

BYLAWS OF

CLIMATE CHANGE AND EMISSIONS MANAGEMENT (CCEMC) CORPORATION

1. INTERPRETATION

1.1 Definitions

- (a) In these Bylaws, including this clause, unless the context or subject matter requires a different meaning:
 - (i) “**Act**” means the *Canada Corporations Act*, RSC 1970, c.C-32 as amended from time to time, or any statute or statutes substituted therefor and, in the case of any substitution, the reference in these Bylaws to non-existing statutes shall be read as referring to the substitution therefore in the new statute or statutes;
 - (ii) “**Annual Meeting**” means the annual meeting of the members required by Act to be held annually;
 - (iii) “**Board**” means the Board of Directors from time to time of the Corporation;
 - (iv) “**Bylaws**” means these bylaws as amended from time to time;
 - (v) “**CCEMA**” means the *Climate Change and Emissions Management Act*, RSA 2000, c.C-16.7 as amended from time to time, or any statute or statutes substituted therefor and, in the case of any substitution, the reference in these Bylaws to non-existing statutes shall be read as referring to the substitution therefore in the new statute or statutes;
 - (vi) “**Chair**” means the Chairperson of the Board;
 - (vii) “**CEO**” has the meaning set forth in Article 10.6;
 - (viii) “**Corporation**” means the “Climate Change and Emissions Management (CCEMC) Corporation”;
 - (ix) “**director**” means a member of the Board of Directors from time to time of the Corporation and includes the Chair;

- (x) “**EPEA**” means the *Environmental Protection and Enhancement Act*, RSA 2000, c.E-12 as amended from time to time, or any statute or statutes substituted therefor and, in the case of any substitution, the reference in these Bylaws to non-existing statutes shall be read as referring to the substitution therefore in the new statute or statutes
 - (xi) “**Extraordinary General Meeting**” means any General Meeting other than an Annual Meeting;
 - (xii) “**General Meeting**” means a meeting of the members;
 - (xiii) “**Head Office**” has the meaning set forth in the Act;
 - (xiv) “**member**” means a person referred to in Article 3;
 - (xv) “**Minister**” means the Minister charged with the administration of the EPEA and the CCEMA;
 - (xvi) “**Ordinary Resolutions**” means a resolution passed by a majority of not less than one half (1/2) or 50% of the votes cast by persons who voted in respect of that resolution or signed by all persons entitled to vote on that resolution;
 - (xvii) “**person**” includes an individual, a partnership and a corporation whether created by act of the Legislature of Alberta or otherwise;
 - (xviii) “**Special Resolution**” means a resolution passed by a majority of not less than two-thirds (2/3) of the votes cast by the persons who voted in respect of that resolution or signed by all persons entitled to vote on that resolution;
- (b) Words which have a special meaning assigned to them in the Act have the same meaning in these Bylaws;
 - (c) Words importing the singular number only include the plural and vice versa, words importing the masculine gender include the feminine gender and words importing persons include firms and corporations and vice versa.

1.2 Headings

The headings used throughout these Bylaws are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of any Article nor to be deemed in any way to qualify, modify or explain the effect of any such terms or provisions.

2. HEAD OFFICE

2.1 Place of Head Office

The Head Office of the Corporation shall be situated in the municipality specified in the Letters Patent and at such address as the Board may, from time to time determine.

3. MEMBERS

3.1 Persons Entitled To Be Members

The members of the Corporation shall be:

- (a) the applicants to the Application for Letters Patent; and
- (b) such others persons as shall:
 - (i) be appointed by the Minister; or
 - (ii) voluntarily apply for admission as members of the Corporation and who are accepted by the Board.

3.2 Representative

A member that is a corporation, an unincorporated organization, society or government body shall appoint an individual to act as its representative at meetings of the members of the Corporation. An individual may be appointed to act as alternative representative at any meeting the representative cannot attend.

3.3 Rights Of Representatives

The representative or alternative representative is entitled to speak and vote and in all other respects exercise the rights of a member, and that representative is to be recognized as a member for all purposes at a meeting of the Corporation.

3.4 Registration Of Representatives

Each member appointing a representative shall notify the Corporation in writing of the name, address, telephone number and occupation of the representative. Each member appointing an alternative representative shall notify the Corporation in writing of the name, address, telephone number and occupation of the alternative representative.

