complete copies of all [redacted confidential information] and [redacted confidential information], including any amendments as of the date hereof, have been made available in the Data Room or otherwise delivered by the Seller to the Purchaser. Other than the [redacted confidential information], no member of the Seller Group is a party to any agreements with respect to real property pursuant to which the Seller (or any member of the Seller Group on behalf of the Seller or otherwise in respect of the Pipeline Asset) uses, accesses or occupies the Pipeline Right of Way or any other real property to access the Pipeline Assets other than the [redacted confidential information]. The [redacted confidential information] grant to the Seller or a member of the Seller Group all real property interests or access rights as are required to operate, access, use or maintain the Pipeline Assets and the Pipeline Right of Way. Except for those matters set out in Schedule O, there are no Claims outstanding, in progress, pending or, to the knowledge of the Seller, threatened in respect of any of the [redacted confidential information] or the real property that is subject thereto. Other than in respect of the Excluded Assets and save as set out in Schedule O, no member of the Seller Group owns any fee simple interests in real property which is used in connection with the ownership, use or maintenance of, or access to, the Pipeline Assets. Other than the [redacted confidential information], the [redacted confidential information] and [redacted confidential information] are assignable to the Purchaser without payment of penalties or impositions of restrictions or other adverse effects of any kind.

(r) **Books and Records.** The Seller has made, or will prior to Closing make, available to the Purchaser or its representatives all of the Books and Records.

(s) **Insurance.** Certificates of insurance evidencing the insurance policies that Tidewater maintains on behalf of the Seller as of the date of this Agreement with respect to the Pipeline Assets (the "**Policies**") have been made available in the Data Room or otherwise provided by the Seller to the Purchaser. All Policies are in full force and effect and the Policies comprise all insurance held by any member of the Seller Group with respect to the Pipeline Assets. Tidewater is not in material default with respect to any of the material provisions contained in any Policy and has not failed to pay any premium, give any notice or present any claim under any Policy in due and timely fashion. Except as set forth in Schedule O, no claim has been made under any Policy and, to the knowledge of the Seller, there are no circumstances in respect of which any Person could make a claim under any Policy. No insurance carrier has refused, denied or disputed coverage with respect to any claim or potential claim under the Policies.

(t) **Litigation.** Except as set forth in Schedule O, there are no:

(i) actions, suits or proceedings, at law or in equity, by any Person;

(ii) arbitration or alternative dispute resolution process; or

(iii) civil, criminal, administrative or other proceeding by or before (or to the knowledge of the Seller any investigation by) any Governmental Entity,

in progress, pending, or, to the knowledge of the Seller, threatened, against any member of the Seller Group which affect the Pipeline Assets, and the Seller has no knowledge of any valid basis for any such action, suit, proceeding, arbitration or investigation. No member of the Seller Group is subject to any judgment, order or decree entered in any lawsuit or proceeding nor has any member of the Seller Group settled any claim related to or affecting the Pipeline Assets prior to being prosecuted in respect of it. No member of the Seller Group is the plaintiff or complainant in any action, suit, proceeding, grievance, arbitration or alternative dispute resolution process related to or affecting the Pipeline Assets.

(u) **Taxes.** There is no right of any Governmental Entity or any other Person to attach a Lien, other than a Permitted Lien, on any of the Pipeline Assets resulting from the any member of the Seller Group's failure to pay any Taxes. No member of the Seller Group has consented to, waived assessment periods with respect to or otherwise agreed to anything which extends the period during which a Governmental Entity may issue a tax assessment, which may result in a Lien, other than a Permitted Lien, against the Pipeline Assets.

(v) **Guarantees.** There are no guarantees, letters of credit or similar assurances that any member of the Seller Group or any of their Affiliates have posted in respect of the Pipeline Assets for which the Purchaser will have any liability or that will be required to be replaced by the Purchaser after Closing.

(w) **Compliance with Laws.** There is not and has been no material violation of any Law by any member of the Seller Group in respect of or related to the Pipeline Assets. No member of the Seller Group has received notice of any material citation, directive, order, claim, litigation, investigation, proceeding, review, notice, decision, judgment, letter or other communication, written or oral, from any Governmental Entity relating to or affecting the Pipeline Assets and there are no material matters under discussion between any member of the Seller Group and any such Governmental Entity relating to the foregoing.

(x) **Environment.** Except as set forth in Schedule O:

(i) the Pipeline Assets were constructed, are being operated, and have at all times been operated, in compliance with all Environmental Laws in all material respects;

(ii) save in respect of the [redacted private information] and the Abandonment and Reclamation Obligations, there are no Pipeline Assets with respect to which a remedial action or other corrective obligation exists under Environmental Laws;

(iii) all Hazardous Substances used or encountered by any member of the Seller Group in the course of the construction, operation, use or maintenance of the Pipeline Assets have been stored, treated, transported and disposed of in compliance with all Environmental Laws in all material respects and, to the knowledge of the Seller, there has not been any Release of Hazardous Substances from, or in connection with the construction, operation, use or maintenance of, the Pipeline Assets;

(iv) to the knowledge of the Seller, there are no Hazardous Materials located in, on the ground or under the Pipeline Right of Way, or on any other lands which are or were used to gain access thereto, which would require any material remediation by any member of the Seller Group under Environmental Laws;

(v) there are no outstanding orders or similar under any Environmental Laws or relating to any health and safety matters requiring any material work, repairs, construction or capital expenditures with respect to the Pipeline Assets nor has any member of the Seller Group received notice that any of the same are pending or threatened;

(vi) no member of the Seller Group is, or has been, the subject of (or received any notice of) any Claim by a Governmental Entity or Third Party involving a demand for damages or other potential liability or requiring any work, repairs, construction or capital expenditures with respect to violations of Environmental Laws relating to or affecting the Pipeline Assets, nor are any of the same pending or, to the knowledge of the Seller, threatened; and

( ) the Disclosure Materials contain true and complete copies of all environmental consultant reports, material documents and material correspondence with Governmental Entities in the possession or under the control of the Seller, [redacted confidential information], Tidewater or TransAlta relating to the Pipeline Assets, including relating to Hazardous Substances or compliance with Environmental Laws, and to the knowledge of Seller, there are no environmental consultant reports or documents or correspondence with Governmental Entities relating to the Pipeline Assets that are not in the possession or under the control of the Seller, [redacted confidential information], Tidewater or TransAlta.

(y) **Employees.** The Seller has no employees and there are no contingent or other liabilities relating to any former employees (if any).

(z) **Pipeline Records.** The members of the Seller Group and their Affiliates, as applicable, have collected, maintained and retained all records, including the Books and Records, as is required under *CSA Z662: Oil and Gas Pipeline Systems* and Part 4 (Inspection and Records) of the *Pipeline Rules* (AR 91/2005) in respect of the Pipeline or can otherwise demonstrate that the Pipeline is fit for its intended use and purpose.

(aa) **AFEs.** Except as provided in the Disclosure Materials, there are no outstanding or required AFEs or similar written requests or invoices for funding or participation for capital contributions under any Contract that is binding on any member of the Seller Group or in respect of the Pipeline Assets that the Seller reasonably anticipates will require expenditures in excess of amounts set forth in the Operating and Capital Maintenance Budget in the aggregate after the date hereof. The Disclosure Materials contain true and complete copies of all AFEs that have been approved as of the date hereof.

(bb) **Material Adverse Change.** Since November 1, 2019, there has been no Material Adverse Change.

(cc) **Completeness of Information.** The Seller has disclosed to the Purchaser in the Disclosure Materials or otherwise in writing all material facts known to it and has not omitted to disclose any material facts known to it relating to the Pipeline Assets and the Assumed Liabilities.

(dd) [redacted confidential information]

ARTICLE 5
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER

5.1 Representations and Warranties of the Purchaser

The Purchaser represents and warrants as follows to the Seller and acknowledges and confirms that the Seller is relying upon such representations and warranties in entering into this Agreement and completing the Transaction.

(a) **Existence and Qualification.** The Purchaser is a corporation duly organized and validly existing and in good standing under the Laws of Alberta. The Purchaser:

(i) has full power, capacity and authority to own its property and to carry on its business in each jurisdiction in which it operates;

(ii) has full power, capacity and authority to enter into and perform its obligations under this Agreement and, at Closing, each of the [redacted confidential information] to which it is or will be a party, as applicable; and

(iii) is duly qualified, licensed or registered to carry on business in all jurisdictions where the nature of the property owned by it or the business carried on by it makes such qualification necessary, and has full legal right under the Laws of all such jurisdictions to own its property and to carry on the business carried on by it.

(b) **Validity of Agreement.** The execution, delivery and performance by the Purchaser of this Agreement and each of the [redacted confidential information] to which it is or will be a party:

(i) have been, or will be at Closing, duly authorized by all necessary corporate action on the part of the Purchaser;

(ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition), or will not at Closing, require any consent or approval under, result in a breach of, default under or a violation of, or conflict with, or allow any other Person to exercise any rights under any of the terms or provisions of:

(A) the constating documents of the Purchaser; or

(B) subject to receipt of the Purchaser's Required Consents which have been obtained or will be obtained by the Purchaser on or prior to Closing, and the Regulatory Approvals, any contracts or instruments to which the Purchaser is a party or pursuant to which any of its assets or property may be affected;

(iii) subject to receipt of the Regulatory Approvals and the Purchaser's Required Consents which have been obtained or will be obtained by the Purchaser on or prior to Closing, will not result in the violation of any applicable Law; and

(iv) will not constitute a default under, or result in a violation of any judgment, order, writ, injunction or decree of any Governmental Entity to which the Purchaser is subject.

(c) **Execution and Binding Obligation.** This Agreement and each of the [redacted confidential information] to which the Purchaser is or will be a party have, or at the Closing Time will have, been duly executed and delivered by the Purchaser and constitute, or at the Closing Time will constitute, legal, valid and binding obligations of the Purchaser, enforceable against it in accordance with their respective terms subject only to any limitation under applicable Laws relating to:

(i) bankruptcy, winding-up, insolvency, arrangement and other similar Laws of general application affecting the enforcement of creditors' rights; and

(ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(d) **Board and Management Approval.** The requisite approval from the board of directors of the Purchaser approving the Agreement, [redacted confidential information] to which the Purchaser is or will be a party and the consummation of the Transaction has been obtained.

(e) **Purchaser's Required Consents.** There is no requirement for or on the Purchaser to make any filing with, give any notice to, or obtain any Authorization of, any Governmental Entity or Third Party as a condition to the lawful closing of the Transaction, other than those set forth in Schedule J (the "**Purchaser's Required Consents**") and the Regulatory Approvals.

