

FORZA PETROLEUM LIMITED
(the “Company”)

AND

1453709 B.C. LTD.
(the “Purchaser”)

AND

ZEG OIL AND GAS LTD.
(the “Parent”)

ARRANGEMENT AGREEMENT

December 10, 2023

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is made as of December 10, 2023

BETWEEN:

ZEG OIL AND GAS LTD., a corporation existing under the laws of the British Virgin Islands (the “**Parent**”)

- and -

1453709 B.C. LTD., a company existing under the laws of the Province of British Columbia (the “**Purchaser**”)

- and -

FORZA PETROLEUM LIMITED, a corporation existing under the laws of Canada (the “**Company**”)

RECITALS:

- A. The Purchaser proposes to acquire all of the issued and outstanding Company Shares that it or any of its affiliates do not already own in accordance with the Arrangement;
- B. Upon the effectiveness of the Arrangement, Company Shareholders (other than the Purchaser and its affiliates) will receive the Consideration for each Company Share they hold;
- C. The Unconflicted Company Board has unanimously determined, after receiving financial and legal advice and following the receipt and review of a unanimous recommendation from the Special Committee and the Valuation, that the Arrangement is in the best interests of the Company, and the Unconflicted Company Board has resolved to recommend that the Company Securityholders (other than the Purchaser and its affiliates) vote in favour of the Arrangement Resolution, all subject to the terms and the conditions contained in this Agreement;
- D. The Purchaser has entered into the Voting Agreements with the Locked-Up Shareholders, pursuant to which each of the Locked-Up Shareholders has agreed to vote their Company Shares in favour of the Arrangement Resolution on the terms and subject to the conditions set forth in the Voting Agreements; and
- E. The parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transaction herein provided for.

THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Whenever used in this Agreement, the following words and terms have the meanings set out below:

“Acquisition Proposal” means, other than the transactions contemplated by this Agreement, any offer, proposal or inquiry from any Person or group of Persons (other than the Purchaser or any affiliate of the Purchaser) after the date of this Agreement, whether or not in writing and whether or not delivered to the Company Shareholders, relating to: (a) any direct or indirect acquisition, purchase, disposition (or any lease, royalty, joint venture, long-term supply agreement or other arrangement, in each case, having the same economic effect as a sale), through one or more transactions, of (i) the assets of the Company and/or one or more of its Subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of the Company and its Subsidiaries, taken as a whole, or (ii) 10% or more of the voting or equity securities of the Company or 20% or more of any voting or equity securities of any one or more of any of the Company’s Subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole (in each case, determined based upon the most recently publicly available consolidated financial statements of the Company); (b) any direct or indirect take-over bid, tender offer, exchange offer, sale or issuance of securities or other transaction that, if consummated, would result in such Person or group of Persons beneficially owning 10% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of the Company or any of its Subsidiaries; (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or other similar transaction or series of transactions involving the Company or any of its Subsidiaries that, if consummated, would result in such Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities (including securities convertible into or exercisable or exchangeable for voting or equity securities) of the Company or any of its Subsidiaries; or (d) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries;

“affiliate” has the meaning ascribed thereto in NI 45-106, provided that, for purposes of this Agreement, a reference to an affiliate of the Parent or the Purchaser does not include the Company and its Subsidiaries and a reference to an affiliate of the Company does not include the Parent, the Purchaser or their respective Subsidiaries which are not also Subsidiaries of the Company;

“Agreement” means this arrangement agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

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

“Arrangement Resolution” means the special resolution of the Company Securityholders approving the Plan of Arrangement which is to be considered at the Company Meeting substantially in the form of Schedule B hereto;

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

“Audited Financial Statements” means the audited consolidated financial statements of the Company for the year ending December 31, 2022 including any notes or schedules thereto, the auditor’s report thereon;

“Authorization” means, with respect to any Person, any authorization, Order, permit, approval, grant, licence, concession, registration, consent, right, notification, condition, franchise, privilege, certificate, judgement, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, of, from or required by any Governmental Entity having jurisdiction over the Person;

“Award” means a conditional grant of a Company Share from treasury by the Company pursuant to the LTIP;

“Breaching Party” has the meaning ascribed thereto in Section 7.2(b);

“Business Day” means any day, other than a Saturday, a Sunday or any day on which banks are closed or authorized to be closed for business in Toronto, Ontario or Calgary, Alberta, provided however that for the purposes of counting the number of Business Days elapsed, each Business Day will be deemed to commence at 9:00 a.m. (Toronto time) and end at 5:00 p.m. (Toronto time) on the applicable day;

“Canadian Securities Laws” means the Securities Act, together with all other applicable securities Laws of Ontario or of any other province or territory of Canada;

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

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

“Company Benefit Plans” means all health, welfare, dental, vision, sickness, death, life, cafeteria, flexible spending, supplemental unemployment benefit, bonus, change of control, loan, allowance, spending account, profit sharing, insurance, incentive, incentive compensation, or deferred compensation plans, share purchase, share options, share compensation, or other equity-based compensation plans, disability, pension or retirement income or savings plans, vacation or other paid time off, parental leave, severance, employment or individual consulting agreements and any other material employee compensation arrangement or benefit plans, trust, funds, policies, programs, arrangements, or practices which are (a) sponsored, maintained, contributed to or required to be contributed to by the Company or its Subsidiaries, or (b) for which the Company or its Subsidiaries has any actual or contingent liability or obligation with respect to any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries, excluding Statutory Plans, plans of the Parent or its Subsidiaries of which employees, officers, directors or independent contractors of the Company or any of its

Subsidiaries are beneficiaries, and plans for which the Parent or its Subsidiaries has any actual or contingent liability or obligation with respect to any current or former employee, officer, director or independent contractor of the Company or any of its Subsidiaries, but including the LTIP;

“Company Board” means the board of directors of the Company as the same is constituted from time to time;

“Company Board Recommendation” has the meaning ascribed thereto in Section 2.4(c);

“Company Change in Recommendation” has the meaning ascribed thereto in Section 7.2(a)(iii)(A);

“Company Circular” means the notice of the Company Meeting and accompanying management proxy circular, including all schedules, appendices and exhibits thereto and enclosures therewith, to be sent to the Company Securityholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time;

“Company Disclosure Letter” means the letter setting out certain disclosure relating to the Company dated the date hereof;

“Company Material Adverse Effect” means any event, change, occurrence, effect, development, state of facts or circumstances that, individually or in the aggregate with other events, changes, occurrences, effects, developments, states of facts or circumstances has had, or would reasonably be expected to have, a material adverse effect on the business, assets, properties, affairs, projects (including the development thereof), operations, condition (financial or otherwise) or results of operations or liabilities (contingent or otherwise and whether contractual or otherwise) of the Company and its Subsidiaries taken as a whole except any such event, change, occurrence, effect, state of facts or circumstances resulting from or arising in connection with:

- (a) any change, development or condition generally affecting the oil exploration and production industry in the Kurdistan Region of Iraq;
- (b) any change in the global oil price benchmarks or prices realized for ‘local sales’ within the Kurdistan Region of Iraq;
- (c) any change in global, national or regional political conditions (including any temporary facility takeover for emergency purposes, outbreak of hostilities or war or acts of terrorism or any escalation);
- (d) any earthquake, flood or other natural disaster;
- (e) any epidemic, pandemic or general outbreaks of illness (including COVID-19 and its continuing effect on working restrictions and the local, national and global economy) or any worsening of the foregoing;
- (f) any change in general economic, business, banking, regulatory, political or market conditions or in financial, credit, currency, commodities or securities markets in the Kurdistan Region of Iraq, Canada, the United States or globally;