3.5 Cessation Of Member

A member shall cease to be a member:

- (a) upon the member failing to continue to meet the criteria for membership as may be set by the Board or members from time to time;

- (b) upon giving notice in writing to the Corporation of his intention to withdraw from membership and he shall cease to be a member upon the date therein specified or its earlier acceptance by the Board; or
- (c) upon cancellation of the member's membership in accordance with Article 3.6.

3.6 Cancellation of Membership

The members in a General Meeting may, by Special Resolution cancel the membership of a member, provided that at least seven (7) days notice of such meeting and of the resolution proposed to be passed thereat shall be given to such member who it is proposed to remove. Such notice may be delivered personally or mailed to the last address of such member as shown on the register of members. Any member named in such notice is entitled to be heard on the resolution at the meeting.

4. MEETINGS OF MEMBERS

4.1 Annual Meeting

The Annual Meeting of the Corporation shall be held once per calendar year at such time and at such place as may be determined in accordance with the provisions of the Act or by the Board.

4.2 Extraordinary General Meetings

Extraordinary General Meetings of the Corporation may be convened by the Board whenever it thinks fit or may be convened upon the written requisition of members carrying not less than one-half (1/2) or 50% of the voting rights of the members.

4.3 Place Of Meeting.

Meetings of members shall be held at such place within the Province of Alberta as may be determined by the Board.

4.4 Notice Of Meetings.

Notice of a General Meeting shall be served on each member, each director, and on the auditor of the Corporation in accordance with Article 14.1 hereof. Unless otherwise provided in these Bylaws, a General Meeting may be called on not less than twenty (20) days written notice, which notice shall specify the day, hour and place of the meeting and, in the case of special business, the nature of the business. Notice of any meeting where special business will be transacted shall contain sufficient information to permit the member to form a reasoned judgment on the decision to be taken. Notice of each meeting of members must remind the member whether the member has the right to vote by proxy.

4.5 **Omissions And Errors.**

The accidental omission to give notice to any member, or the non-receipt by any member of such notice or any error in any notice not affecting the substance thereof shall not invalidate the proceedings at any General Meeting held pursuant to such notice or otherwise founded thereon.

4.6 **Waiver Of Notice.**

At any General Meeting, if all the members are present, either in person or by proxy, they may waive the necessity of giving any previous notice of such meeting and an entry in the minutes of such meeting of such waiver shall be sufficient evidence of the due convening of the meeting.

5. **PROCEEDINGS AT GENERAL MEETINGS**

5.1 **Annual Meetings.**

The business of an Annual Meeting shall be to:

- (a) receive and consider the financial statements prepared in accordance with the Act,
- (b) receive and consider the report of the auditor to the members and the report of the Board to the members,
- (c) elect or appoint the Board,
- (d) appoint an auditor or auditors to audit the accounts and annual financial statements of the Corporation for report to the members at the next annual meeting,
- (e) to transact any other business which under these Bylaws and the Act ought to be transacted at an Annual Meeting.

5.2 **Quorum.**

For all purposes but subject to Article 5.4, the quorum for a General Meeting shall be two (2) members present, representing in person or by proxy not less than fifty one (51%) per cent of the total number of members of the Corporation. No business shall be transacted at a General Meeting unless the requisite quorum is present at the commencement of the business.

5.3 **Proxies**

Each member may by means of a proxy appoint a proxyholder, or one or more alternate proxyholders, who must be a member(s) of the Corporation, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by

such proxy. A proxy shall be in writing executed by the member or his attorney authorized in writing and shall conform with the requirements of the Act. A proxy is valid only at the meeting in respect of which it is given or at any adjournment thereof and may be revoked in accordance with the provisions of the Act.

5.4 Adjournment

If fifteen (15) minutes after the time appointed for the holding of a General Meeting a quorum is not present, the members present or represented by proxy shall adjourn the meeting to the same day in the next week at the same time and place; and if at such adjourned meeting a quorum be not present, those members who are present or represented by proxy shall be deemed to be a quorum, and may transact all business which a full quorum might have done.