(f) **No Finder's Fee.** The Purchaser has not taken any action that would cause the Seller, Tidewater, TransAlta or their respective Affiliates to become liable for any claim or demand for a brokerage commission, finder's fee or other similar payment in connection with this Agreement, the [redacted confidential information] or the Transaction.

(g) **No Insolvency or Bankruptcy Proceedings.** The Purchaser is solvent and has not committed any act of bankruptcy, proposed any compromise or arrangement or taken any proceeding with respect thereto and no lienholder or receiver has taken possession of any of property of the Purchaser, nor is any of the foregoing pending against, contemplated by or, to the knowledge of the Purchaser, threatened against the Purchaser.

(h) **Investment Canada Act.** The Purchaser is not a "non-Canadian" for the purposes of and within the meaning of the *Investment Canada Act*.

(i) **Foreign Ownership of Land Regulations.** The Purchaser is not a foreign controlled corporation for the purposes of and within the meaning of the *Foreign Ownership of Land Regulations* (Alberta).

(j) **Availability of Funds.** The Purchaser has access to the financial resources required to fulfill its obligations under this Agreement and will on or prior to the Closing Date have sufficient funds, in cash or available through credit facilities, to pay the Closing Cash.

(k) **GST Registration.** The Purchaser is registered for the purposes of the Tax imposed under the GST Legislation, having registration number [redacted confidential information].

(l) **Investigation.** Subject to, and without limiting any of, (x) the outstanding due diligence matters set out in Schedule M and Section 7.3, (y) the representations and warranties made by the Seller in Section 4.1 (and the certificate referred to in Section 8.1(a)), which the Purchaser is relying on, and (z) the Purchaser's rights, and the Seller's obligations, in respect of the indemnity provided in Section 11.2, the Purchaser:

(i) is an informed and sophisticated purchaser, and has, to the extent it has considered necessary, engaged expert advisors, experienced in the evaluation and purchase of assets such as the Pipeline Assets as contemplated hereunder;

(ii) has undertaken such investigation and has been provided with and has evaluated such documents and information as it has deemed necessary to enable it to make an informed and intelligent decision with respect to the execution, delivery and performance of this Agreement and the [redacted confidential information] to which it is a party;

(iii) has had the opportunity to request access to all facilities, personnel, books and records and information it considers necessary or appropriate for deciding whether or not to acquire the Pipeline Assets and has received all such access that it requested; and

(iv) is also relying on its own independent investigation (including business, accounting, legal, tax, financial, environmental and insurance) of the Pipeline Assets and its own analysis of the Pipeline Assets in entering into the purchase and sale thereof as contemplated by this Agreement.

(m) [redacted confidential information]

ARTICLE 6
REGULATORY APPROVALS

6.1 AUC Approvals and AER Approval

(a) The Parties agree that the Purchaser shall be responsible for preparing all filings and submissions to the AUC and the AER and any Third Party as required in order to obtain the AUC Approvals and the AER Approval, and will have, subject to the terms and conditions set out in this Section 6.1, exclusive carriage and control of such applications and the related processes for obtaining the AUC Approvals and the AER Approval; provided however, that the Seller will be required and shall be responsible to confirm with the AER that the information respecting the Seller and the Pipeline Assets contained in such filings or submissions to the AER is correct, and both Parties shall be required and shall be responsible to accept a declaration regarding their compliance with AER requirements.

(b) The Purchaser shall in respect of the AUC Approvals, and the Purchaser and Seller shall in respect of the AER Approval, use commercially reasonable efforts to take or cause to be taken any and all steps to make or give, or cause to be made or given, all things necessary, customary or proper to obtain the AUC Approvals and the AER Approval, respectively.

(c) The Purchaser shall:

(i) use commercially reasonable efforts to, as promptly as practicable following the date of this Agreement and, in any event on or prior to the AUC Filing Outside Date, prepare and file applications for the AUC Approvals (the "**AUC Applications**") or otherwise ensure that such applications have been filed with the AUC; provided that, subject to subsection (d) below, if the Purchaser is delayed, hindered or prevented, in whole or in part, from performing its obligations under this Section 6.1(c)(i) by reason of Excusable Purchaser Delay, the Purchaser's performance of its obligations under this Section 6.1(c)(i) shall be excused for the period of the delay, hindrance or prevention; and

(ii) use commercially reasonable efforts to, on or prior to the AER Filing Outside Date, prepare and file with the AER an application for the AER Approval (the "**AER Application**"), provided, however, that within seven (7) business days of the filing of the AER Application, (a) Seller shall confirm with the AER that the information contained in the AER Application is correct and (b) both parties shall promptly accept the AER declaration regarding compliance with AER requirements; provided that, subject to subsection (d) below, if the Purchaser is delayed, hindered or prevented, in whole or in part, from preparing and filing the AER Application under this Section 6.1(c)(ii) by reason of Excusable Purchaser Delay, the Purchaser's performance of its obligations under this Section 6.1(c)(ii) shall be excused for the period of the delay, hindrance or prevention.

(d) If the Purchaser is delayed, hindered or prevented, in whole or in part, from performing its obligations under either Section 6.1(c)(i) or (ii) by reason of Excusable Purchaser Delay, it shall:

(i) promptly notify the Seller of the occurrence and nature of the event or circumstance of the Excusable Purchaser Delay, including its effect on performance, and how long the Purchaser anticipates such Excusable Purchaser Delay to last;

(ii) use commercially reasonable efforts to minimize the duration of the Excusable Purchaser Delay in an effort to resume performance of its obligations under Section 6.1(c)(i) or (ii), as applicable, as soon as reasonably practicable;

(iii) keep the Seller informed of the steps being taken by the Purchaser to overcome the Excusable Purchaser Delay and to resume performance of its obligations under Section 6.1(c)(i) or (ii), as applicable; and

(iv) update the Seller and furnish to the Seller such relevant information as is reasonably available relating to the circumstances of the Excusable Purchaser Delay.

(e) The Parties shall cooperate in good faith with each other to obtain the AUC Approvals, and in connection therewith:

(i) the Purchaser shall keep the Seller fully informed as to the status of and the processes and proceedings relating to obtaining the AUC Approvals (including any AUC completeness determination) and shall promptly notify the Seller of any material communication (written or oral) from the AUC in respect of the AUC Approvals. Without limiting the generality of the foregoing, the Purchaser and the Seller shall meet either in person or via teleconference no less than once every calendar month during the Interim Period to discuss the status of and the processes and proceedings relating to the AUC Approvals;

(ii) the Purchaser shall promptly provide the Seller with any applications, notices, filings, submissions, undertakings, correspondence and communications of any material nature (including responses to requests for information and inquiries from the AUC) that were submitted to the AUC after the date of this Agreement in respect of the AUC Approvals;

(iii) the Purchaser shall respond, as soon as reasonably practicable, to any requests for information from the AUC in connection with obtaining the AUC Approvals, provided that this obligation shall not prohibit Purchaser from applying for reasonable extensions from the AUC in respect of any request for information;

(iv) the Purchaser shall give Seller notice of all material submissions, applications, notifications, filings or representations to the AUC, as applicable, unless doing so is not permitted under applicable Law; and

(v) the Seller shall furnish to the Purchaser all assistance, cooperation and information as is reasonably required from the Seller in connection with the foregoing, including in respect of the preparation of filings for the AUC Approvals, and in responding to any requests for information from the AUC, or any Third Party.

(f) If the Purchaser is advised that any of the AUC Approvals is unlikely to be obtained on the terms and conditions filed, the Purchaser shall promptly provide Notice to the Seller.

(g) The provisions of Subsections 6.1(e) and (f) shall apply *mutatis mutandis* to each of the Purchaser and Seller in respect of the AER Approval, such that in respect of Seller and its obligations in respect of the AER Approval, all references in Subsections 6.1(e) and (f) to "Purchaser" shall be to "Seller" and all references to "Seller" shall be to "Purchaser".

(h) The Purchaser shall be solely responsible for all the filing fees or similar charges associated with obtaining the AER Approval and the AUC Approvals.

(i) If the AUC or AER issues a final decision granting any of the AUC Approvals or the AER Approval on terms, conditions or restrictions which would require the Purchaser to undertake or expend efforts in excess of commercially reasonable efforts, the Purchaser shall promptly provide Notice to the Seller of such event, and provided that the Purchaser has not received a final decision denying any of the AUC Approvals or the AER Approval, as applicable, a senior officer of each of TransAlta, Tidewater and the Purchaser, who shall have the authority to negotiate, shall promptly meet and will use commercially reasonable efforts to negotiate a solution satisfactory to the Parties. Nothing in this Section 6.1 shall obligate the Purchaser to appeal, or seek a review of, any of the AUC Approvals or the AER Approval.

6.2 Competition Act Approval

(a) The Parties agree that the Purchaser shall, in consultation with the Seller, be responsible for preparing the initial drafts of all filings and submissions to the Competition Bureau in order to obtain the Competition Act Approval. The Seller shall furnish to the Purchaser all assistance, cooperation and information as is reasonably required from the Seller for preparation of the initial filings and in connection with other efforts to obtain the Competition Act Approval.

(b) The Parties shall use commercially reasonable efforts to take or cause to be taken any and all steps and to make or give, or cause to be made or given, all things necessary, customary or proper to obtain the Competition Act Approval as promptly as practicable following execution of this Agreement, and in any event prior to the Outside Date.

(c) No later than five (5) days following the date on which the Purchaser has filed all AUC Applications requesting the AUC Approvals, the Purchaser shall prepare and file with the Commissioner, a request for an ARC or, in the event that the Commissioner will not issue an ARC, a No Action Letter in respect of the transactions contemplated by this Agreement.

(d) If an ARC or No Action Letter is not received within thirty (30) days of the Purchaser filing the request for an ARC pursuant to Section 6.2(c) either Party may, acting reasonably, give Notice to the other Party, of its intention to file a premerger notification form pursuant to section 114(1) of the Competition Act, in which case each Party shall file a premerger notification form as soon as reasonably practical following receipt by the non-notifying Party of the other Party's notice of intention to file, and the provisions of this Section 6.2 shall apply *mutatis mutandis* to such filing save only that each Party shall have primary responsibility for the preparation and filing of its own pre-merger notification and for the preparation and submission of such additional documentation or information as may be requested or required of such Party by the Commissioner. The Parties shall:

(i) cooperate with and keep one another fully informed as to the status of and the processes and proceedings relating to obtaining the Competition Act Approval and shall promptly notify each other of any material communication from the Competition Bureau in respect of the Transaction or this Agreement;

(ii) respond, as soon as reasonably practicable, to any requests for information from the Competition Bureau in connection with obtaining the Competition Act Approval; and

(iii) not make any submissions to or filings with the Competition Bureau related to the Transaction, or participate in any meetings or any material conversations (whether in person, by e-mail, by telephone or otherwise) with the Competition Bureau in respect of any filings, submissions, investigations or other inquiries or matters related to the Transaction, unless it consults with the other Party in advance and gives the other Party a reasonable opportunity to review drafts of any submissions or filings (and will give due consideration to any comments received from such other Party) and to attend and participate in any communications, except to the extent that in any such case the Competition Bureau requests that the other Party not be present at such meeting or participate in such communication, in which case only such Party's external legal counsel will be present or participate unless it is not allowed to do so by the Competition Bureau.