- (g) any change in applicable generally acceptable accounting principles, including IFRS, after the date of this Agreement;
- (h) any fluctuations in currency exchange, interest or inflation rates;
- (i) any change in applicable Laws after the date of this Agreement (provided that this clause (i) shall not apply with respect to any representation or warranty the purpose of which is to address compliance with applicable Laws);
- (j) natural declines in production from Hawler License Area wells;
- (k) the execution, announcement and pendency of this Agreement or the consummation of the transactions contemplated hereby or the identity of the Purchaser or the Parent as the acquiror of the Company, including any loss or threatened loss of, departure of, or adverse change or threatened adverse change in the relationship of the Company or any of its Subsidiaries with, any of their respective current or prospective employees, customers, service providers, suppliers, counterparties, insurance underwriters or business partners, or the termination or potential termination of (or the failure or potential failure to renew or enter into) any Contract between the Company or any of its Subsidiaries and any customer, service provider, supplier, lender or business partner as a result thereof;
- (l) any matter that has been expressly disclosed by the Company to the Purchaser in Section C-13 of the Company Disclosure Letter, other than any disclosures that are cautionary in nature, such as risk factors (it being understood that any change relating to any matter so disclosed may be taken into account in determining whether a Company Material Adverse Effect has occurred);
- (m) the actions or inactions expressly required by this Agreement or that are taken (or omitted to be taken) with the prior written consent of the Purchaser or any action not taken by the Company or any of its Subsidiaries as a result of the refusal of the Parent or the Purchaser to provide a consent required by the Company hereunder to such action (provided, that this clause (m) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of this Agreement or the consummation of the transactions contemplated by this Agreement or the performance of obligations under this Agreement);
- (n) any change in the market price or trading volume of any securities of the Company (it being understood that the causes underlying such changes in market price or trading volume may be taken into account, to the extent permitted by this Agreement, in determining whether a Company Material Adverse Effect has occurred); or
- (o) the failure, in and of itself, of the Company to meet any internal, published or public projections, forecasts, guidance or estimates, including of revenues, earnings, cash flows or other financial or operating metrics before, on or after the date of this Agreement (it being understood that the causes underlying such failure may be taken into account, to the extent not referred to in paragraphs (a) to (m) above, in determining whether a Company Material Adverse Effect has occurred);

provided, however, that paragraphs (a) to and including (i) above do not apply to the extent that any such event, change, occurrence, effect, development, state of facts or circumstances disproportionately adversely affect the Company and its Subsidiaries, taken as a whole, compared to other companies primarily operating in the oil exploration and production sector in the Kurdistan Region of Iraq;

“Company Material Contract” means in respect of the Company or any of its Subsidiaries, any Contract:

- (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Company Material Adverse Effect;
- (b) regarding the sale or the acquisition of a Person or business, whether in the form of an asset purchase, merger, consolidation or otherwise, with a purchase price in excess of US\$500,000 that has been entered into since January 1, 2022 or under which one or more of the parties has material ongoing obligations including executory indemnification, earn-out or other liabilities;
- (c) that is a lease, sublease, license or right of way or occupancy agreement which is material to the business of the Company and its Subsidiaries, taken as a whole;
- (d) that provides for the establishment of, investment in or formation of any partnership or joint venture with any Person in which the interest of the Company or any of its Subsidiaries exceeds US\$500,000;
- (e) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset of the Company or any of its Subsidiaries, in each case relating to indebtedness in excess of US\$50,000;
- (f) relating to any future offering or issuance of securities of the Company;
- (g) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries or (including by requiring the granting of an equal and rateable Lien) the incurrence of any licences on any properties of assets of the Company or any of its Subsidiaries;
- (h) under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of US\$500,000 in any 12-month period or US\$1,000,000 over the remaining term of the contract;
- (i) that provides for the supply of essential infrastructure, goods or services (including electricity supply, transmission, fuel, and transportation) or a right of first refusal or “most favoured nation” obligation in favour of another Person;
- (j) that creates an exclusive dealing arrangement (including exclusive sales, agency and distribution agreements) or right of first offer;
- (k) that purports to limit or restrict the Company or any of its affiliates in any material respect from engaging in any line of business or in any geographic area; or
- (l) providing for contractual severance or change of control payments;

provided, however, that Company Material Contract shall not include any Contract to which Purchaser or any of its affiliates is a party.

“Company Meeting” means the special meeting of the Company Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

“Company Securityholders” means, collectively, the Company Shareholders and holders of Awards;

“Company Securityholder Approval” means the approval of the Arrangement Resolution by the Company Securityholders at the Company Meeting in accordance with Section 2.2(b);

“Company Shareholders” means the registered and/or beneficial holders of Company Shares;

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

“Company Subsidiaries” means, collectively, Forza Petroleum Holdings PLC, Forza Petroleum Services SA, Forza Petroleum Middle East Limited, OP Hawler Kurdistan Limited, Forza Petroleum Africa Limited and OP OML 141 Nigeria Limited;

“Consideration” means \$0.15 in cash per Company Share;

“Contract” means any written or oral contract, agreement, license, franchise, lease, arrangement, commitment, joint venture, partnership or other right or obligation to which a Party or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“COVID-19” means SARS-CoV-2 or COVID-19, and any evolutions, mutations or variances thereof;

“Depositary” means Computershare Trust Company of Canada, in its capacity as depositary for the Arrangement;

“Depositary Agreement” means the agreement to be entered into among the Depositary and the Parties relating to, among other things, the deposit of Company Shares by the Company Shareholders in connection with the Arrangement, the terms and conditions of which must be satisfactory to the Parties, each acting reasonably;

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

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

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

“Effective Time” means the time on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement;

“**ETA**” means Part IX of the *Excise Tax Act* (Canada);

“**Fairness Opinion**” has the meaning ascribed thereto in Section 20 of Schedule C hereto;

“**Final Order**” means the final order of the Court in a form acceptable to the Purchaser and the Company, each acting reasonably, pursuant to Section 192 of the CBCA approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of both the Purchaser and the Company, each acting reasonably) at any time prior to the Effective Date;

“**Financial Statements**” means together, the Audited Financial Statements and the Interim Financial Statements;

“**Governmental Entity**” means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, minister, ministry, bureau, agency or instrumentality, domestic or foreign; (b) any stock exchange, including the TSX; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

“**GST**” means all Taxes payable under the ETA (including, for greater certainty, harmonized sales tax) or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any analogous or successor provision thereto of like or similar effect;

“**Hawler License Area**” means the 788 km² area in the Kurdistan Region of Iraq in which the Company holds an oil production and development license and has a 65% working interest;

“**IFRS**” means generally accepted accounting principles in Canada from time to time including, for the avoidance of doubt, the standards prescribed in Part I of the CPA Canada Handbook - Accounting (International Financial Reporting Standards) as the same may be amended, supplemented or replaced from time to time;

“**Interim Financial Statements**” means the condensed interim consolidated financial statements for the three and nine months ended September 30, 2023 and 2022 including any notes or schedules thereto;

“**Interim Order**” means the interim order of the Court contemplated by Section 2.2 of this Agreement and made pursuant to the CBCA in a form acceptable to both the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of both the Company and the Purchaser, each acting reasonably);

“**Law**” or “**Laws**” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, by-laws, statutes, codes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees, codes, constitutions or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have

the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, and, for greater certainty, includes the terms and conditions of any Authorization of or from any Governmental Entity, and Canadian Securities Laws;

“Liens” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“Locked-Up Shareholders” means certain directors and senior officers of the Company and certain Company Shareholders who have entered into Voting Agreements;

“LTIP” means the long-term equity incentive plan of the Company dated May 13, 2015 governing the outstanding Awards;

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“misrepresentation” has the meaning ascribed thereto in the Securities Act;

“NI 45-106” means National Instrument 45-106 – Prospectus Exemptions;

“Order” means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, settlements, stipulations, or decrees of any Governmental Entity (in each case, whether temporary, preliminary or permanent);

“ordinary course of business”, **“ordinary course of business consistent with past practice”** or any similar reference means, with respect to an action taken or to be taken, or omitted to be taken, by the Company or its Subsidiaries, that such action or inaction is consistent with the past practices of the Company or its Subsidiaries, as applicable, and is taken in the ordinary course of the normal day-to-day operations of the business of the Company or its Subsidiaries, as applicable, which, for clarity, includes actions or inactions related to day-to-day operations of such business as a result of developments affecting the oil exploration and production industry in the Kurdistan Region of Iraq since December 31, 2022;

“Outside Date” means April 12, 2024, or such later date as may be agreed to in writing by the Parties;

“Parties” means the Company, the Purchaser, and Parent and **“Party”** means any one of them, as the context requires;

“Person” includes any individual, corporation, limited liability company, unlimited liability company, partnership, limited partnership, limited liability partnership, firm, joint venture, syndicate, capital venture fund, trust, association, body corporate, trustee, executor, administrator, legal representative, estate, government (including any Governmental Entity) and any other form of entity or organization, whether or not having legal status;

“Plan of Arrangement” means the plan of arrangement of the Company pursuant to section 192 of the CBCA, substantially in the form of Schedule A hereto, and any amendments or variations thereto made in accordance with this Agreement and the Plan of Arrangement or upon the

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

“Proceeding” means any suit, claim, action, charge, complaint, litigation, arbitration, proceeding (including any civil, criminal, administrative, investigative or appellate proceeding), hearing, audit, examination or investigation commenced, brought, conducted or heard by or before, any court or other Governmental Entity;

“Public Health Measures” means (a) measures undertaken by the Company or its Subsidiaries to comply with any quarantine, “shelter in place”, “stay at home”, workforce reduction, social distancing, curfew, shut down, closure, sequester, travel restrictions issued by any Governmental Entity, or any other public health directives, guidelines or recommendations; and (b) other commercially reasonable business practices adopted by the Company or its Subsidiaries, in each case in connection with or in response to COVID-19 or another epidemic, pandemic or general outbreak of illness;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals of, registration and filing with, Governmental Entities, or the expiry, waiver or termination of any waiting period imposed by Law or any Governmental Entity, in each case, necessary to proceed with the transactions contemplated by this Agreement and the Plan of Arrangement (but excluding the Interim Order and Final Order).