5.5 Chairperson, Secretary And Scrutineers

The Chair shall preside as the chairperson at every General Meeting and in his absence the Vice-Chair, and if none of these be present, or if at any meeting, they be not present within fifteen (15) minutes after the time appointed for holding the meeting, the members present shall choose of the Board members present to be Chair, or if no member of the Board shall be present and willing to take the Chair, the members present shall chose one of their number to be Chair. If the Secretary of the Corporation is absent, the Chair shall appoint some individual, who need not be a Board member, to act as Secretary of the meeting. One (1) or more scrutineers, who need not be members, may be appointed by Ordinary Resolution of the members or by the Chair with the consent of the meeting.

5.6 Adjournment Of Meeting.

The Chair may adjourn the General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

5.7 Show Of Hands.

At every General Meeting every question shall be decided in the first instance by a show of hands, unless before or upon the declaration of the result of the show of hands, a poll be demanded by at least two (2) members present in person or represented by proxy, or as may in special instances be required by the Act. A declaration by the Chair that a resolution has been carried or carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive and an entry to that effect in the Minute Book of the Corporation shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.

5.8 Polls.

If a poll be demanded in the manner above mentioned, it shall be taken in such manner as the Chair shall direct and the result of such poll shall be deemed to be the resolution of the

General Meeting at which the poll was demanded. For the purposes of any such poll, the Chair of the meeting shall appoint one (1) or more scrutineers with authority and power to conduct such poll, to canvass the votes of the members and proxies and to examine into the qualification of the voters. In the case of any dispute as to the admission or rejection of a vote by the scrutineers, the Chair shall determine the same and such determination made in good faith shall be final and conclusive. A demand for a poll may be withdrawn;

A poll may be demanded upon the election of a Chair, or upon a question of adjournment, and such poll shall be taken forthwith without adjournment. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

5.9 Voting And Votes To Govern.

At any General Meeting every question shall, unless the Act or these Bylaws otherwise provide, be determined by Ordinary Resolution. In the case of an equality of votes at any General Meeting, whether upon a show of hands or on a poll, the Chair shall not be entitled to a second or casting vote. Upon a show of hands or on a poll, each member present in person or represented by proxy shall have one (1) vote.

5.10 Persons Entitled To Be Present.

The only persons entitled to be present at a General Meeting shall be the members, the auditor of the Corporation, counsel for the Corporation and any director or officer of the Corporation who is not a member. Any other person may be admitted only on the invitation of the Chair or with the consent of the meeting.

5.11 Meetings By Telephone or other Electronic Means.

If all the members consent, a member may participate in a meeting of the members by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to hear each other and communicate adequately with each other. A member participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the members.

5.12 Resolutions In Writing.

Unless otherwise expressly provided by the Act and notwithstanding anything to the contrary in the Bylaws, a resolution assented to and adopted in writing under the hands of all the members, though not passed at a General Meeting, shall be of the same force and effect as if it had been duly passed at a General Meeting duly convened, and no previous notice, or convening of any General Meeting for the purpose of passing such resolution, shall in such case be deemed to have been necessary whether the business transacted thereat is special or not, and a member may signify his assent to such resolution in writing under his hand or by fax, email or any other electronic means.

6. BOARD OF DIRECTORS

6.1 Number Of Directors.

The affairs of the Corporation shall be managed by a board of thirteen (13) directors, each of whom shall be individuals, at least eighteen (18) years of age who have the capacity to contract. The number of directors shall be determined from time to time by a Special Resolution of the directors at a meeting of the Board, provided, however, that the number shall not be fewer than three (3) directors. The applicants named in the Application for Letters Patent of the Corporation shall serve as the first directors of the Corporation until the first permanent directors are appointed by the members at the first meeting of members of the Corporation.

6.2 Structure Of The Board.

Subject to Article 6.5, the Board of Directors shall be appointed by the members of the Corporation, and shall be individuals from the groups or sectors or otherwise appointed as follows:

- (a) One (1) director who is appointed by the oil sands industry sector;
- (b) One (1) director who is appointed by the electricity generation industry sector;
- (c) One (1) director who is appointed by conventional oil and gas industry sector;
- (d) One (1) director who is appointed by the forestry industry sector;
- (e) One (1) director who is appointed by the fertilizer industry sector;
- (f) One (1) director who is appointed by the chemical producers industry sector;
- (g) One (1) director who is appointed by the pipeline industry sector;
- (h) One (1) director who is appointed by environmental non-governmental organizations;
- (i) One (1) director who is appointed by a Municipality in Alberta;
- (j) One (1) director who is appointed by the Colleges and Universities of Alberta;
- (k) One (1) director who is the Deputy Minister of Alberta Environment or the Deputy Minister's nominee;
- (l) One (1) director who is appointed by the Minister of the Environment (Canada);

(m) One (1) director, who is the Chair, appointed by the Minister.