(e) Each Party shall promptly notify the other Party if it becomes aware that:

(i) any application, filing, document or other submission for the Competition Act Approval contains a misrepresentation; or

(ii) the Competition Act Approval contains, reflects or was obtained following the submission of any application, filing, document or other submission containing a misrepresentation, such that an amendment or supplement may be necessary or advisable. In such case, the Parties will cooperate in the preparation, filing and dissemination, as applicable, of any such amendment or supplement.

(f) The filing fee required to be paid in connection with obtaining the Competition Act Approval shall be shared equally by the Purchaser, on the one hand, and the Seller, on the other.

6.3 Regulatory Approvals – General Matters

(a) In connection with the obligations established in this Article 6, submissions, filings or other written communications with any Governmental Entity may be redacted as necessary before sharing with the other Party, in either case, for the purpose of restricting access to competitively sensitive information of a Party, provided that a Party must provide external legal counsel to the other Party non-redacted versions of drafts and final submissions, filings or other written communications with any Governmental Entity on the basis that the redacted information will not be shared with its client, and provided further that neither Party's valuation of the Pipeline Assets need be shared even with external legal counsel.

(b) Subject to 6.1(g) and 6.2(f), all expenses incurred in connection with applying for and obtaining the Regulatory Approvals (including all fees and disbursements of legal counsel, investment advisors and accountants) shall be borne by the Party incurring such expenses in accordance with Section 15.4(b).

(c) The Parties shall cooperate in good faith to develop a timeline for filings required by the terms of this Agreement to be made to the AUC, the AER and the Competition Bureau that the Parties determine, acting reasonably, will obtain the AUC Approvals, the AER Approval and the Competition Act Approval as promptly as reasonably practicable following the date of this Agreement. For added clarity, where reasonably practicable to do so, the Parties shall cooperate in good faith and use commercially reasonable efforts to make such filings to the AUC, the AER and the Competition Bureau in advance of the dates specified by the terms of this Agreement.

ARTICLE 7
PRE-CLOSING COVENANTS OF THE PARTIES

7.1 Interim Period

(a) During the Interim Period, the Seller will operate, use, preserve, protect and maintain the Pipeline Assets in the Ordinary Course, in accordance with applicable Law and Prudent Industry Practice and consistent with the Operating and Capital Maintenance Budget.

(b) Notwithstanding Section 7.1(a), unless otherwise consented to or approved by the Purchaser in writing, the Seller shall:

(i) not make any material change in the operation, maintenance or use of the Pipeline Assets;

(ii) not, except in the Ordinary Course, assign, terminate or amend, in any material respect any Contract or [redacted confidential information] or enter into any contract or agreement similar to any Contract or [redacted confidential information] or otherwise material to the operations, use or maintenance of or access to the Pipeline Assets;

(iii) not sell, lease (or otherwise share or grant any rights in), abandon, permit to lapse or expire or otherwise dispose, directly or indirectly, of any of the Pipeline Assets having a value exceeding, individually or in the aggregate, $[redacted];

(iv) not grant, or otherwise take or omit to take any action that could result in the imposition of a Lien (other than a Permitted Lien) or otherwise encumber any of the Pipeline Assets;

(v) not approve AFEs exceeding, individually or in the aggregate, [redacted]% of the Operating and Capital Maintenance Budget;

(vi) not approve an Operating and Capital Maintenance Budget for the 2021 operating year or beyond that deviates from the Operating and Capital Maintenance Budget for the 2020 operating year attached as Schedule K hereto by more than [redacted]%; and

(vii) give prompt Notice to the Purchaser of any Material Adverse Change,

provided that, for certainty, nothing in this Section 7.1 shall prohibit the Seller from taking any action required under this Agreement or necessary or desirable by the Seller with respect to the Excluded Assets or Excluded Liabilities, including the completion of the [redacted private information] or under Section 7.3.

7.2 Interim Period Access

Subject to applicable Law, during the Interim Period, the Seller will:

(a) upon reasonable Notice, permit the Purchaser and its employees, agents, counsel, accountants or other representatives, to have reasonable access during normal business hours to:

(i) the Pipeline Assets, including all Books and Records whether retained by the Seller or otherwise;

(ii) all Contracts, [redacted confidential information] and Permits, so long as the access does not unduly interfere with the ordinary conduct of the business operations of the Seller; and

(iii) the senior personnel of Seller, [redacted confidential information], TransAlta and Tidewater;

(b) continue to provide the Purchaser and its employees, agents, counsel, accountants or other representatives access to the Data Room;

(c) furnish to the Purchaser or its employees, agents, counsel, accountants or other such representatives such financial and operating data and other information with respect to the Pipeline Assets that is not commercially sensitive, or that TransAlta, Tidewater or the Partnership are not otherwise restricted from disclosing to the Purchaser, as the Purchaser from time to time reasonably requests;

(d) provide the Purchaser and its employees, agents, counsel, accountants or other representatives such other information and access as may be reasonably required to complete its due diligence in accordance with Section 7.3; and

(e) commencing sixty (60) days prior to the Purchaser's expected date of receipt of the AUC Approval, provide the Purchaser and its employees and contractors reasonable access to the Pipeline Assets to assist with determining the services required to be provided under the [redacted confidential information] to enable Purchaser to operate, maintain, control or monitor the Pipeline Assets after Closing in substantially the same manner as Seller does prior to Closing, provided that:

(i) the Purchaser provides the Seller with forty-eight (48) hours prior notice of such access;

(ii) during such access, the Purchaser shall comply with the Seller's standard rules for access, environmental, health, safety, confidentiality and security, and such other reasonable rules or conditions that the Seller may impose with respect to the Pipeline Assets, in each case of which the Seller has advised the Purchaser in writing; and

(iii) during such access, the Purchaser shall use commercially reasonable efforts to minimize any disruption that may occur during such access and shall not take any action that would materially interfere with the operation or use of the Pipeline Assets without the prior written consent of the Seller;

provided that, without limiting the Purchaser's rights, and the Seller's obligations, in respect of the indemnity provided in Section 11.2, the Purchaser covenants and agrees to be liable to and to indemnify, defend and hold harmless the Seller or any other member of the Seller Group from and against any and all Claims occurring or arising as a result of or in connection with such entry into the Seller's or Tidewater's offices or onto any property to complete the matters set out in this Section 7.2(e); provided that the Purchaser shall not be liable to, or have any obligation to indemnify, the Seller or any other member of the Seller Group for any Claim occurring or arising as a result of or in connection with any act, omission, negligence or other conduct of the Seller, any other member of the Seller Group, any of their respective Affiliates, or any Third Party.

7.3 Interim Period Due Diligence

(a) The Parties acknowledge and agree that, as of the date of this Agreement, the due diligence activities set out in Schedule M have not been completed. The Parties will use commercially reasonable efforts to complete each such due diligence activity, and the Seller will provide the Purchaser with all related documentation and deliverables for which the Seller is responsible under Schedule M to demonstrate the completion of each applicable due diligence activity to the standard set forth in Schedule M, on or prior to the proposed completion date identified for such activity in Schedule M. For purposes of this Section 7.3, commercially reasonable efforts will also require the Party identified in Schedule M as responsible for the costs and completion of a particular due diligence activity to incur costs and obligations to such limit or standard as is specifically set forth in Schedule M; provided, however, that if no such limit or standard is set forth in Schedule M, the responsible Party shall incur such costs and obligations as are reasonable and consistent with Prudent Industry Practice having regard to the nature of the due diligence activity to be addressed.

(b) The Purchaser acknowledges and confirms to the Seller that, except as expressly set out in Schedule M and this Section 7.3 and except for such reasonable investigations as Purchaser may undertake in connection with any Due Diligence Deficiency or Notifiable Event, and without limiting any of the representations and warranties made by the Seller in Section 4.1 (or the certificate referred to in Section 8.1(a)) or the Purchaser's rights, or the Seller's obligations, in respect of the indemnity provided in Section 11.2, the Purchaser has completed its due diligence with respect to the Transaction.

(c) The Parties acknowledge and agree that until the Closing Time the Pipeline Assets are owned by, and remain in the control of, the Seller and that, except as specifically noted in Schedule M, the Purchaser does not have access to the Pipeline Assets necessary to supervise or complete the due diligence activities set forth in Schedule M. The Party identified in Schedule M as responsible to complete the due diligence activity shall complete the activity at its own risk, including securing and completing any field activities, land agreements, access and operating activities required to complete the activity and deliver the required documentation and deliverable to the Purchaser.

(d) The Purchaser agrees to comply with the Seller's standard rules for access, environmental, health, safety, confidentiality and security, and such other reasonable rules or conditions that the Seller or its agents may impose regarding the Purchaser's actions while upon, entering, or leaving the Seller's or Tidewater's offices or any such property while completing the matters identified in Schedule M, in each case of which the Seller has advised the Purchaser in writing. Without limiting the Purchaser's rights, and the Seller's obligations in respect of the indemnity provided in Section 11.2, the Purchaser further covenants and agrees to be liable to and to indemnify, defend and hold harmless the Seller or any other member of the Seller Group from and against any and all Claims occurring or arising as a result of or in connection with such entry into the Seller's or Tidewater's offices or onto any property to complete the matters set out in Schedule M; provided that the Purchaser shall not be liable to, or have any obligation to indemnify, the Seller or any other member of the Seller Group for any Claim occurring or arising as a result of or in connection with any act, omission, negligence or other conduct of the Seller, any other member of the Seller Group, any of their respective Affiliates, or any Third Party.

(e) Any issues or deficiencies identified by the Purchaser in connection with the activities, or on its review of any data, documents, materials or other information, contemplated by this Section 7.3 and of which the Purchaser notifies the Seller in writing (each, a "**Due Diligence Deficiency**") shall be resolved through the process provided for in Section 7.8.