“Representatives” means any officer, director, employee, representative (including any financial or other advisor) or agent of the Company or any of its Subsidiaries;

“Securities Act” means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder;

“Securities Authorities” means the applicable securities commission or securities regulatory authority of a province or territory of Canada;

“SEDAR+” means the System for Electronic Document Analysis and Retrieval+ maintained on behalf of the Canadian Securities Administrators;

“Special Committee” means the special committee of independent directors of the Company Board;

“Statutory Plans” means statutory benefit plans which the Company and any of its Subsidiaries are required to participate in or comply with, including any benefit plan administered by any federal, provincial or state Governmental Entity and any benefit plans administered pursuant to applicable health, Tax, workplace safety insurance, and employment insurance Laws;

“Subsidiary” has the meaning ascribed thereto in the NI 45-106;

“Tax” or **“Taxes”** means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity (whether foreign or domestic), whether computed on a separate, consolidated, unitary, combined or other basis, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes,

employment insurance premiums, unemployment insurance, social insurance taxes, Canada Pension Plan contributions, sales, use and goods and services taxes, GST, value added taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, environmental taxes, capital taxes, production taxes, recapture, withholding taxes, employee health taxes, surtaxes, customs, import and export taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers' compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing; (ii) any fine, penalty, interest or addition to amounts described in (i), (iii) or (iv); (iii) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing, an indemnity or payment of or for any such tax, levy, assessment, tariff, duty, deficiency, or fee; and (iv) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract, by statute or by operation of Law;

"Tax Act" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;

"Tax Planning" includes determining cost basis, paid-up capital, fair market value, surplus balances and other attributes related to the Company Shares or any property owned directly or indirectly by the Company relevant for the purposes of the Tax Act or any other applicable Law relating to Taxes;

"Terminating Party" has the meaning ascribed thereto in Section 7.2(b);

"Termination Notice" has the meaning ascribed thereto in Section 7.2(b);

"Third Party Beneficiaries" has the meaning ascribed thereto in Section 8.8;

"TSX" means the Toronto Stock Exchange;

"Unconflicted Company Board" means the Company Board, with any director who has interests that present actual or potential conflicts of interest in connection with the Arrangement abstaining from voting on any resolution, approval or recommendation in connection with the Arrangement;

"Valuator" means Cormark Securities Ltd., the independent valuator selected by the Special Committee to prepare the Valuation;

"Valuation" means the formal valuation of the Company Shares provided by the Valuator in accordance with the requirements of MI 61-101; and

"Voting Agreements" means the voting agreements dated the date hereof and made between the Purchaser and the Locked-Up Shareholders setting forth the terms and conditions on which the Locked-Up Shareholders have agreed to vote their Company Shares in favour of the Arrangement Resolution.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof.

1.3 Number and Gender

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

1.4 Computation of Time

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

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars and "US\$" refers to United States dollars.

1.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement in respect of the Company shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature in respect of the Company required to be made shall be made in accordance with IFRS consistently applied.

1.7 Knowledge

In this Agreement, references to "the knowledge of the Company" means the actual knowledge of the Chief Executive Officer, General Counsel & Corporate Secretary, the Finance Director and the Technical Director, after due enquiry.

1.8 Certain Phrases, etc.

In this Agreement, the words (i) "including", "includes" and "include" mean "including (or includes or include) without limiting the generality of the foregoing" (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement.

1.9 Statutes

In this Agreement, any reference to a statute refers to such statute and all rules, resolutions, policies, instruments and regulations made under it, as it or they may have been or may from time to time be amended, supplemented or re-enacted, unless stated otherwise.

1.10 Capitalized Terms

Unless otherwise expressly provided therein, all capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings ascribed to them in this Agreement.

1.11 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

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

1.12 Unanimous Approvals

References to any act of the Company Board or the Special Committee being unanimous or requiring unanimity excludes, as applicable, any director who (a) did not vote on the approval of the matter, having disclosed in writing the nature and extent of his or her potential interest in the matter, or (b) the majority of the Company Board determines, acting in good faith, is not independent or has a conflict in respect of the subject matter thereof.

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement

The Company and the Purchaser agree that the Arrangement will be implemented in accordance with the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

2.2 Interim Order

As soon as reasonably practicable following the execution of this Agreement, the Company shall apply to the Court in a manner acceptable to the Purchaser, acting reasonably, pursuant to Section 192 of the CBCA and prepare, file and diligently pursue a motion to the Court for the Interim Order, which shall provide, among other things:

- (a) for the classes of Persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution shall be (i) at least $66\frac{2}{3}\%$ of the votes cast on the Arrangement Resolution by the Company Shareholders present or represented by proxy at the Company Meeting, (ii) at least $66\frac{2}{3}\%$ of the votes cast on the Arrangement Resolution by the Company Securityholders present or represented by proxy at the Company Meeting, voting together as a single class, with each Company Shareholder and each holder of an Award being entitled to one vote per Company Share and per Award, respectively, and (iii) a simple majority of the votes cast on the Arrangement Resolution by the Company Shareholders present or represented by proxy at the Company Meeting, excluding for this purpose the votes cast in respect of Company Shares held or controlled by persons described in items (a) through (d) of Section 8.1(2) of MI 61-101;

- (c) that the Company Meeting may be adjourned or postponed from time to time by the Company Board subject to the terms of this Agreement without the need for additional approval of the Court;
- (d) that the record date for the Company Securityholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) or postponement(s) of the Company Meeting;
- (e) that, in all other respects, other than as ordered by the Court, the terms, conditions and restrictions of the constating documents of the Company, including quorum requirements and other matters, shall apply in respect of the Company Meeting;
- (f) for the grant of the Dissent Rights to registered holders of Company Shares as set forth in the Plan of Arrangement;
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (h) confirmation of the record date for the purposes of determining the Company Securityholders entitled to receive meeting materials and vote at the Company Meeting;
- (i) that the deadline for the submission of proxies by Company Securityholders for the Company Meeting shall be 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) prior to the Company Meeting, subject to waiver by the Company in accordance with the terms of this Agreement; and
- (j) for such other matters as the Purchaser or the Company may reasonably require, subject to obtaining the prior written consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.

2.3 Company Meeting

Subject to the terms of this Agreement and (except in respect of Section 2.3(b)) receipt of the Interim Order, the Company shall:

- (a) convene and conduct the Company Meeting in accordance with its constating documents, the Interim Order and applicable Laws, as soon as reasonably practicable, and in any event on or before February 16, 2024, subject to adjournment to the extent required pursuant to Section 2.3;
- (b) in consultation with the Purchaser, fix and publish a record date for the purposes of determining the Company Securityholders entitled to receive notice of and vote at the Company Meeting and give notice to the Purchaser of the Company Meeting;
- (c) allow the Purchaser's representatives and legal counsel to attend the Company Meeting (including by virtual means);