6.3 **Appointment Of Directors Due To Vacancies.**

The Board shall have the power to appoint any person or persons to be a director or directors to fill a casual vacancy occurring in, the Board among directors. Any director or directors so appointed shall hold office until the next following Annual Meeting of the Corporation, and then may be eligible for re-election if qualified. An appointed director need not be a member.

6.4 **Nomination.**

Nominations for appointment of directors shall be received in writing at least ten (10) days prior to the Annual Meeting and if sufficient appointments for the positions of Directors the Board of Directors may appoint, as a director, a member or members (or representative of) from the group or membership sector which has the vacancy

6.5 **Term.**

The term of each director shall be three (3) years provided that one-third of directors are serving an initial term of one (1) year, one third serving an initial term of two (2) years and the balance of the directors serving an initial term of three (3) years. Directors may remain as directors for a maximum of two (2) consecutive terms, regardless of whether the first term was one, two or three years.

6.6 **Removal Of Directors.**

The membership sector or person appointing a director, may remove the director appointed by it before the expiration of his period of office and, may appoint another person in his stead. The person so appointed shall hold office during such time only as the director in whose place he is appointed would have held the same if he had not been removed.

6.7 **Vacation Of Office.**

A director ceases to hold office when:

- (a) he dies;
- (b) he is removed from office by the membership sector appointing him;
- (c) he ceases to be qualified for appointment as a director as provided in the Act;
or
- (d) his written resignation is sent or delivered to the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

6.8 Remuneration.

A director shall be paid compensation by the Corporation for his services as a director in accordance with the policies established by the Board. The Corporation will reimburse a director for all reasonable out-of-pocket expenses necessarily incurred by him in the performance of his duties as a director.

6.9 Powers Of Directors.

The management of the activities of the Corporation shall be vested in the directors who, in addition to the powers and authorities by these presents or otherwise expressly conferred upon them, may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not hereby or by statute expressly directed or required to be exercised or done by the Corporation in General Meeting but, subject nevertheless to the provisions of the Act and of these Bylaws and to any regulations, from time to time made by the members in General Meeting provided that no regulation so made shall invalidate any prior act of the directors which would have been valid if such regulation had not been made.

6.10 Directors' Interest.

A director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a proposed contract or arrangement with the Corporation make disclosure and conduct himself in accordance with the policies established by the Board.

6.11 Borrowing Powers.

The directors of the Corporation may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation; and
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any of the property of the Corporation, owned or subsequently acquired, to secure any debt obligation or indebtedness of the Corporation.

Nothing herein limits or restricts the borrowing of money by the Corporation on Bills of Exchange or Promissory Notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

The Board may from time to time delegate to a committee of the directors, a director or an officer of the Corporation or any other person as may be designated by the Board, all or any of the powers conferred on the Board by these Bylaws, now or hereafter existing, or by the Act to such extent and in such manner as the Board may determine at the time of such delegation.

7. MEETINGS OF DIRECTORS

7.1 Calling Of Meetings.

Meetings of the Board may be summoned at any time by the Secretary at the request of the Chair, a Vice-Chair or a director.

7.2 Place Of Meetings.

Meetings of the Board or of any committee of directors may be held at any time and any place in the Province of Alberta or such other place as may be approved by the Board from time to time.

7.3 Notice Of Meeting And Waiver Of Notice.

Notice of the time and place of each meeting of the directors shall be given to each director, not less than forty-eight (48) hours before the time when the meeting is to be held, in accordance with Article 14.1. A notice of a meeting of directors shall specify such matters to be dealt with at the meeting as are required by the Act to be specified therein but need not specify the purpose of or the business to be transacted at the meeting. A director may in any manner and at any time waive notice of or otherwise consent to a meeting of the directors.

7.4 First Meeting Of New Directors.

Notwithstanding anything to the contrary in these Bylaws contained, for the first meeting of the Board, held immediately after the appointment of directors, no formal notice of such meeting of the Board shall be necessary provided that a quorum of directors be present.