7.4 Actions to Satisfy Closing Conditions

(a) The Seller agrees to take all such actions as are within its power to control and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 8.1 including ensuring that there has been no breach of any of its representations, warranties or covenants or agreements contained in this Agreement; provided that the Seller acknowledges that the actions and efforts required to be undertaken by it in connection with obtaining the Regulatory Approvals are addressed in Article 6, and accordingly in the event of any inconsistency between this Section 7.4(a) and Article 6, then Article 6 shall prevail.

(b) The Purchaser agrees to take all such actions as are within its power to control and use its commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 8.2 including ensuring that there has been no breach of any of its representations, warranties or covenants or agreements contained in this Agreement; provided that the Purchaser acknowledges that the actions and efforts required to be undertaken by it in connection with obtaining the Regulatory Approvals are addressed in Article 6, and accordingly in the event of any inconsistency between this Section 7.4(b) and Article 6, then Article 6 shall prevail.

7.5 Filings and Authorizations

Other than in respect of the Regulatory Approvals, which are dealt with in Article 6, each of the Parties will:

(a) as promptly as practicable after the execution of this Agreement:

  (i) make, or cause to be made, all such filings and submissions under all Laws applicable to it, as may be required for it to consummate the Transaction; and

  (ii) use its commercially reasonable efforts to take, or cause to be taken, all other actions which are necessary or advisable in order for it to fulfil its obligations under this Agreement; and

(b) coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by each in connection with the foregoing, including providing each other with all notices and information supplied to or filed with any Governmental Entity or Third Party (except for notices and information which any Party, in each case acting reasonably, considers highly confidential and sensitive which may be filed on a confidential basis), and all notices and correspondence received from any Governmental Entity or Third Party.

7.6 Required Consents

(a) The Purchaser will, as soon as practicable following the execution of this Agreement, make or cause to be made all such filings and submissions to the applicable Third Party or Governmental Entity as required in order to obtain and maintain the Purchaser's Required Consents. The Purchaser will be responsible for preparing all such filings and submissions and for paying any and all fees or charges associated therewith. The Purchaser will use its commercially reasonable efforts to obtain, prior to Closing, all Purchaser's Required Consents.

(b) The Seller will, as soon as practicable following the execution of this Agreement, make or cause to be made all such filings and submissions to the applicable Third Party or Governmental Entity as required in order to obtain and maintain the Seller's Required Consents (other than the Post- Closing Seller's Required Consents). The Seller will be responsible for preparing all such filings and submissions and for paying any and all fees or charges associated therewith. The Seller will use its commercially reasonable efforts to obtain, prior to Closing, all Seller's Required Consents; provided that the receipt of the Post-Closing Seller's Required Consents are not a condition to Closing and will be pursued post-Closing in accordance with Sections 12.1 and 12.2.

7.7 Exclusive Dealing

[redacted confidential information] during the Interim Period, the Parties agree to work exclusively with each other with respect to consummating the Transaction. During the Interim Period neither the Seller nor the Purchaser shall (and each of them shall cause its respective Affiliates and each of their respective directors, officers, employees, advisors and any other representatives to not), directly or indirectly, pursue, solicit, initiate, engage in or conduct any negotiations or discussions or enter any written or oral agreements with any Third Party, or furnish to any Third Party any information or grant any access to the Data Room, with respect to the actual or potential acquisition and divestiture of all or any part of the Pipeline Assets (whether by merger, consolidation, sale of assets or equity interests or otherwise).

7.8 [redacted confidential information]

7.9 [redacted confidential information]

7.10 [redacted confidential information]

ARTICLE 8
CONDITIONS OF CLOSING

8.1 Conditions for the Benefit of the Purchaser

The obligation of the Purchaser to complete the Transaction, including the purchase of the Pipeline Assets, is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) **Truth of Representations and Warranties.** The representations and warranties of the Seller contained in this Agreement and in any [redacted confidential information] must be true and correct in all material respects as of the Closing Date (except in each case, for those representations and warranties that are subject to a materiality qualification, which must be true and correct in all respects) with the same force and effect as if such representations and warranties had been made on and of such date, and the Seller must have delivered to the Purchaser a signed certificate to that effect signed by a senior officer of the Seller. The receipt of such certificate and the Closing will not constitute a waiver by the Purchaser of any of the representations and warranties of the Seller that are contained in this Agreement and the [redacted confidential information]. Upon the delivery of such certificate, the representations and warranties of the Seller in Article 4 will be deemed to have also been made on and as of the Closing Date with the same force and effect as if made on and as of such date (qualified as to materiality and knowledge where stated).

(b) **Performance of Covenants.** The Seller must have fulfilled or complied with all covenants contained in this Agreement and in every [redacted confidential information] to be fulfilled or complied with by it at or prior to the Closing, and the Seller must have delivered to the Purchaser a signed certificate to that effect signed by a senior officer of the Seller. The receipt of such certificate and the Closing will not constitute a waiver by the Purchaser of any of the covenants of the Seller that are contained in this Agreement and the [redacted confidential information].

(c) **Deliverables.** The Seller must have delivered to the Purchaser the documents contemplated in Section 9.2, in each case in form and substance satisfactory to the Purchaser, acting reasonably.

(d) **No Legal Action.** No action or proceeding will be pending or threatened by any Person (other than the Purchaser) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement.

(e) **No Material Adverse Change.** Since the date of this Agreement, there has not been any Material Adverse Change.

(f) **Discharge of Liens.** All Liens, other than Permitted Liens, shall as regards to the Pipeline Assets, be discharged and evidence of such discharges or duly executed no-interest letters shall have been delivered to the Purchaser in a form and content satisfactory to the Purchaser, acting reasonably.

(g) [redacted confidential information]

(h) [redacted confidential information]

(i) [redacted confidential information]

(j) **Due Diligence.** The Purchaser shall have received all of the items set out in the "Documentation/Deliverable" column in Schedule M.

(k) [redacted confidential information**]**

(l) **Evidence of Payment.** The Purchaser shall have received evidence, in form and substance satisfactory to it, acting reasonably, that all costs and expenses associated with the construction and installation of the Pipeline Assets and the completion of the [redacted private information] have been paid in full or will be paid at Closing, in accordance with a written direction from the Seller to Purchaser, from the Closing Cash.

(m) **Regulatory Approvals.** The Regulatory Approvals shall have been obtained and shall remain in full force and effect at Closing.

8.2 Conditions for the Benefit of the Seller

The obligation of the Seller to complete the Transaction, including the sale of the Pipeline Assets, is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the exclusive benefit of the Seller and may be waived, in whole or in part, by the Seller in its sole discretion:

(a) **Truth of Representation and Warranties.** The representations and warranties of the Purchaser contained in this Agreement and the [redacted confidential information] must be true and correct in all material respects as of the Closing Date (except in each case, for those representations and warranties that are subject to a materiality qualification, which must be true and correct in all respects) with the same force and effect as if such representations and warranties had been made on and as of such date, and the Purchaser must have delivered to the Seller a certificate to that effect signed by a senior officer of the Purchaser. The receipt of such certificate and the Closing will not be a waiver of the representations and warranties of the Purchaser that are contained in this Agreement and the [redacted confidential information]. Upon the delivery of such certificate, the representations and warranties of the Purchaser in Article 5 will be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date (qualified as to materiality and knowledge where stated).

(b) **Performance of Covenants.** The Purchaser must have fulfilled or complied with all covenants contained in this Agreement and in the [redacted confidential information] to be fulfilled or complied with by it at or prior to Closing and the Purchaser must have delivered to the Seller a certificate to that effect signed by a senior officer of the Purchaser. The receipt of such certificate and the Closing will not constitute a waiver by the Seller of the covenants of the Purchaser that are contained in this Agreement and the [redacted confidential information].

(c) **Deliverables.** The Purchaser must have delivered to the Seller the documents contemplated in Section 9.3.

(d) **No Legal Action.** No action or proceeding will be pending or threatened by any Person (other than the Seller) in any jurisdiction, to enjoin, restrict or prohibit any of the transactions contemplated by this Agreement.

8.3 Mutual Conditions

The obligation of the Parties to complete the Transaction is subject to the following conditions to be fulfilled or performed at or prior to the Closing, which conditions are for the benefit of both the Seller and the Purchaser and may only be waived, in whole or in part, by both the Seller and the Purchaser:

(a) **Required Consents.** All Seller's Required Consents (other than the Post-Closing Seller's Required Consents, which shall be pursued following the Closing in accordance with Sections 7.6, 12.1 and 12.2) and all Purchaser's Required Consents must have been obtained in each case in form and substance satisfactory to each of the Parties, acting reasonably.

(b) **Outside Date.** The Closing will have occurred on or before the Outside Date.

(c) **No Legal Action.** The Closing must not violate any final order, decree or judgment of any Governmental Entity having competent jurisdiction for which the time for filing a notice of appeal has expired (absent a discretionary extension) and in respect of which no appeal is pending.

(d) **Notifiable Events**. Subject only to Section 14.4, all Notifiable Events and Due Diligence Deficiencies shall have been fully and finally resolved in accordance with the procedures set forth in Section 7.8.

(e) [redacted confidential information]

(f) [redacted confidential information]

8.4 Waiver of Conditions

(a) If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, the waiver will be without prejudice to any of such Party's rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

(b) If Purchaser waives the condition within 8.1(g) in order to achieve Closing prior to completion of the [redacted private information], the Seller shall:

(i) [redacted confidential information]

ARTICLE 9
CLOSING

9.1 Date, Time and Place of Closing

The completion of the Transaction will take place at the offices of Seller's Counsel, Calgary, Alberta, at 10:00 a.m. (Calgary time) on the Closing Date or at such other place, on such other date and at such other time as may be agreed upon in writing between the Seller and the Purchaser. Notwithstanding the foregoing, the Parties acknowledge and agree that the Transaction will be deemed to have Closed effective as of the Effective Time.