- (d) not adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Company Meeting without the Purchaser's prior written consent, except:
 - (i) as required for quorum purposes (in which case the meeting shall be adjourned and not cancelled), by Law, by a Governmental Entity or by a valid Company Shareholder action (which action is not solicited or proposed by the Company or the Company Board);
 - (ii) as requested by the Purchaser, an adjournment of not more than ten Business Days in the aggregate for the purposes of attempting to solicit proxies to obtain the Company Securityholder Approval; and
 - (iii) in the event that the Company or the Purchaser reasonably determines that (A) the Circular contains any untrue statement of material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances in which they are made, not misleading or (B) such adjournment is necessary or appropriate to address material comments of any Securities Authority on the Company Circular; provided that the Company and the Purchaser agree to cooperate with one another to make any necessary modifications to the Company Circular and/or address the comments of the applicable Securities Authority as expeditiously as reasonably practicable;
- (e) unless the Company Board has made a Company Change in Recommendation in accordance with the applicable provisions of this Agreement, use commercially reasonable efforts to solicit proxies in favour of the Arrangement Resolution and against any resolution submitted by any Company Shareholder that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement, including, if so requested by the Purchaser, promptly reaffirm the Company Board Recommendation by press release, and at the expense of the Purchaser, use the services of proxy solicitation firms mutually agreed to by the Purchaser and the Company to solicit proxies in favour of the approval of the Arrangement Resolution;
- (f) provide the Purchaser with copies of and access to information regarding the Company Meeting generated by any proxy solicitation services firm engaged by the Company, as requested from time to time by the Purchaser;
- (g) promptly advise the Purchaser as frequently as the Purchaser may reasonably request, and at least on a daily basis on each of the last ten Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution and any other information relating to the proxies or Company Meeting reasonably requested by the Purchaser including if any beneficial Company Securityholder appoints itself as a proxy holder for the purposes of the Company Meeting;
- (h) promptly advise the Purchaser of any written or oral communication from any Company Shareholder in opposition to the Arrangement, written notice of dissent or purported exercise by any Company Shareholder of Dissent Rights received by the Company in relation to the Arrangement and any withdrawal of Dissent Rights

received by the Company and any written communications sent by or on behalf of the Company to any Company Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement;

- (i) not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of the Purchaser;
- (j) provide the Purchaser with an opportunity to review and comment on any written communication sent by or on behalf of the Company to any Company Shareholder exercising or purporting to exercise Dissent Rights and not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of the Purchaser;
- (k) not change the record date for the Company Securityholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by Law or the Interim Order, or with the Purchaser's written consent;
- (l) not, without the prior written consent of the Purchaser, waive the deadline for the submission of proxies by Company Securityholders for the Company Meeting;
- (m) notify the Purchaser if any beneficial holders of Company Shares seek to become registered Company Shareholders by withdrawing their shares from the book-based system; and
- (n) at the reasonable request of the Purchaser from time to time, promptly provide the Purchaser with a list (in both written and electronic form) of: (i) the registered Company Shareholders, together with their addresses and respective holdings of Company Shares; (ii) the names and addresses (to the extent in the Company's possession or otherwise reasonably obtainable by the Company) and holdings of all Persons having rights issued by the Company to acquire Company Shares; and (iii) participants in book-based systems and non-objecting beneficial owners of Company Shares, together with their addresses and respective holdings of Company Shares. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of the Company Shareholders and lists of holdings and other assistance as the Purchaser may reasonably request.

2.4 Company Circular

- (a) Subject to the Purchaser's compliance with Section 2.4(d), the Company shall, in consultation with the Purchaser, (i) as promptly as reasonably practicable following execution of this Agreement, prepare the Company Circular together with any other documents required by applicable Laws in connection with the Company Meeting and (ii) as promptly as reasonably practicable after obtaining the Interim Order file the Company Circular in all jurisdictions where the same is required to be filed and mail the Company Circular to each Company Securityholder and any other Person as required under applicable Laws and by the Interim Order, in each case, using commercially reasonable efforts so as to permit the Company Meeting to be held by the date specified in Section 2.3(a).

- (b) On the date of mailing thereof and the date of the Company Meeting, the Company shall ensure that the Company Circular complies in all material respects with all applicable Laws and the Interim Order, and contains sufficient detail to permit the Company Securityholders to form a reasoned judgment concerning the matters to be placed before them at the Company Meeting. Without limiting the generality of the foregoing, the Company shall ensure that the Company Circular does not contain any misrepresentation (except that the Company shall not be responsible for any information included in the Company Circular that (i) was furnished by or on behalf of the Parent, Purchaser or their affiliates specifically for purposes of inclusion in the Company Circular or (ii) relating to the Parent, the Purchaser or their affiliates that the Purchaser has had a chance to review and has expressly signed off on in writing).
- (c) The Company Circular shall, among other things: (i) include a copy of the Fairness Opinion and the Valuation; (ii) state that the Company Board and the Special Committee have received the Fairness Opinion and Valuation, (iii) state that the Special Committee has unanimously, after receiving legal and financial advice, determined that the Arrangement is in the best interests of the Company and recommended that the Company Board approve the Arrangement and recommend that the Company Securityholders (other than the Purchaser and its affiliates) vote in favour of the Arrangement Resolution; (iv) state that the Unconflicted Company Board has unanimously determined, after receiving legal and financial advice and the recommendation of the Special Committee, that the Arrangement is fair to the Company Securityholders (other than the Purchaser and its affiliates) and that the Arrangement is in the best interests of the Company; (v) contain the unanimous recommendation of the Unconflicted Company Board to the Company Securityholders (other than the Purchaser and its affiliates) that they vote in favour of the Arrangement Resolution (the “**Company Board Recommendation**”); and (vi) include statements that each of the Locked-Up Shareholders has signed a Voting Agreement, pursuant to which, and subject to the terms thereof, they have agreed to, among other things, vote their Company Shares in favour of the Arrangement Resolution and against any resolutions submitted by any Company Shareholder that is inconsistent with the Arrangement.
- (d) The Purchaser shall provide the Company, on a timely basis, with all information regarding the Purchaser and its affiliates as required by applicable Laws for inclusion in the Company Circular or in any amendments or supplements to the Company Circular. The Parties shall also use their respective commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial or other expert information required to be included in the Company Circular and to the identification in the Company Circular of each such advisor.
- (e) The Purchaser and its legal counsel shall be given a reasonable opportunity to review and comment on drafts of the Company Circular and related documents prior to the Company Circular being printed and filed with any Governmental Entity, and reasonable consideration shall be given to any comments made by the Purchaser and its legal counsel, provided that all information describing this Agreement and the Plan of Arrangement and any information relating to the Purchaser and its affiliates included in the Company Circular shall be in form and content approved in writing by the Purchaser, acting reasonably, and for greater

certainly the Company Circular shall not be printed or filed with any Governmental Entity without such approval. The Company shall provide the Purchaser with final copies of the Company Circular prior to the mailing to the Company Securityholders and filing of the Company Circular with applicable Governmental Entities.

- (f) The Company and the Purchaser shall each promptly notify the other if at any time before the Effective Date either becomes aware that (i) the Company Circular contains a misrepresentation, or (ii) the Company Circular otherwise requires an amendment or supplement and, in each case, the Parties shall co-operate in the preparation of any amendment or supplement to the Company Circular as required or appropriate, and the Company shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Company Circular to the Company Securityholders and, if required by the Court or applicable Laws, file the same with any Governmental Entity and as otherwise required.

2.5 Final Order

If: (a) the Interim Order is obtained; and (b) the Company Securityholder Approval is obtained at the Company Meeting as provided for in the Interim Order and as required by applicable Law, subject to the terms of this Agreement, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 192 of the CBCA as soon as reasonably practicable, but in any event, subject to the availability of the Court, not later than three Business Days after the Company Securityholder Approval is obtained.

2.6 Court Proceedings

Subject to the terms of this Agreement, the Purchaser and the Parent shall cooperate with and assist the Company in seeking the Interim Order and the Final Order, including by providing to the Company, on a timely basis, any information reasonably required to be supplied by the Purchaser or the Parent in connection therewith. The Company shall provide the Purchaser's legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Subject to applicable Law, the Company shall not file any material with the Court in connection with the Arrangement or serve any such material, and shall not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.6 or with the Purchaser's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require the Purchaser to agree or consent to any increase in or variation in the form of Consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement or the Arrangement. The Company shall also provide to the Purchaser's legal counsel on a timely basis, copies of any notice of appearance, evidence or other Court documents served on the Company in respect of the motion for the Interim Order or the application for the Final Order or any appeal therefrom and of any notice, whether written or oral, received by the Company indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. The Company shall ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, the Company shall not object to the Purchaser's legal counsel making such submissions on the hearing of the motion for the Interim

Order and the application for the Final Order as such counsel considers appropriate, provided that the Company is provided with copies of such written submissions, if any, with reasonably sufficient time prior to the hearing, the Company and the Company's legal counsel are provided with a reasonable opportunity to review and comment upon the drafts of such submissions and such submissions, if any, are consistent in all material respects with this Agreement and the Plan of Arrangement. The Company shall also oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, the Purchaser.

2.7 Arrangement and Effective Date

- (a) The Company shall file the Articles of Arrangement giving effect to the Arrangement within five Business Days following the satisfaction or waiver of all conditions to completion of the Arrangement set out in Article 6 (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions, to the extent they may be waived, on the Effective Date) or on such other date as may be agreed upon by the Parties in writing, and the Arrangement shall be effective at the Effective Time on the Effective Date and will have all of the effects provided by applicable Law.
- (b) The closing of the Arrangement will take place by electronic transmission of documents by 8:00 a.m. (Toronto time) on the Effective Date, or at such other time and place as may be agreed to in writing by the Parties.