8. PROCEEDINGS OF DIRECTORS

8.1 Quorum.

The Board may meet together to conduct the business of the Corporation, adjourn and otherwise regulate its meetings as it shall think fit. For the transaction of business, seven (7) directors shall constitute a quorum. Notwithstanding any vacancy in the Board, a meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under these Bylaws for the time being vested in or exercisable by the Board.

8.2 Chairperson.

The Chair of the Corporation, or in his absence, a Vice- Chair shall be the Chairperson of any meeting of the directors, and if none of these persons be present, or if such persons decline to act, the directors present shall choose one (1) of their number to be Chairperson.

8.3 Votes To Govern.

Questions arising at any meeting shall be decided by Ordinary Resolution. Each director is entitled to one (1) vote.

8.4 Meetings By Telephone or other Electronic Means.

If all the directors consent, a director may participate in a meeting of the directors or of a committee of the directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to hear each other and communicate adequately with each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the directors and of committees of the directors held while a director holds office.

9. COMMITTEES

9.1 Committees Of Directors.

The directors may appoint one or more committees of directors, however designated, and delegate to such committees any of the powers of the directors except those which, under the Act, a committee of directors has no authority to exercise. Members of a committee may be removed by Ordinary Resolution of the Board and shall act in accordance with the Terms of Reference for such committee set by the Board from time to time.

9.2 Transaction Of Business.

The powers of a committee of directors may be exercised by resolution passed at a meeting at which a quorum is present or by Ordinary Resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of committees may be held at any place in the Province of Alberta or such other place as may be approved by the Board.

9.3 Procedure.

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

9.4 Termination Of Committee Membership.

Any director who ceases for any reason to be a director shall, upon ceasing to be a director, thereupon also cease to be a member of each and every committee of directors of which he is a member.

9.5 **Remuneration**

Remuneration for all committee members of the Corporation shall be fixed by the Board.

10. **OFFICERS**

10.1 **Appointment.**

The officers of the Corporation shall consist of a Chair, a Secretary and a Treasurer or a Secretary-Treasurer and such other officers as the directors may determine, including a Vice-Chair or one (1) or more assistants to any of the officers so appointed. The directors may specify the duties of and, in accordance with these Bylaws and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to Article 10.2 an officer may, but need not be, a director and one person may hold more than one (1) office.

10.2 **Chair.**

The Chair shall be independent and shall not represent any sector or be affiliated with any project, shall preside at all meetings of the Board and the members shall be a non-voting member of all committees of the Board and the Corporation, unless the Board allows the Chair to be a voting member of a committee. The Chair shall present a report of the activities of the Board to Members of the Corporation at the Annual Meeting, and shall have such duties and powers as the directors may specify and delegate from time to time. The Chair shall at all reasonable times give to the directors, or any of them, all information they may require regarding the affairs of the Corporation.

10.3 **Vice-Chairs.**

Each Vice-Chair shall have such duties and powers as the directors may specify and delegate from time to time.

10.4 **Secretary.**

The Secretary, as and when requested to do so, shall attend and be the Secretary of all meetings of the directors, members and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat, shall give or cause to be given, as and when instructed, all notices to members, directors, officers, auditors and members of committees of directors, shall be the custodian of the corporate seal of the Corporation, and shall have such other powers and duties as the directors may specify and delegate from time to time. The Secretary shall at all reasonable times exhibit his records to any director or member of the Corporation.

10.5 **Treasurer.**

The Treasurer shall keep proper accounting records in compliance with the Act, shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of

funds of the Corporation, shall render to the directors whenever required an account of all of his transactions as Corporation and of the financial position of the Corporation, shall be the custodian of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and shall have such other duties and powers as the directors may specify and delegate. The Treasurer shall at all reasonable times exhibit his books and accounts to any director or member of the Corporation.

10.6 Chief Executive Officer

The Board may engage a Chief Executive Officer ("CEO") who shall be responsible for the ongoing administration of the Corporation. The CEO shall report to the Board, as decided from time to time by the Board, on the affairs of the Corporation.

10.7 Powers And Duties Of Other Officers.

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the directors may specify and delegate. Any of the duties and powers of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the Corporation otherwise direct.