9.2 Seller Deliverables at Closing

At Closing, the Seller will deliver or cause to be delivered to the Purchaser the following:

(a) possession of the Pipeline Assets, where applicable, free and clear of all Liens other than Permitted Liens;

(b) a receipt for payment of the Closing Cash;

(c) a certificate of status, compliance, good standing or like certificate with respect to the Seller issued by the appropriate governmental officials of its jurisdiction of incorporation;

(d) all necessary deeds, conveyances, assurances, transfers, assignments and any other instruments necessary to transfer and assign the Pipeline Assets to the Purchaser with a good title and interest, free and clear of all Liens other than Permitted Liens, including any such instruments as the

Purchaser, acting reasonably, determines are necessary to transfer and assign the [redacted confidential information] (other than the [redacted confidential information]) and the interests in the Pipeline Right of Way granted thereby to the Purchaser;

(e) the certificates referred to in Section 8.1(a) and Section 8.1(b);

(f) the Seller's Required Consents (other than the Post-Closing Seller's Required Consents) referred to in Section 8.3(a), signed, where applicable, by the Seller or the applicable other member of the Seller Group and the applicable Third Party;

(g) certified copies of the Board Approvals and the Securityholder Approvals;

(h) the [redacted confidential information], signed by the Seller;

(i) the [redacted confidential information]s, signed by the parties thereto;

(j) the [redacted confidential information], in form and substance satisfactory to the Parties, acting reasonably, signed by the Seller;

(k) [redacted confidential information];

(l) registerable transfers of the caveats or instruments (as applicable) in respect of each of the [redacted confidential information] (other than the [redacted confidential information]), which are registered at the Land Titles Office and, if applicable, the Alberta Public Lands System registry, in form and substance satisfactory to the Purchaser acting reasonably;

(m) the Books and Records;

(n) the [redacted confidential information]s, signed by the applicable member of the Seller Group;

(o) the AER Approval;

(p) [redacted confidential information]

(q) [redacted confidential information]; and

(r) all other documents required to be entered into or delivered by the Seller at Closing pursuant to the terms of this Agreement.

9.3 Purchaser Deliverables at Closing

At Closing, the Purchaser will deliver or cause to be delivered to the Seller the following:

(a) the Closing Cash in accordance with Section 2.3(a);

(b) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by the appropriate governmental officials of Alberta;

(c) the certificates referred to in Section 8.2(a) and Section 8.2(b);

(d) the Purchaser's Required Consents referred to in Section 8.3(a), signed, where applicable, by the Purchaser and the applicable Third Party;

(e) resolutions of the Purchaser, approving the Transaction;

(f) the [redacted confidential information], signed by the Purchaser;

(g) the Regulatory Approvals;

(h) the [redacted confidential information], in form and substance satisfactory to the Parties, acting reasonably, signed by the Purchaser;

(i) [redacted confidential information]

(j) the [redacted confidential information]s, signed by the Purchaser;

(k) [redacted confidential information] ;

(l) the [redacted confidential information], signed by Purchaser; and

(m) all other documents required to be entered into or delivered by the Purchaser at Closing pursuant to the terms of this Agreement.

ARTICLE 10
TERMINATION

10.1 Termination

This Agreement may be terminated, upon written notice being given by the terminating Party to the other Party, at any time prior to the Closing Date:

(a) by the mutual written agreement of the Parties;

(b) by the Seller if the AUC Application has not been filed by the Purchaser on or before the AUC Filing Outside Date, or by either Party if the other Party has not fulfilled its obligations in respect of the AER Application on or before the AER Filing Outside Date;

(c) by the Seller if any condition in Section 8.2 has not been fulfilled at or before the Outside Date or if any such condition is, or becomes, impossible to satisfy prior to the Outside Date, other than as a result of the breach by the Seller of, or failure of the Seller to comply with its obligations under, this Agreement;

(d) by the Purchaser if any condition in Section 8.1 has not been fulfilled at or before the Outside Date or if any such condition is, or becomes, impossible to satisfy prior to the Outside Date, other than as a result of the breach by the Purchaser of, or failure of the Purchaser to comply with its obligations under, this Agreement;

(e) by the Seller or the Purchaser if any condition in Section 8.3 has not been fulfilled at or before the Outside Date or if any such condition is, or becomes, impossible to satisfy prior to the Outside Date, other than as a result of the breach by the Party electing to terminate of, or failure of the Party electing to terminate to comply with its obligations under, this Agreement;

(f) by the Seller or the Purchaser in accordance with Section 7.8(c);

(g) by the Purchaser in accordance with Section 7.8(f); or

(h) by the Seller or by the Purchaser if:

( ) the Closing has not occurred by the Outside Date for reasons other than as a result of the failure of the Party purporting to terminate this Agreement to comply with its obligations under this Agreement; or

(ii) the consummation of the Transaction would violate any final order, decree or judgment of any Governmental Entity having competent jurisdiction for which the time for filing a notice of appeal has expired (absent a discretionary extension) and in respect of which no appeal is pending.

10.2 Effect of Termination

(a) If this Agreement is terminated as permitted under Section 10.1, then subject to Section 10.2(b), all further obligations of the Parties under this Agreement shall terminate; provided that the Parties shall remain liable for all liabilities and obligations arising or accruing in respect of the period up to and including the date of termination, and shall continue to be bound by their obligations set forth in Sections 10.2 (*Effect of Termination*), 11.11 (*No Double Recovery),* 11.14 (*No Merger of Legal Responsibilities*), 15.3 (*Announcements*), 15.4(b) (*Expenses*), Article 13 (*Disputes and Arbitration*) and the Confidentiality Agreement (the "**Surviving Obligations**"). The Parties acknowledge and agree that any provisions of this Agreement that are necessary in order to give effect to the Surviving Obligations and this Section 10.2 shall also survive any termination of this Agreement until all such liabilities and obligations are satisfied and/or discharged in full.

(b) In the event that this Agreement is terminated pursuant to Section 10.1(b), (c) (d), (e), (f), (g) or 10.1(h) each Party's right of termination under this Article 10 is in addition to any other rights it may have (under applicable Laws or in equity, including an action for damages or specific performance, this Agreement or otherwise) and the exercise of a right of termination under such Sections will not be an election of remedies. Nothing in this Agreement will limit or affect any other rights or causes of action (under applicable Laws or in equity, including an action for damages or specific performance, this Agreement or otherwise) any of the Parties may have with respect to the representations, warranties, covenants and indemnities in its favour in this Agreement. Notwithstanding the foregoing, the Parties agree that any Dispute that arises in connection with the termination of this Agreement shall be resolved in accordance with Article 13.

ARTICLE 11
LIABILITY AND INDEMNIFICATION

11.1 Disclaimer of Representations and Warranties

Except for the representations and warranties of the Seller set out in Section 4.1 (and the certificate referred to in Section 8.1(a)), nothing in this Agreement shall imply or be construed to mean that the Seller or any of its representatives are making or have made any representation or warranty whatsoever, express, implied, at common law, statutory or otherwise concerning the Seller or the Pipeline Assets. Without limiting the generality of the foregoing, subject to the representations and warranties of the Seller set out in Section 4.1 (and the certificate referred to in Section 8.1(a)), the Seller hereby expressly disclaims and negates any representation or warranty, express or implied, at common law, statutory or otherwise, relating to:

(a) the accuracy or completeness of the information, records or data made available to the Purchaser and/or its representatives, including through the Data Room, in connection with the Purchaser's due diligence and the preparation and negotiation of this Agreement;

(b) the Environmental condition of the Pipeline Assets or any liabilities or potential liabilities arising under any Laws, including Environmental Laws, with respect to the Pipeline Assets; and

(c) the condition, quality or state of the Pipeline Assets, including any implied or express warranty of merchantability or fitness for a particular purpose.

11.2 Indemnification by the Seller

Subject to Closing and the limitations set forth in this Article 11, the Seller will be liable to the Purchaser and its Additional Indemnitees for all Claims which any one or more of them may suffer, sustain, pay or incur, and will indemnify and save harmless the Purchaser and its Additional Indemnitees from and against all Claims which may be brought against or suffered by any one or more of them or which any one or more of them may sustain, pay or incur as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

(a) any misrepresentation or any breach of warranty by the Seller under this Agreement or in the certificates of the Seller referred to in Section 8.1(a) and Section 8.1(b);

(b) any breach of any covenant or agreement of the Seller under this Agreement; and

(c) the Excluded Liabilities.

11.3 Indemnification by the Purchaser

Subject to Closing and the limitations set forth in this Article 11, the Purchaser will be liable to the Seller and its Additional Indemnitees for all Claims which any one or more of them may suffer, sustain, pay or incur, and will indemnify and save harmless the Seller and its Additional Indemnitees from and against all Claims which may be brought against or suffered by any one or more of them or which any one or more of them may sustain, pay or incur as a result of, in respect of, connected with, or arising out of, under, or pursuant to:

(a) any misrepresentation or breach of warranty by the Purchaser under this Agreement or in the certificates of the Purchaser referred to in Section 8.2(a) and Section 8.2(b);

(b) any breach of any covenant or agreement of the Purchaser under this Agreement; and

(c) the Assumed Liabilities.

11.4 Survival Period

(a) No claim by a Person for indemnification pursuant to Sections 11.2(a) or 11.3(a) will be made or be enforceable whether by legal proceedings or otherwise unless written notice of such claim (in the form of an Indemnification Notice) is given by such Person to the Party from whom indemnification is sought within the applicable Survival Period; provided, however, that a claim for indemnification will survive to the extent of any Indemnified Losses incurred if an Indemnification Notice with respect to such claim has been given within the Survival Period until such time as such claim set forth in such Indemnification Notice has been fully resolved and paid, as applicable. For the purposes of this Agreement, "**Survival Period**" means:

(i) for:

(A) the representations and warranties of the Seller set forth in Sections 4.1(a), (b), (c), (d), (e), (i), (k) and (n) (and the corresponding representations and warranties set out in the certificate of the Seller delivered pursuant to Section 8.1(a)); and

(B) the representations and warranties of the Purchaser set forth in Sections 5.1(a), (b), (c), (d), (f) and (k) (and the corresponding representations and warranties set out in the certificate of the Purchaser delivered pursuant to Section 8.2(a)),

(collectively, the "**Fundamental Representations**"), [redacted confidential information];

(ii) for the representations and warranties of the Seller set forth in Section 4.1(x) (and the corresponding representations and warranties set out in the certificate of the Seller delivered pursuant to Section 8.1(a)), a period of [redacted confidential information]following the Closing Date; and

(iii) for all other representations and warranties of the Seller and the Purchaser set forth in this Agreement (and the corresponding representations and warranties set out in the certificates of the Seller and the Purchaser delivered pursuant to Section 8.1(a) and Section 8.2(a), respectively) a period of [redacted confidential information] following the Closing Date.

(b) All covenants and agreements that by their terms apply or are to be performed in whole or in part after the Closing Date shall survive for the period provided in such covenants and agreements, if any, or until fully performed.

(c) There is no limitation as to time for any claim involving fraud or fraudulent misrepresentation.