2.8 Payment of Consideration

The Purchaser will, prior to the filing of the Articles of Arrangement, deposit in escrow with the Depository in accordance with the terms of the Depository Agreement sufficient funds to satisfy the aggregate Consideration payable to the Company Shareholders pursuant to the Plan of Arrangement.

2.9 Announcement and Shareholder Communications

The Company shall agree with the Purchaser on the form of press release to be issued by the Company with respect to this Agreement as soon as practicable after its due execution. Except as required by Law, the Purchaser and the Company agree to cooperate in the preparation of presentations, if any, to the Company Securityholders regarding the transactions contemplated by this Agreement. Prior to the Effective Time, each Party shall: (a) not issue any press release or otherwise make public statements with respect to this Agreement or the Arrangement without first consulting the other Party and giving reasonable consideration to any comments made by the other Party; and (b) not make any filing with any Governmental Entity with respect to this Agreement or the Arrangement without the consent of the other Party, which consent shall not be unreasonably withheld, conditioned or delayed. Each Party shall enable the other Party to review and comment on all such press releases prior to the release thereof, shall enable the other Party to review and comment on such filings prior to the filing thereof and shall consider to incorporate the comments of the other Party in good faith; *provided, however*, that the foregoing shall be subject to the each Party's overriding obligation to make any disclosure or filing in accordance with applicable Laws, including Canadian Securities Laws and TSX rules and regulations, and if such disclosure or filing is required and the other Party has not reviewed or commented on the

disclosure or filing, the Party making the disclosure or filing shall use commercially reasonable efforts to give prior oral or written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. For the avoidance of doubt, the foregoing shall not prevent any Party from making internal announcements to its employees so long as such statements and announcements to the extent relating to this Agreement or the Arrangement, are limited in content to that was contained in the most recent press releases, public disclosures or public statements made by the Parties with respect to this Agreement or the Arrangement. Notwithstanding the foregoing, (i) the provisions of this Section 2.9 related to the approval or contents of filings with Governmental Entities will not apply with respect to filings in connection with the Company Circular, the Interim Order or the Final Order which are governed by other Sections of this Agreement and (ii) upon a Company Change in Recommendation this Section 2.9 will cease to apply.

2.10 Withholding Taxes

The Purchaser, the Company, the Parent and the Depositary, as applicable, shall be entitled to deduct or withhold, or to direct any Person to deduct or withhold on their behalf, from any consideration or other amounts otherwise payable or otherwise deliverable to any of the Company Shareholders (including Dissenting Shareholders, as defined in the Plan of Arrangement), the holders of Awards or any other Person under the Plan of Arrangement or this Agreement such amounts as the Purchaser, the Company, the Parent or the Depositary, as applicable, reasonably determines are required to be deducted or withheld from such consideration or other amount payable under any provision of any Law in respect of Taxes. To the extent that amounts are so deducted or withheld, such amounts will be treated for all purposes under the Plan of Arrangement and this Agreement as having been paid to the applicable recipient in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority.

2.11 Guarantee of the Parent

The Parent hereby (a) unconditionally, absolutely and irrevocably guarantees in favour of the Company the due and punctual performance by the Purchaser of each and every of the Purchaser's covenants, obligations and undertakings under this Agreement and the Plan of Arrangement, including the due and punctual payment of the aggregate Consideration pursuant to the Arrangement, which guarantee will remain in force until all such covenants, obligations and undertakings have been satisfied in full; and (b) agrees to be jointly and severally liable with the Purchaser for the truth, accuracy and completeness of all of the Purchaser's representations and warranties hereunder. The Parent hereby agrees that its guarantee is continuing in nature and full and unconditional, and no release or extinguishments of the Purchaser's liabilities (other than in accordance with the terms of this Agreement), whether by decree in any bankruptcy proceeding or otherwise, will affect the continuing validity and enforceability of the Parent's guarantee. The Parent hereby agrees that the Company shall not have to proceed first against the Purchaser in respect of any such matter before exercising its rights under this guarantee against the Parent and the Parent agrees to be jointly and severally liable with the Purchaser for all guaranteed obligations as if it were the principal obligor of such obligations.

2.12 Adjustments to Consideration

If, between the date of this Agreement and the Effective Time, the Company sets a record date, or otherwise declares, sets aside or pays any dividend or distribution, then: (a) to the extent that the amount of such dividends or distributions per Company Share does not exceed the

Consideration, the Consideration shall be reduced by the per Company Share amount of such dividends or distributions; and (b) to the extent that the amount of such dividends or distributions per Company Share exceeds the Consideration, the Consideration shall be reduced to zero and such excess amount shall be placed in escrow for the account of the Purchaser or another Person designated by the Purchaser or the Parent. If, between the date of the Arrangement Agreement and the Effective Time, the Company effects a stock split or consolidation of the Company Shares, the Award Consideration and the Consideration will be adjusted to reflect the effect of such stock split or consolidation of the Company Shares.

2.13 Fiduciary Duties

- (a) Nothing contained herein shall be construed to require the Company Board to take or refrain from taking any action that would be inconsistent with its obligation to properly discharge its fiduciary duties under applicable Laws as advised by its counsel. Without limiting the generality of the foregoing and notwithstanding any other provision of this Agreement, the Unconflicted Company Board may make a Company Change in Recommendation and/or seek an amendment to the Arrangement, the Interim Order or the terms of this Agreement, consistent, in each case, with the proper discharge of its fiduciary duties and delay the holding of the Company Meeting in order to communicate to Company Securityholders any such decision, provided that the Company shall have notified the Purchaser regarding its intention to do any of the foregoing prior to taking any steps in connection therewith. If a Company Change in Recommendation is made, Sections 2.3(e), 2.9 and 5.2(b) shall cease to apply.
- (b) For clarity, but without limiting the terms of Section 2.13(a), nothing contained herein shall prohibit the Unconflicted Company Board (or any committee thereof) from making disclosure to Company Shareholders as required by applicable Law or if the Unconflicted Company Board determines in good faith, after consultation with its outside legal counsel, that failure to make such disclosure would be inconsistent with its fiduciary duties, including complying with section 2.17 of National Instrument 62-104 – *Take-Over Bids and Issuer Bids* and similar provisions under Canadian Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal, or calling or holding a meeting of Company Shareholders requisitioned by Company Shareholders in accordance with the constating documents of the Company.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF THE COMPANY

3.1 Representations and Warranties

Except as set forth in the Company Disclosure Letter (which disclosure shall apply against any representations and warranties to which it is reasonably apparent on its face the disclosure should relate) or as disclosed in the public filings made by the Company with Securities Authorities pursuant to Canadian Securities Law and available on SEDAR+ (other than any disclosure contained under the headings "Risk Factors" or "Forward-Looking Statements" and any other similar disclosures contained in such documents that are predictive, cautionary or forward-looking in nature), the Company hereby represents and warrants to the Purchaser and the Parent the representations and warranties as set forth in Schedule C hereto, as of the date hereof and as of the Effective Date, and acknowledges that the Purchaser and the Parent are relying upon such

representations and warranties in connection with the entering into of this Agreement and the carrying out of the transactions contemplated herein.

3.2 Limitation and Survival of Representations and Warranties

The representations and warranties of the Company set forth in Schedule C hereto shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER AND THE PARENT

4.1 Representations and Warranties

Each of the Purchaser and the Parent hereby jointly and severally represents and warrants to the Company the representations and warranties as set forth in Schedule D hereto, as of the date hereof and as of the Effective Date, and acknowledges that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement and the carrying out of the transactions contemplated herein.