10.8 Variation Of Powers And Duties.

The directors may from time to time vary, add to or limit the duties and powers of any officer.

10.9 Term Of Office.

Subject to Article 10.2 officers shall be subject to removal by the Board at any time without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the directors shall hold office until his successor is appointed.

10.10 Remuneration

Remuneration for all officers, agents and employees of the Corporation shall be fixed by the Board.

11. BUSINESS OF THE CORPORATION

11.1 Minutes.

The Board shall cause minutes to be made in books provided for that purpose:

- (a) the appointment of the Chair by the Minister;
- (b) of all appointments of officers made by the Board;

- (c) of the names of the directors present at each meeting of the Board and of any committee of directors;
- (d) of all resolutions and proceedings of all General Meetings and meetings of the Board and of the executive committee.

11.2 Corporate Seal.

The Corporation shall have a corporate seal of such design as may be approved by the Board.

11.3 Financial Year.

The financial year of the Corporation shall terminate on such date as may be determined from time to time by resolution of the directors.

11.4 Execution Of Instruments.

The corporate seal shall be affixed to all documents requiring execution under the Corporate Seal of the Corporation by the CEO and Secretary or by such officer of the Corporation, or such other person or persons as may be authorized, from time to time by the Board. Any documents which are to be executed on behalf of the Corporation but which do not require a corporate seal shall be executed by the CEO and Secretary or by such officer of the Corporation, or such other person or persons as may be authorized, from time to time, by the Board.

11.5 Banking Arrangements.

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

11.6 Auditors.

The Corporation at each Annual Meeting shall appoint one or more auditors to hold office until the close of the next Annual Meeting and, if any appointment is not so made, the auditor in office shall continue in office until a successor is appointed. The directors may fill an casual vacancy in the office of auditor but while the vacancy continues the surviving or continuing auditor, if any, may act. The Corporation, in General Meeting by Special Resolution, may remove any auditor before the expiration of his term of office and appoint another auditor in his stead for the remainder of his term. The remuneration of the auditors shall be fixed by the Board.

12. PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

12.1 Limitation Of Liability.

No director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the monies of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the monies, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same is occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

12.2 Indemnity.

Subject to the limitations contained in the Act, the Corporation shall (and does hereby) indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of the Corporation and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation if:

- (a) he acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

13. RECISION, ALTERATION AND ADDITION TO BYLAWS

13.1 Repeal and Amendment of Bylaws

The Bylaws of the corporation not embodied in the Letters Patent may be repealed or amended by bylaw, or a new bylaw relating to the requirements of subsection 155(2) of the Act may be enacted by Ordinary Resolution of the Board at a meeting of the Board and sanctioned by Special Resolution of the members at a General Meeting duly called for the purpose of considering the said bylaw, provided that the repeal or amendment of such bylaws shall not be enforced or acted upon until the approval of the Minister of Industry has been obtained.

14. NOTICES

14.1 Manner Of Giving Notice.

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, these Bylaws or otherwise to a member, director, officer, auditor or member of a committee of directors shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to his recorded address by prepaid mail or if sent to his recorded address by means of fax, email, or any means of transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given on the second business day following that upon which the letter, envelope or wrapper containing the same is posted, and in proving such receipt it shall be sufficient to prove that the envelope or wrapper containing the notice was properly addressed and posted, postage prepaid; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when actually transmitted by the person giving such notice, or if dispatched or delivered to the communication company or its agency or its representative when such communication company or agency actually transmits such notice. The Secretary shall change or cause to be changed the recorded address of any member, director, officer, auditor or member of a committee of the directors in accordance with any information believed by him to be reliable.

14.2 Manner Of Signing Notice.

The signature to any notice to be given by the Corporation may be written, printed or otherwise mechanically reproduced.

14.3 Computation Of Time.

In computing the date when notice must be given under any provision requiring a specified number of days' notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

14.4 Omissions And Errors.

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

14.5 Waiver Of Notice.

Any member (or duly appointed proxyholder), director, officer, auditor or member of a committee of directors may at any time waive any notice, or waive or abridge the time for any notice, required to be given under any provision of the Act, the regulations thereunder,

these Bylaws or otherwise and such waiver or abridgment shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of members or of the directors which may be given in any reasonable manner.

DATED at Edmonton, Alberta this 13th day of February, 2009.

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