11.5 Claim Limitations

(a) In no event will:

(i) the Purchaser or its Additional Indemnitees be entitled to make any Claim against the Seller, and the Seller will not be liable; and

(ii) the Seller or its Additional Indemnitees be entitled to make any Claim against the Purchaser, and the Purchaser will not be liable,

in each case, in respect of any Claims for indemnification pursuant to Section 11.2(a) or Section 11.3(a) (other than, in each case, in respect of Fundamental Representations), respectively, unless the aggregate amount of liability arising from all Claims exceeds [redacted] dollars ($[redacted]), in which case the Seller and its Additional Indemnitees or the Purchaser and its Additional Indemnitees, as applicable, is entitled to claim the full amount both below and in excess of such threshold.

(b) The maximum aggregate liability of:

(i) the Seller for Claims for indemnification pursuant to Section 11.2(a); and

(ii) the Purchaser for Claims for indemnification pursuant to Section 11.3(a),

in each case:

(A) will not exceed the [redacted confidential information] for Claims relating to Fundamental Representations;

(B) will not exceed [redacted] percent ([redacted]%) of the Purchase Price for Claims relating to the representation and warranty of the Seller set forth in Section 4.1(x) (and the corresponding representations and warranties set out in the certificate of the Seller delivered pursuant to Section 8.1(a)); and

(C) will not exceed [redacted] percent ([redacted]%) of the Purchase Price for all other Claims for indemnification arising under Sections 11.2(a) or 11.3(a).

(c) For purposes of calculating the amount of any liability arising from any Claim, any reference to "materiality", "Material Adverse Change", or similar qualification or limitation that is contained in or is otherwise applicable to a representation or warranty will be disregarded; provided, however, that this Section 11.5(c) does not apply in respect of the representation and warranty in Section 4.1(bb).

(d) Notwithstanding any other provision of this Agreement (other than Section 11.15), the amount the Purchaser and its Additional Indemnitees or Seller and its Additional Indemnitees, as the case may be, is entitled to recover under Section 11.2(a) or Section 11.3(a) shall be limited to [redacted confidential information] for Claims written notice of which are made after the expiry of the Survival Periods set forth in Section 11.4.

11.6 No Personal Liability

No individual representative of any Party shall be personally liable for any Claim for indemnification pursuant to this Article 11.

11.7 Other Limitations on Liability

Notwithstanding any provision of this Agreement, no Party shall be liable for a Claim for indemnification pursuant to this Article 11:

(a) except in respect of Third Party Claims, for indirect or consequential damages, including loss of profit, revenue or business opportunity, or punitive, aggravated or special damages;

(b) to the extent of any related reasonably determinable tax benefit available to the Indemnified Party as a result of the matters giving rise to a Claim; or

(c) to the extent, and only to the extent, that such liability arises or the amount thereof is increased as a result of a change after the Closing Date in the accounting policies or practices of the Indemnified Party or its Additional Indemnitees, or a change in the Laws.

11.8 Duty to Mitigate

Nothing in this Agreement in any way restricts or limits the general obligation at Law of an Indemnified Party to mitigate any loss which it may suffer or incur by reason of the breach by an Indemnifying Party or any representation, warranty, covenant or obligation of the Indemnifying Party under this Agreement.

11.9 Exclusive Remedy

Except as provided in Article 10 (*Termination*) and, if applicable, Section, [redacted confidential information] the rights and remedies of the Parties under this Article 11 are exclusive and in lieu of any and all other rights and remedies which the Parties may have under this Agreement or otherwise for monetary relief, with respect to any Claim. Accordingly, subject to Article 10 and Section 2.6, the Parties waive, from and after the Closing, any and all rights, remedies and claims that one Party may have against the other, whether at Law, under any statute or in equity (including but not limited to claims for contribution or other rights of recovery arising under any Environmental Laws, claims for breach of contract, breach of representation and warranty, negligent misrepresentation and all claims for breach of duty), or otherwise, directly or indirectly, relating to the provisions of this Agreement or the transactions contemplated by this Agreement other than as expressly provided for in this Article 11. The Parties agree that if a Claim for indemnification is made by one Party in accordance with Section 11.2 or Section 11.3, as the case may be, and there has been a refusal by the other Party to make payment or otherwise provide satisfaction in respect of such Claim, then the procedures set forth in Article 13 are the appropriate means to seek a remedy for such refusal. For certainty, nothing in this Agreement will limit the Purchaser's rights and remedies under or in respect of the [redacted].

11.10 Indemnification Payments are Adjustments to Purchase Price

Any payments arising out of a Claim for indemnification under this Article 11 will be treated as an adjustment to the Purchase Price for Tax purposes. For greater certainty, any such decrease or increase of the Purchase Price will be allocated among the Pipeline Assets to which such payment by the Seller or Purchaser, respectively, can reasonably be considered to relate or as otherwise determined by the Parties acting reasonably.

11.11 No Double Recovery

No Party shall be entitled to recover damages or compensation or otherwise obtain reimbursement or restitution more than once in respect of the same loss for which it has been made whole.

11.12 Procedure – Indemnities

Any Person seeking indemnification (the "**Indemnified Party**") will give reasonably prompt notice thereof to the Person (the "**Indemnifying Party**") from whom indemnification is sought (the "**Indemnification Notice**"). The Indemnification Notice shall provide detailed particulars as to the nature and amount of the Claim, the basis upon which it is sought and the provisions of this Agreement applicable to such Claim. If the Indemnified Party fails to give such prompt notice, such failure shall not, subject to Section 11.4, preclude such Person from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the Claim or increased the amount of liability or cost of defence. In the event that the Indemnifying Party objects in good faith to the claim for indemnification, the Indemnifying Party shall so advise the Indemnified Party by delivery to the Indemnified Party of a written notice ("**Indemnification Objection Notice**") within fifteen (15) Business Days after the delivery to the Indemnifying Party of the Indemnification Notice. The Indemnification Objection Notice shall set out the reasons for objection. The Parties shall attempt to settle any dispute with respect to a claim for indemnification in accordance with Section 13.2, and failing which may refer the matter to arbitration in accordance with Section 13.3.

11.13 Indemnification Procedures for Third Party Claims

(a) In the case of Claims made by a Third Party with respect to which indemnification is sought, the Indemnified Party shall give prompt notice to the Indemnifying Party of any such Claims made upon it. If the Indemnified Party fails to give such prompt notice, such failure shall not preclude the Indemnified Party from obtaining such indemnification but its right to indemnification may be reduced to the extent that such delay prejudiced the defence of the Claim or increased the amount of liability or cost of defence.

(b) The Indemnifying Party shall have the right, by notice to the Indemnified Party given not later than thirty (30) days after receipt of the notice described in Section 11.13(a), to assume the control of the defence, compromise or settlement of the Claim, provided that such assumption shall, by its terms, be without cost to the Indemnified Party and provided the Indemnifying Party unconditionally acknowledges in writing its obligation and financial capacity to indemnify the Indemnified Party in accordance with the terms contained in this Agreement in respect of that Claim. Notwithstanding the foregoing, the Indemnifying Party may not assume the control of the defense of a Third Party Claim if:

(i) it relates to Taxes of the Indemnified Party;

(ii) in the reasonable judgment of the Indemnified Party, the estimated amount of likely Claims in connection with such Claim is greater than the unused portion of the maximum liability the Indemnifying Party is liable for as set out in Section 11.5; or

(iii) the Third Party Claim seeks relief against the Indemnified Party other than monetary damages.

(c) Upon the assumption of control of any Claim by the Indemnifying Party as set out in Section 11.13(b), the Indemnifying Party shall diligently proceed with the defence, compromise or settlement of the Claim at its sole expense, including if necessary, employment of counsel and experts reasonably satisfactory to the Indemnified Party and, in connection therewith, the Indemnified Party shall cooperate fully, but at the expense of the Indemnifying Party with respect to any out-of-pocket expenses incurred, to make available to the Indemnifying Party all pertinent information (other than privileged or commercially sensitive information) and witnesses under the Indemnified Party's control, make such assignments and take such other steps as in the opinion of counsel for the Indemnifying Party are reasonably necessary to enable the Indemnifying Party to conduct such defence. The Indemnified Party shall also have the right to participate in the negotiation, settlement or defence of any Claim at its own expense. The Indemnifying Party shall not settle any Claim without the prior written consent of the Indemnified Party, such consent not to be unreasonably withheld. If the Indemnified Party, acting reasonably, determines that there is conflict of interest in having the counsel retained by the Indemnifying Party act on behalf of both the Indemnifying Party and the Indemnified Party in connection with the Claim, then the Indemnified Party shall be entitled to retain its own legal counsel at the sole expense of the Indemnifying Party.

(d) The final determination of any Claim pursuant to this Section 11.13, including all related costs and expenses, shall be binding and conclusive upon the Parties as to the validity or invalidity, as the case may be, of such Claim against the Indemnifying Party.

(e) If the Indemnifying Party does not assume control of a Claim as permitted in Section 11.13(b), the Indemnified Party shall be entitled to litigate the Claim to final judgement (including appeals) or make such settlement of the Claim as in its sole discretion may appear advisable, and such settlement or any other final determination of the Claim shall be binding upon the Indemnifying Party.

(f) Notwithstanding the foregoing, a Claim advanced by Purchaser with respect to the Pipeline Assets subject to the [redacted confidential information], shall not be deemed to be a Third Party Claim pursuant to this Section 11.13 or for the purposes of Section 11.7(a).

11.14 No Merger of Legal Responsibilities

The liabilities and indemnities created in this Article 11 will be deemed to apply to, and will not merge in, all assignments, transfer and other documents conveying any of the Pipeline Assets to the Purchaser, notwithstanding the terms of such assignments, transfers and other documents, applicable Law or any rule of law or equity to the contrary, and all such rules are hereby waived.

11.15 Non-Applicability of Limitations on Liability

None of the limitations on liability contained in this Agreement (including under Article 3) shall apply to any Claim arising out of, resulting from, attributable to or connected with any fraudulent conduct, fraudulent misrepresentation, deliberate concealment or intentional breach on the part of any Party or its respective directors, officers, employees, agents or representatives, and such indemnification shall survive and continue in full force and effect without limitation.

ARTICLE 12
POST-CLOSING COVENANTS

12.1 Assignments Requiring Consents

Nothing in this Agreement will be construed as or will require an assignment, transfer or other disposition of any [redacted confidential information], [redacted confidential information], Permit or any other Pipeline Asset which is not assignable in full or in part without the consent, approval or waiver of any other Person, unless and until such consent, approval or waiver has been obtained (the benefits under the foregoing prior to the time that consent, approval or waiver has been obtained are herein referred to as the "**Unassigned Rights**"). In the event that Closing occurs but the Parties have not obtained any necessary consents, approvals and waivers prior to the Closing Time (including in respect of the Post-Closing Seller's Required Consents), the Parties will use commercially reasonable efforts for a period of time not to exceed [redacted confidential information] to complete such assignment, transfer or other disposition, and the Seller will take all actions required in Section 12.2 to preserve the benefit of the Unassigned Rights for the Purchaser until such point in time that the Unassigned Rights have enured to the benefit of the Purchaser.