4.2 Survival of Representations and Warranties

The representations and warranties of the Purchaser and the Parent contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5 COVENANTS

5.1 Covenants of the Company Regarding the Conduct of Business

The Company covenants and agrees that during the period from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms and except as (i) expressly permitted or required by this Agreement or the Plan of Arrangement, (ii) required by applicable Law or a Governmental Entity, or (iii) to comply with Public Health Measures, or unless the Purchaser shall otherwise request or provide consent in writing, such consent not to be unreasonably withheld, conditioned or delayed:

- (a) the Company shall and shall cause each of its Subsidiaries to:
 - (i) conduct its and their respective businesses only in, and not take any action except in, the ordinary course of business consistent with past practice; and
 - (ii) use commercially reasonable efforts to preserve intact its and their present business organization, goodwill, properties, business relationships and assets in all material respects and to keep available the services of its and their officers and employees as a group and to maintain good relations with suppliers, customers, landlords, licensors, lessors, creditors, distributors

and all other Persons having business relationships with the Company and its Subsidiaries (other than the Parent and its affiliates);

- (b) without limiting the generality of Section 5.1(a), the Company shall not, and shall cause each of its Subsidiaries not to, directly or indirectly, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:
- (i) amend or propose to amend its articles or other comparable constating documents;
 - (ii) issue, sell, grant, award, pledge, dispose of or otherwise encumber or agree to issue, sell, grant, award, pledge, dispose of or otherwise encumber any Company Shares or other equity or voting interests or any options, share appreciation rights, warrants, calls, conversion or exchange privileges or rights of any kind to acquire (whether on exchange, exercise, conversion or otherwise) any Company Shares or other equity or voting interests or other securities or any shares of its Subsidiaries (including, for greater certainty, any equity based awards), other than pursuant to the vesting or settlement of Awards in accordance with their terms;
 - (iii) adjust, split, combine or reclassify any outstanding Company Shares or the securities of any of its Subsidiaries;
 - (iv) redeem, purchase or otherwise acquire or offer to purchase or otherwise acquire Company Shares or other securities of the Company or any securities of its Subsidiaries or securities convertible into or exchangeable or exercisable for capital stock or other securities of the Company or any of its Subsidiaries;
 - (v) amend the terms of any securities of the Company or any of its Subsidiaries;
 - (vi) adopt or propose a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;
 - (vii) reorganize, amalgamate or merge the Company or its Subsidiaries with any other Person;
 - (viii) reduce the stated capital of the Company Shares or the shares of any of its Subsidiaries;
 - (ix) commence any Proceeding other than in connection with the collection of accounts or the enforcement of any rights under this Agreement;
 - (x) except as required by the terms of the Company Benefit Plans or any written employment Contracts in effect on the date of this Agreement (A) enter into, grant, accelerate, or increase any severance, change of control or termination pay to (or amend any existing arrangement relating to the foregoing with) any director, officer, employee or individual consultant of the Company or any of its Subsidiaries; (B) grant, accelerate, or increase

any payment, award (equity or otherwise) or other benefits payable to, or for the benefit of, or make any bonus payment to, any director, officer, employee or individual consultant of the Company or any of its Subsidiaries, except in the ordinary course of business consistent with past practice (provided that payments of bonuses which are to be used to purchase Company Shares shall not be considered ordinary course of business consistent with past practice); (C) increase the coverage, contributions, funding requirements or benefits available under any Company Benefit Plan or adopt, establish or create any new plan which would be considered to be a Company Benefit Plan once created; (D) increase compensation (in any form), bonus levels or other benefits payable to any director, officer, employee or consultant of the Company or any of its Subsidiaries or grant any general increase in the rate of wages, salaries, bonuses or other remuneration, including under any Company Benefit Plan, except in the ordinary course of business consistent with past practice; (E) make any material determination under any Company Benefit Plan that is not in the ordinary course of business consistent with past practice, other than determinations in furtherance of acceleration, vesting or similar determinations in connection with the transactions described herein; or (F) take or propose any action to effect any of the foregoing; *provided* that nothing in this Agreement shall be deemed to (X) guarantee employment for any period of time for, or preclude the ability of the Purchaser to terminate the employment of, any employee of the Company or any of its Subsidiaries after the Effective Time, (Y) require the Purchaser to continue any benefit plan or to prevent the amendment, modification or termination thereof after the Effective Date or will prohibit the Purchaser from amending or terminating any benefit plan or arrangement covering any continuing employee on or after the Effective Date, or (Z) constitute an amendment to any benefit plan;

- (xi) make or forgive any loans or advances to any of its officers, directors, employees, agents or consultants;
 - (xii) make any bonus or profit sharing distribution or similar payment of any kind; or
 - (xiii) take any action or fail to take any action that would result in the termination, variance or relinquishment of any Authorization that is necessary under applicable Law to operate its assets, projects and properties as presently operated;
- (c) the Company shall keep the Purchaser reasonably informed, on a current basis, of any events, discussions, notices or changes with respect to any Tax or regulatory investigation or any other investigation by a Governmental Entity or action involving the Company or any of its Subsidiaries (other than ordinary course communications which could not reasonably be expected to be material to the Company and its Subsidiaries, taken as a whole);
- (d) the Company will consider in good faith any reasonable requests by the Purchaser that the Company or its Subsidiaries take any action regarding Tax filing matters,

including filing of notices of appeal and other actions in respect of notices of assessment from the Canada Revenue Agency or other Governmental Entity;

- (e) the Purchaser may request that the Company take or cause its Subsidiaries to take any action necessary to preserve the Company's or relevant Subsidiary's rights (including, without limitation, due to the potential expiry of any limitation or statute-barring period);
- (f) the Company shall give the Purchaser reasonable notice of any "investments" (as defined for purposes of section 212.3 of the Tax Act) in any corporation that is a "foreign affiliate" of the Company and/or any of its Subsidiaries (including, for greater certainty, an indirect investment described in paragraph 212.3(10)(f) of the Tax Act); and
- (g) the Company shall not authorize, agree to, propose, enter into or modify any contract, agreement, commitment or arrangement, to do any of the matters prohibited by the other subsections of this Section 5.1 or resolve to do so.

5.2 Mutual Covenants of the Parties Relating to the Arrangement

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

- (a) it shall use its commercially reasonable efforts to, and shall cause its Subsidiaries to use all commercially reasonable efforts to, satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 to the extent the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Arrangement, including using its commercially reasonable efforts to promptly: (i) in the case of the Parent and the Purchaser, vote or cause to be voted all Company Shares owned by the Purchaser and its affiliates in favour of the Arrangement Resolution at the Company Meeting; (ii) obtain any necessary waivers, consents and approvals required to be obtained by it or any of its Subsidiaries from parties to the Company Material Contracts; (iii) obtain all necessary and material Authorizations (including any Regulatory Approvals) as are required to be obtained by it or any of its Subsidiaries under applicable Laws; (iv) fulfill all conditions and satisfy all provisions of this Agreement and the Arrangement required to be satisfied by it, including, if applicable, delivery of the certificates of their respective officers contemplated by Sections 6.2(a), 6.2(b), 6.2(c), 6.3(a) and 6.3(b); and (v) co-operate with the other Parties in connection with the performance by it and its Subsidiaries of their obligations hereunder;
- (b) it shall not take any action, shall refrain from taking any action, and shall not permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to, individually or in the aggregate, materially impede or materially delay the consummation of the Arrangement or the other transactions contemplated herein;

- (c) it shall use commercially reasonable efforts to: (i) defend all lawsuits or other legal, regulatory or other Proceedings against itself or any of its Subsidiaries challenging or affecting this Agreement or the consummation of the transactions contemplated hereby; (ii) appeal, overturn or have lifted or rescinded any injunction or restraining order or other order, including Orders, relating to itself or any of its Subsidiaries which may materially adversely affect the ability of the Parties to consummate the Arrangement; and (iii) appeal or overturn or otherwise have lifted or rendered non-applicable in respect of the Arrangement, any Law that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement; and
- (d) it shall carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on it or its Subsidiaries or affiliates with respect to the transactions contemplated hereby.

5.3 Covenants of the Company Relating to Employees

Each of the Parent and the Purchaser covenant and agree, and after the Effective Time will cause the Company and any successor to the Company, to honour and comply in all respects with the terms of (a) the employment, indemnification, change in control, severance, retention, termination or other compensation agreements and employment and severance obligations of the Company or any of its Subsidiaries and (b) the obligations of the Company and its Subsidiaries under the Company Benefit Plans.

5.4 Acquisition Proposals

- (a) If the Company, or any of its Subsidiaries or any of their respective Representatives receives:
 - (i) any inquiry, proposal or offer made after the date of this Agreement that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; or
 - (ii) any request for copies of, access to, or disclosure of, confidential information relating to the Company or any Subsidiary in connection with any proposal that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, including information, access or disclosure relating to the properties, facilities, books or records of the Company or any Subsidiary, in each case made after the date of this Agreement;

then, the Company shall promptly notify the Purchaser orally, and then in writing within 24 hours, of such Acquisition Proposal, inquiry, proposal, offer or request (irrespective of whether the Acquisition Proposal, inquiry, proposal, offer or request is conditional upon the Company not disclosing the receipt, or contents of the Acquisition Proposal, inquiry, proposal or request to any person), including the identity of the Person making such Acquisition Proposal, inquiry, proposal, offer or request and the material terms and conditions thereof and provide copies of all written documents, correspondence or other material received in respect of, from or on behalf of any such Person. The Company shall keep the Purchaser fully

informed on a current basis of the status of material developments with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any material changes, modifications or other amendments thereto.