12.2 Unassigned Rights

In order that the Purchaser may realize the full benefit of the Pipeline Assets, if there are Unassigned Rights at the Closing Time, then:

(a) the Seller will hold each Unassigned Right in trust for the benefit of and as agent for the Purchaser (the "**Rights Held in Trust**").

(b) In furtherance of Section 12.2(a):

(i) the Seller will, at the request, expense and direction of the Purchaser and in the name of the Seller or otherwise as the Purchaser may specify, take all reasonable and lawful action and do or cause to be done all reasonable and lawful things that are, in the opinion of the

Purchaser (acting reasonably), necessary or proper in order that the obligations of the Seller may be performed in such a manner that the value of the Rights Held in Trust is preserved and enures to the benefit of the Purchaser, and that any moneys due and payable to the Seller in and under the Rights Held in Trust are received by the Purchaser;

(ii) the Purchaser will cooperate with the Seller in carrying out and complying with all reasonable and lawful directions or instructions relating to Rights Held in Trust given by the Purchaser to the Seller;

(iii) if the Seller receives any notice, invoice, cheque or other communication relating to a Right Held in Trust, the Seller will promptly supply a copy of the same (or, in the case of cheques, the original) to the Purchaser;

(iv) the Seller will carry out all reasonable and lawful instructions of the Purchaser with respect to a Right Held in Trust, all at the Purchaser's request and cost;

(v) the Seller will promptly pay over to the Purchaser all moneys collected by or paid to the Seller in respect of each Right Held in Trust; and

(vi) once the consent, approval or waiver to the assignment of an Unassigned Right is obtained, such Unassigned Right is deemed to be assigned to the Purchaser.

(c) The Purchaser will indemnify and save harmless the Seller in respect of any Claims suffered, sustained or incurred by the Seller as a result of the Seller exercising any rights relating to a Right Held in Trust in accordance with the Purchaser's instructions or carrying out any instructions of the Purchaser relating to a Right Held in Trust.

12.3 [redacted confidential information]

12.4 Further Assurances - General

From time to time after the Closing Date, each Party will at the request of the other Party execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively transfer and assign the Pipeline Assets to the Purchaser free and clear of all Liens, other than Permitted Liens, and to carry out the intent of this Agreement and each [redacted confidential information].

12.5 Further Assurances – Documents and Correspondence

Following the Closing, the Seller covenants and agrees to forward and transfer to the Purchaser as soon as practicable any Books and Records or other documents, information, communications or correspondence which the Seller may be in possession of, be entitled to receive or may otherwise receive from time to time in relation to the Pipeline Assets and which should have properly been provided or delivered to the Purchaser.

12.6 Confidentiality

(a) From and after Closing:

(i) the Seller shall (and shall cause the other members of the Seller Group, their respective Affiliates, and their respective officers, directors, employees and representatives to) keep confidential all information, written or oral, known to them or in their possession or under their control relating to the Pipeline Assets or the Assumed Liabilities, unless such information is or becomes generally available to the public other than as a result of a disclosure by the Seller (or any of the other members of the Seller Group, their respective Affiliates, or their respective officers, directors, employees and representatives) in violation of this Agreement or the Confidentiality Agreement. Notwithstanding the foregoing, the Seller shall be permitted to disclose such information:

(A) which is, at the Closing Time or at some later date, publicly known, other than by the direct or indirect disclosure by any member of the Seller Group or their respective Affiliates;

(B) where such disclosure is consented to in writing by the Purchaser prior to such disclosure; or

(C) to the extent necessary to comply with applicable Laws, provided that the Seller shall, to the extent permitted by applicable Law, provide prompt prior Notice to the Purchaser of such requirement to disclose the information to allow the Purchaser, at its expense, the opportunity to take whatever legal or regulatory action that may be available to the Purchaser to suppress such disclosure and Seller agrees to, on a commercially reasonable efforts basis, provide assistance to the Purchaser if so requested by the Purchaser;

(ii) notwithstanding the terms of the Confidentiality Agreement, the Seller confirms for itself and on behalf of each of the other members of the Seller Group that Purchaser shall not be subject to any of the terms of the Confidentiality Agreement in respect of any information, written or oral, relating to the Pipeline Assets or the Assumed Liabilities; and

(iii) the Seller shall be liable for any failure of any other member of the Seller Group, their respective Affiliates, officers, directors, employees and representatives to comply with this Section 12.6 as if it was party hereto.

(b) Promptly following the date of this Agreement, the Parties shall amend the Confidentiality Agreement to reflect the intention of this Section 12.6.

(c) [redacted confidential information]

12.7 Use of Name

(a) The Purchaser will not use the name "Tidewater" or "TransAlta" or any derivation thereof or any name that includes it or Tidewater or TransAlta trademarks or logos.

(b) The Purchaser will, as soon as reasonably practicable after the Closing, and no later than any date required by applicable Law, at its own expense:

(i) remove any signs that indicate the ownership or operation of the Pipeline and the Tangibles by the Seller, Tidewater, TransAlta or their respective Affiliates; and

(ii) install or erect any signs that may be required by Governmental Entities indicating the Purchaser to be the owner and operator of the Pipeline and the Tangibles and notify other Persons of its interest therein.

(c) The Purchaser shall be entitled to continue to use the names "Pioneer Pipeline" and "[redacted confidential information]
Lateral" for purposes of identifying the Pipeline Assets within its larger operations.

ARTICLE 13
DISPUTES AND ARBITRATION

13.1 Dispute Resolution

Excepting those matters referred to a Technical Expert for resolution in accordance with Article 14, all claims, disputes or other matters in question between the Parties arising out of or relating in any way to this Agreement, the certificates referred to in Section 8.1(a), 8.1(b), 8.2(a) or 8.2(b), the [redacted confidential information], the [redacted confidential information]s, the [redacted confidential information]s or the Confidentiality Agreement, including but not limited to their formation, existence, validity, interpretation, performance, breach or termination (each, a "**Dispute**") will be resolved pursuant to this Article 13.

13.2 Senior Officers' Conference

(a) Except as set out herein, the Parties shall make reasonable commercial efforts to resolve all Disputes by amicable negotiations as set out below.

(b) A Dispute to which this provision applies shall initially be submitted to a senior officer of each of TransAlta, Tidewater and the Purchaser, who shall have the authority to resolve the Dispute.

(c) A Party that wishes to submit a Dispute to senior officers pursuant to this Section 13.2 shall serve upon the other Party a notice in writing (a "**Senior Officer's Notice**") requesting that the Dispute be so referred. Within five (5) Business Days of the delivery of a Senior Officer's Notice, the receiving Party shall submit a written response to the other Party (a "**Response Notice**"). A Senior Officer's Notice and a Response Notice shall include:

(i) a statement of the applicable Party's position and a summary of facts and arguments supporting that position; and

(ii) the name and title of the senior officer who will represent such Party.

(d) The Parties agree to consider and respond in a timely manner to any requests from the other Party for facts, information, and documents required to facilitate negotiations pursuant to this Section 13.2.

(e) Within five (5) Business Days of receipt of a Response Notice (or such other time as the Parties may agree), the senior officers of the Parties shall meet, either in person or by telephone, to attempt to resolve the Dispute (the "**Senior Officers' Conference**"). All discussions and negotiations between the Parties and any offers of compromise made by either Party in an attempt to resolve the Dispute prior to, in the course of, or following the Senior Officers' Conference shall be on a without prejudice basis unless expressly stated otherwise.

(f) At any time, including during negotiations pursuant to this Section 13.2, any party to the Dispute may apply to the Court of Queen's Bench of Alberta for interim or conservatory measures, including immediate injunctive relief or similar equitable relief. The Parties agree that seeking and obtaining such interim or conservatory measures shall not waive the right to arbitration, set out in Section 13.3 below. The parties further agree that the provisions of this section shall not be deemed to preclude an arbitrator from awarding similar or other interim relief or entering interim arbitration awards.

13.3 Mandatory Arbitration Proceedings

(a) Any Dispute that has not resolved within thirty (30) Business Days (or such other period as the Parties may agree in accordance with Section 13.2) following the delivery of the Senior Officer's Notice shall be finally resolved by arbitration pursuant to the then current Arbitration Rules of the ADR Institute of Canada (the "**ADRIC Rules**"). Unless the parties agree otherwise, the arbitration shall not be an administered arbitration.

(b) The venue and the seat of the arbitration shall be Calgary, Alberta. The language of the arbitration shall be English.

(c) Unless the parties agree otherwise, a sole arbitrator will be appointed (the "**Arbitrator**") in accordance with the ADRIC Rules.

(d) Any decision rendered by the Arbitrator shall be final and binding upon the Parties and not subject to appeal, and judgment may be entered upon it in accordance with applicable Law in any court of competent jurisdiction.

(e) The Parties agree that this Agreement and the Guarantees are substantially related and that it is in the interests of justice and efficiency that disputes under this Agreement and any Guarantee be resolved by a single arbitral tribunal whenever possible to avoid diverse findings on the same facts or law. To this end, the Parties agree that an arbitral tribunal appointed under this Agreement or any Guarantee may exercise jurisdiction over disputes and parties under this Agreement and the Guarantees. The Parties consent to the consolidation of arbitrations commenced under this Agreement or any Guarantee and the Parties hereby consents to the addition of TransAlta Corporation and Tidewater to any arbitration under this Agreement. The Parties further agree that it will, as a distinct and separate obligation, participate as a direct party in any arbitration relating to any Guarantee upon the request of TransAlta Corporation and Tidewater, as applicable, and any decision in such arbitration shall be binding upon the Parties under this Agreement.

ARTICLE 14
TECHNICAL EXPERT

14.1 Adverse Change Value Dispute

Any dispute regarding the value of an Adverse Change and, if applicable, the corresponding reduction to the Purchase Price resulting from a Notifiable Event or Due Diligence Deficiency shall, if unable to be resolved by a Senior Officers' Conference in accordance with Section 7.8(g), be submitted to an expert (a "**Technical Expert**") for resolution pursuant to this Article 14. For clarity, the Technical Expert has no jurisdiction to determine any questions of law which must be resolved through the process provided for in Article 13.

14.2 Technical Expert

(a) The Technical Expert shall be independent of each of the Parties, qualified by education, training and experience to decide the matter and shall not have a direct or indirect interest in the subject matter. The Parties agree to select a total of four (4) individuals who meet these criteria and set the order in which they will be approached to act, not later than fifteen (15) Business Days from the date on which the matter was referred to this Article 14. The selected individuals will be approached and requested to consent to act as the Technical Expert hereunder until one consents.

(b) If no individuals are selected pursuant to 14.2(a), and the Parties are unable to agree on an alternative, then either Party may apply, at any time, to the Court of Queen's Bench of Alberta for the appointment of a Technical Expert meeting the specified criteria.

14.3 Adverse Change Value Resolution

(a) Within fifteen (15) Business Days following the appointment of the Technical Expert, each Party will provide to the Technical Expert and to the other Party its proposed value of the Adverse Change, together with a written summary of the information upon which that Party intends to rely, including copies of all documents and relevant agreements, expert/consultant reports and opinions in support of the proposed resolution advanced by that Party, and a written submission setting out in detail the rationale of that Party's position.

(b) No hearing shall be held but the Technical Expert may require either or both Parties to answer questions or provide further information in support of the submissions made by the Party and the Technical Expert shall be entitled to obtain such independent professional and technical advice as he or she may reasonably require.

(c) The Parties acknowledge the importance of resolving any matter referred to a Technical Expert and accordingly agree that the Technical Expert shall be directed to render a determination within thirty (30) Business Days following the final written submissions being provided to the Technical Expert.

(d) The Technical Expert must select either the submission of one Party or the submission of the other Party which it believes most fairly reflects the value of the Adverse Change.

(e) The Technical Expert shall make available to the Parties a draft of its determination together with a statement of the facts relied on and any assumptions made at least five (5) Business Days before formal delivery of his determination for the purpose of affording the Parties an opportunity to draw to his attention any factual error or manifest misconception.

(f) The Technical Expert shall be conclusively considered not to be an arbitrator but shall render his determination as an expert and the law relating to arbitration shall not apply to such Technical Expert or his determination or the procedure by which he reaches his determination. The Parties agree and acknowledge that any decision of the Technical Expert shall be final and binding on the Parties and not subject to any appeal.

(g) Any and all communications between a Party and the Technical Expert shall be made in writing and a copy provided simultaneously to the other Party and no meeting between the Technical Expert and a Party shall take place unless the other Party has a reasonable opportunity to attend such meeting.

(h) Each Party will bear the expense of presenting its own written submissions. The compensation of the Technical Expert and all administrative costs of the Technical Expert's determination will be borne equally by the Parties.

(i) The Technical Expert will be directed to provide the determination in confidence to the Parties and will not disclose the contents of the determination or any of the statements or information received in the determination to any other Person unless ordered to do so by any Governmental Entity.

14.4 Closing in Escrow

(a) If:

(i) a dispute regarding the amount of a Purchase Price reduction has been referred to a Technical Expert in accordance with this Article 14;

(ii) a Termination Notice has not been delivered; and

(iii) all the conditions to Close have been fulfilled or performed or have been waived by the Parties in accordance with Article 8,

Closing shall not be delayed and shall proceed as an escrowed closing (an "**Escrowed Closing**").

(b) In the event of an Escrowed Closing, the following procedures shall apply:

(i) the Parties shall Close the Transaction, without any reduction to the Purchase Price;

(ii) notwithstanding Section 2.3(a) and 9.3(a), the Purchaser shall not pay to the Seller and shall instead deposit into escrow with the Seller's Counsel as "**Escrow Agent**":

(A) such portion of the Purchase Price as is equal to the amount the Purchaser has determined to be the value of the Adverse Change; and

(B) the GST payable to the Seller in accordance with Section 2.6 in respect of the amount set forth in Section 14.4(b)(ii)(A),

(collectively, the "**Escrow Funds**");

(iii) the Escrow Agent shall hold the Escrow Funds in escrow in accordance with the terms of an escrow agreement substantially in the form attached hereto as Exhibit G, (the "**Escrow Agreement**") until, the dispute has been resolved by a Technical Expert in accordance with this Article 14, as applicable; and

(iv) within three (3) Business Days following receipt of the Technical Expert's determination in accordance with this Article 14, the Parties shall deliver to the Escrow Agent the Release Direction (as such term is defined in the Escrow Agreement), which Release Direction shall direct the Escrow Agent to release the Escrow Funds to the Parties in accordance with the allocation determined by the Technical Expert.

ARTICLE 15
MISCELLANEOUS

15.1 Notices

Any notice, direction or other communication given under this Agreement or any [redacted confidential information] (a "**Notice**") will be in writing and given by delivering it or sending it by electronic mail:

(a) to the Seller:

Tidewater Midstream and Infrastructure Ltd.
900 – 222 3rd Avenue SW
Calgary, AB T2P 0B4

Attention: Chief Legal Officer and Executive Vice President, Shared Services
Email: dbarva@tidewatermidstream.com

with a copy (which shall not constitute notice) to

[redacted private information]

Attention: [redacted private information]
Email: [redacted private information]

(b) to the Purchaser at:

ATCO Gas and Pipelines Ltd.
909 11 Ave SW #1200,
Calgary, AB T2R 1L8

Attention: [redacted private information]
Email: [redacted private information]

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

[redacted private information]

Attention: [redacted private information]
Email: [redacted private information]

Any such communication will be deemed to have been validly and effectively given: (i) if personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. (Calgary time) and otherwise on the next Business Day; or (ii) if transmitted by email upon written confirmation of receipt by the intended recipient. Either Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice will be sent to such Party at its changed address.

15.2 Time of the Essence

Time will be of the essence in this Agreement.

15.3 Announcements

Any press release or public statement or announcement (a "**Public Statement**") with respect to the Transaction will be made only with the prior written consent and joint approval of the Seller and the Purchaser (the "**Approving Parties**"), not to be unreasonably withheld or delayed, unless such Public Statement is required by applicable Law or by any stock exchange, in which case the Party required to make the Public Statement will give the other Approving Parties prompt notice of the information to be disclosed and reasonable opportunity to review and comment on the proposed disclosure.

15.4 Third Party Beneficiaries

(a) Except as otherwise provided in Section 11.2 and Section 11.3 and as otherwise provided herein, the Parties intend that this Agreement will not benefit or create any right or cause of action in, or on behalf of, any Person, other than the Parties to this Agreement and no Person, other than the Parties to this Agreement, will be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. The Purchaser acts as trustee and agent on behalf of each of its Additional Indemnitees and the Seller acts as trustee and agent on behalf of each of its Additional Indemnitees and holds for their benefit their rights under Section 11.2 and Section 11.3, as applicable. Each Party agrees that the other Parties may enforce the indemnity for and on behalf of such Additional Indemnitees and, in such event, the Indemnifying Party will not in any proceeding to enforce the indemnity by or on behalf of such Additional Indemnitees assert any defence thereto based on the absence of authority or consideration or privity of contract and irrevocably waives the benefit of any such defence. Subject to Section 15.4, the Parties to this Agreement reserve their right to vary or rescind the rights at any time and in any way whatsoever granted by or under this Agreement to any Person who is not a Party to this Agreement, without notice to or consent of that Person, including any Additional Indemnitee.

(b) [redacted private information]

15.5 Expenses

Except as otherwise expressly provided in this Agreement, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and accountants) incurred in connection with this Agreement, the [redacted confidential information] and the transactions contemplated herein and therein will be paid by the Party incurring such expenses.

15.6 Amendments

This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Parties.

15.7 Waiver

(a) No waiver of any of the provisions of this Agreement or any [redacted confidential information] will be deemed to constitute a waiver of any other provision (whether or not similar), nor will such waiver be binding unless executed in writing by the Party to be bound by the waiver.

(b) No failure on the part of any Party to exercise, and no delay in exercising any right under this Agreement will operate as a waiver of such right, nor will any single or partial exercise of any such right preclude any other or further exercise of such right or the exercise of any other right.

15.8 Non-Merger

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties will not merge on and will survive the Closing and, notwithstanding such Closing and any investigation made by or on behalf of any Party, will continue in full force and effect. Closing will not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

15.9 Authorship

The Parties hereto agree that the terms and language of this Agreement and all [redacted confidential information] are the result of negotiations between the Parties and, as a result, there will be no presumption that any ambiguity in this Agreement or any [redacted confidential information] will be resolved against any Party.

15.10 Amendment and Restatement; Entire Agreement

(a) The Seller and the Purchaser hereby agrees that, effective upon the execution and delivery of this Agreement, the terms and conditions of the Original Agreement shall be hereby are amended, restated and superseded in their entirety by the terms and provisions of this Agreement.

(b) This Agreement, the [redacted confidential information] and the [redacted confidential information] constitute the entire agreement between the Parties with respect to the transactions contemplated in this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein and therein and no Party has relied or is relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement and the [redacted confidential information]. Unless specifically stated otherwise in any [redacted confidential information], if there is any conflict or inconsistency between the provisions of this Agreement and the provisions of any [redacted confidential information], the provisions of this Agreement will govern.

15.11 Successors and Assigns

(a) This Agreement will become effective when executed by each of the Parties and after that time will be binding upon and enure to the benefit of each Party and its respective heirs, executors, successors and permitted assigns.

(b) [redacted confidential information].

15.12 Severability

If any provision of this Agreement or any [redacted confidential information] is determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this Agreement or the [redacted confidential information], as the case may be, and the remaining provisions will remain in full force and effect, unless the severance of such provision materially impairs the economic benefits or protections to be derived by the Party from the transactions contemplated hereby, taken as a whole. The Parties shall use commercially reasonable efforts to replace the invalid or unenforceable provisions by a valid and enforceable substitute provision the effect of which is as close as possible to the intended effect of the invalid or unenforceable provision.

15.13 Governing Law

This Agreement and each of the [redacted confidential information] will be governed by and interpreted and enforced in accordance with the Laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflict of laws rules.

15.14 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or pdf e-mail) and all such counterparts taken together will be deemed to constitute one and the same instrument.

[The remainder of this page is left intentionally blank]

IN WITNESS WHEREOF the Parties have executed and delivered this Pipeline Sale Agreement as of the date first above written.

PIONEER PIPELINE LIMITED PARTNERSHIP BY ITS GENERAL PARTNER, PIONEER PIPELINE INC.

Per: (signed)
Name: [redacted private information]
Title: Director

Per: (signed)
Name: [redacted private information]
Title: Director

ATCO GAS AND PIPELINES LTD.

Per: (signed)
Name: [redacted private information]
Title: [redacted private information]

Per: (signed)
Name: [redacted private information]
Title: [redacted private information]

[Schedules Redacted]