- (b) For greater certainty, notwithstanding any Company Change in Recommendation, unless this Agreement has been terminated in accordance with its terms, the Company shall cause the Company Meeting to occur and the Arrangement Resolution to be put to the Company Securityholders thereat for consideration in accordance with this Agreement, and the Company shall not, except as required by applicable Law, submit to a vote of the Company Securityholders any Acquisition Proposal other than the Arrangement Resolution prior to the termination of this Agreement.

5.5 Access to Information; Confidentiality

- (a) From the date hereof until the earlier of the Effective Time and the termination of this Agreement pursuant to its terms, subject to compliance with applicable Laws, Public Health Measures and the terms of any existing Contracts, the Company shall, and shall cause its Representatives to, afford to the Purchaser and its representatives, upon reasonable notice, such access as the Purchaser may require at all reasonable times for purposes of consummating the transactions contemplated by this Agreement, including, for the purpose of facilitating integration business planning and Tax Planning, to its officers, employees, agents, properties (including without limitation, any leased or owned office space or other real property), books, records and Contracts.
- (b) Notwithstanding any provision of this Agreement, the Company shall not be obligated to provide access to, or to disclose, any information to the Purchaser if the Company reasonably determines that such access or disclosure would waive any attorney-client or other privilege claim by the Company or any of its Subsidiaries; provided that the Company shall use its commercially reasonable efforts to otherwise make available such information to the Purchaser notwithstanding such impediment, including by causing the documents or information that are subject to such privilege to be provided in a manner that would not reasonably be expected to violate or jeopardize such privilege.

5.6 Insurance and Indemnification

- (a) Notwithstanding the provisions of Section 5.1, the Purchaser acknowledges and agrees that, prior to the Effective Time, the Company may procure a customary "tail" policy of directors' and officers' liability insurance from a reputable and financially sound insurance carrier containing terms and conditions no more favourable in the aggregate to the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Time and the Purchaser will, and will cause its Subsidiaries to, maintain such tail policies in effect without any reduction in scope or coverage for no less than six years from the Effective Time. From and after the Effective Time, the Purchaser agrees not to take, and to cause the Company not to take, any action to terminate such directors' and officers'

liability insurance or adversely affect the rights of the Company's present and former directors and officers thereunder.

- (b) The Company will, and will cause its Subsidiaries to, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries under Law and under the articles or other constating documents of the Company and/or its Subsidiaries or to the extent that they are disclosed in Section 5.6(b) of the Company Disclosure Letter, under any agreement or contract of any indemnified person with the Company or with any of its Subsidiaries, and acknowledges that such rights shall survive the completion of the Plan of Arrangement, and, to the extent within the control of the Company, the Company shall ensure that the same shall not be amended, repealed or otherwise modified in any manner that would adversely affect any right thereunder of any such indemnified person and shall continue in full force and effect in accordance with their terms for a period of not less than six years from the Effective Date.
- (c) From and following the Effective Time, the Purchaser will cause the Company to comply with its obligations under Section 5.6(b).
- (d) If the Company or the Purchaser or any of their successors or assigns shall (i) amalgamate, consolidate with or merge or wind-up into any other person and shall not be the continuing or surviving corporation or entity; or (ii) transfer all or substantially all of its properties and assets to any Person, then, and in each such case, proper provisions shall be made so that the successors and assigns and transferees of the Company or the Purchaser, as the case may be, shall assume all of the obligations of the Company or the Purchaser, as applicable, set forth in this Section 5.6.
- (e) The provisions of this Section 5.6 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person (as identified in the relevant policy), his or her heirs and his or her legal representatives and, for such purpose, the Company hereby confirms that it is acting as trustee on their behalf, and agrees to enforce the provisions of this Section 5.6 on their behalf. Furthermore, this Section 5.6 shall survive the termination of this Agreement as a result of the occurrence of the Effective Date for a period of six years.

5.7 Regulatory Approvals

- (a) Each Party shall, as promptly as practicable, prepare and file all necessary documents, registrations, statements, petitions, filings and applications required to be prepared or filed by it in respect of obtaining or satisfying any Regulatory Approvals and use its commercially reasonable efforts to obtain and maintain such Regulatory Approvals as promptly as practicable after the date of this Agreement but in any event by or prior to the Outside Date.
- (b) Each Party shall keep the other Parties informed as to the status of and the processes and proceedings relating to obtaining any Regulatory Approvals, and shall promptly notify the other Parties of any communication from any Governmental Entity in respect of the transactions contemplated by this Agreement, and shall not make any submissions or filings, participate in any

meetings or any material conversations with any Governmental Entity in respect of any filings, investigations or other inquiries related to the transactions contemplated by this Agreement unless it consults with the other Parties in advance and gives the other Parties the opportunity to review drafts of any submissions or filings, or attend and participate in any communications or meetings.

5.8 TSX Delisting

The Purchaser and the Company shall use their commercially reasonable efforts to cause, and do or cause to be done all things reasonably necessary or advisable under applicable Law, and the rules and regulations of the TSX to enable the Company Shares to be delisted from the TSX promptly, with effect as soon as practicable following the acquisition by the Purchaser of the Company Shares pursuant to the Arrangement.

5.9 Delivery of Fairness Opinion and Valuation

Promptly following receipt of the written Valuation and Fairness Opinion, the Company shall deliver copies thereof to the Purchaser.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Time, each of which may only be waived with the mutual consent of the Parties:

- (a) the Company Securityholder Approval shall have been obtained in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement and in form and substance acceptable to each of the Purchaser and the Company, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise;
- (c) all consents, Orders, regulations and approvals, including any Regulatory Approvals, required or necessary for the completion of the Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, and none of such consents, Orders, regulations or approvals shall contain terms or conditions that are unsatisfactory or unacceptable to the Purchaser or the Company, each acting reasonably; and
- (d) no Governmental Entity shall have enacted, issued, promulgated, enforced or entered any Order or Law which is then in effect and has the effect of making the Arrangement illegal or otherwise preventing or prohibiting consummation of the Arrangement.

6.2 Additional Conditions Precedent to the Obligations of the Purchaser and Parent

The obligation of the Purchaser and the Parent to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of the Purchaser and the Parent and may be waived by the Purchaser and the Parent, in whole or in part at any time, each in its sole discretion, without prejudice to any other rights which the Purchaser may have):

- (a) the representations and warranties of the Company set forth in:
 - (i) Section 1 [*Status*], Section 2 [*Authority, Execution and Binding Obligation*], Section 3 [*Board Approvals*], Section 9 [*No Defaults*], Section 5 [*Company Subsidiaries*], Section 13 [*No Company Material Adverse Effect*], and Section 18 [*No Finder's Fee*] of Schedule C shall be true and correct in all material respects as of the Effective Time as if made as at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date);
 - (ii) Section 4 [*Capital*] and Section 7 [*Awards*] of Schedule C shall be true and correct in all material respects as of the date of this Agreement; and
 - (iii) the other provisions of this Agreement shall be true and correct in all material respects (disregarding for purposes of this clause (iii) any materiality or Company Material Adverse Effect qualification contained in any such representation or warranty) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date), and except in the case of this clause (iii) where the failure to be so true and correct in all respects, individually or in the aggregate, would not have a Company Material Adverse Effect,

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

- (b) the Company shall have complied in all material respects with its covenants herein to be complied with prior to the Effective Time and the Company shall have provided to the Purchaser and the Parent, a certificate of two senior officers of the Company certifying (on the Company's behalf and without personal liability) compliance with such covenants dated the Effective Date;
- (c) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), a Company Material Adverse Effect;
- (d) the number of Company Shares held by the Company Shareholders that have validly exercised Dissent Rights (and not withdrawn such exercise) shall not exceed 10% of the issued and outstanding Company Shares held by Company Shareholders other than the Purchaser and its affiliates as of the date hereof; and

- (e) there shall be no action or proceeding pending by a Governmental Entity that would, if successful:
 - (i) enjoin or prohibit the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Company Shares, including the right to vote Company Shares; or
 - (ii) if the Arrangement is consummated, have a Company Material Adverse Effect.

6.3 Additional Conditions Precedent to the Obligations of the Company

The obligation of the Company to complete the Arrangement is subject to the fulfillment of each of the following conditions precedent on or before the Effective Time (each of which is for the exclusive benefit of the Company and may be waived by the Company, in whole or in part at any time, in its sole discretion, without prejudice to any other rights which the Company may have):

- (a) The representations and warranties of the Purchaser and the Parent set forth in:
 - (i) Section 1 [*Status*], Section 2 [*Authority, Execution and Binding Obligation*], and Section 4 [*Available Funds*] of Schedule D shall be true and correct in all material respects as of the Effective Time as if made as at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date); and
 - (ii) the other provisions of this Agreement shall be true and correct in all material respects (disregarding for purposes of this clause (ii) any materiality qualification contained in any such representation or warranty) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of this Agreement or another date shall be true and correct in all respects as of such date), and except in the case of this clause (ii) where the failure to be so true and correct in all respects individually or in the aggregate would not materially impede consummation of the Arrangement, and the Purchaser shall have provided to the Company a certificate of a senior officer of the Purchaser certifying (on the Purchaser's behalf and without personal liability) the foregoing dated the Effective Date; and
- (b) the Purchaser shall have complied in all respects with its covenants in Section 2.8 [*Payment of Consideration*] and the Purchaser and the Parent shall have complied in all material respects with its other covenants herein and the Purchaser shall have provided to the Company a certificate of a senior officer of the Purchaser certifying (on the Purchaser's behalf and without personal liability) compliance with such covenants dated the Effective Date.

6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time. For greater certainty,

and notwithstanding the terms of the Depositary Agreement, all funds held in escrow by the Depositary shall be released from escrow at the Effective Time without any further act or formality required on the part of any person.

6.5 Notice of Breach

- (a) Each Party will give prompt notice to the other Parties of the occurrence or failure to occur (in either case, actual, anticipated, contemplated or, to the knowledge of such Party, threatened), at any time from the date hereof until the Effective Time, of any event or state of facts of which it is aware which occurrence or failure would, or would be likely to:
 - (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Date if the failure to be so true or accurate would cause any condition set forth in Section 6.2(a) or Section 6.3(a), as applicable, not to be satisfied; or
 - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party prior to or at the Effective Date if the failure to be so true or accurate would cause any condition set forth in Section 6.2(b) or Section 6.3(b), as applicable, not to be satisfied.
- (b) Notification provided under this Section 6.5 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

ARTICLE 7 TERM, TERMINATION, AMENDMENT AND WAIVER

7.1 Term

Subject to Section 7.2(c), this Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

7.2 Termination

- (a) This Agreement may be terminated at any time prior to the Effective Time:
 - (i) by mutual written agreement of the Company and the Purchaser;
 - (ii) by either the Company or the Purchaser, if:
 - (A) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 7.2(a)(ii)(A) shall not be available to any Party whose failure (or, in the case of the Purchaser, the failure of the Purchaser or the Parent) to fulfill any of its covenants or agreements or breach of any of its representations and warranties under this Agreement has

been the cause of, or resulted in, the failure of the Effective Time to occur by such Outside Date;

- (B) after the date hereof, there shall be enacted or made any applicable Law or Order that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement and such Law, Order or enjoinder shall have become final and non-appealable; *provided* that the Party seeking to terminate this Agreement under this Section 7.2(a)(ii)(B) has complied with Section 5.2(c) in all material respects; or
 - (C) the Company Meeting is duly convened and held and the Company Securityholder Approval shall not have been obtained as required by the Interim Order; *provided* that a Party may not terminate this Agreement pursuant to this Section 7.2(a)(ii)(C) if the failure to obtain the Company Securityholder Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;
- (iii) by the Purchaser, if:
- (A) prior to the Company Securityholder Approval having been obtained: (1) the Unconflicted Company Board or any committee thereof: (i) fails to unanimously recommend or withdraws, amends, modifies or qualifies, in a manner adverse to the Purchaser or states an intention to withdraw, amend, modify or qualify the Company Board Recommendation, (ii) accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or a neutral position with respect to an Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Company Meeting, if sooner), (iii) publicly announces that it proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal, or (iv) fails to publicly reaffirm (without qualification) the Company Board Recommendation within five Business Days after having been requested in writing by the Purchaser to do so (or in the event the Company Meeting is scheduled to occur within such five (5) Business Day period, prior to the third Business Day prior to the Company Meeting) or (2) the Company Board shall have resolved or proposed to take any of the foregoing actions (each of the foregoing described in clauses (1) or (2), a **“Company Change in Recommendation”**);
 - (B) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.2(a) or Section 6.2(b) not to be satisfied, and such breach is not cured in accordance with the terms of Section 7.2(b);

provided that the Purchaser is not then in breach of this Agreement so as to cause any condition in Section 6.3(a) or Section 6.3(b) not to be satisfied; or

- (C) there has occurred after the date hereof a Company Material Adverse Effect which is incapable of being cured on or prior to the Outside Date; or
- (iv) by the Company, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser or the Parent set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.3(a) or Section 6.3(b) not to be satisfied, and such breach is not cured in accordance with the terms of Section 7.2(b); *provided* that the Company is not then in breach of this Agreement so as to cause any condition in Section 6.2(a) or Section 6.2(b) not to be satisfied;
- (b) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(a)(i)) (the “**Terminating Party**”) shall give written notice (“**Termination Notice**”) of such termination to the other Party (the “**Breaching Party**”), specifying in reasonable detail the basis for such Party’s exercise of its termination right, which Termination Notice shall include, in the case of a termination pursuant to Section 7.2(a)(iii)(B) [*Breach of the Company Representations, Warranties or Covenants*] or Section 7.2(a)(iv) [*Breach of the Purchaser Representations, Warranties or Covenants*], in reasonable detail, all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for such termination. After delivering a Termination Notice, as long as the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date (provided that any wilful breach shall be deemed to be incapable of so being cured), the Terminating Party may not exercise such termination right until the earlier of (i) the Outside Date and (ii) the date that is 20 Business Days following receipt of such Termination Notice by the Breaching Party, if such breach has not been cured by such date.
- (c) If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become null and void and be of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party hereto, except that:
 - (i) in the event of termination under Section 7.1 as a result of the Effective Time occurring, the provisions of this Section 7.2(c) and Sections 2.10, 2.11, 5.3, 5.6, 8.2 to and including Section 8.9, and all related definitions set forth in Section 1.1 and the applicable interpretation provisions in Article 1 shall survive for a period of six years thereafter;
 - (ii) in the event of termination under Section 7.2, the provisions of this Section 7.2(c) and Sections 2.11 and 8.2 to and including 8.9, and all related definitions set forth in Section 1.1 and the applicable interpretation provisions in Article 1 shall survive any termination hereof pursuant to Section 7.2; and

- (iii) no Party shall be relieved or released from any liabilities or damages arising out of its breach of any provision of this Agreement prior to termination.

7.3 Expenses

Except as otherwise provided herein, all fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses, whether or not the Arrangement is consummated.

7.4 Amendment

Subject to the provisions of the Interim Order, the Plan of Arrangement and applicable Laws, this Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Securityholders, and any such amendment may without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions precedent herein contained,

provided that no such amendment reduces or changes the form of the Consideration to be received by Company Shareholders or holders of Awards without approval of the affected Company Shareholders or holders of Awards, as applicable, given in the same manner as required for the approval of the Arrangement or as may be required by the Court.

7.5 Waiver

Any Party may: (a) extend the time for the performance of any of the obligations or acts of the other Party; (b) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein; or (c) waive inaccuracies in any of the other Parties' representations or warranties contained herein or in any document delivered by the other Parties; *provided, however*, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

**ARTICLE 8
GENERAL PROVISIONS**

8.1 Notices

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed to have been duly given and received on the day it is delivered, provided that it is delivered on a Business Day prior to 5:00 p.m. local time in the place of receipt. However, if notice is delivered after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day local time. Notice shall be sufficiently given if delivered (either in Person or by courier), or if transmitted by email to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to the Purchaser and the Parent:

1453709 B.C. Ltd.
1133 Melville Street
Suite 3500, The Stack
Vancouver, BC, V6E 4E5

Attention: Brad Camp
Email: [REDACTED]

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

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

Attention: Markus Viirland / Richard Turner
Email: markus.viirland@blakes.com / richard.turner@blakes.com

- (b) if to the Company:

Forza Petroleum Limited
3400 First Canadian Centre
350 7th Av. SW
Calgary, AB, T2P 3N9

Attention: Kevin McPhee
Email: [REDACTED]

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

Fasken Martineau DuMoulin LLP
Bay Adelaide Centre
333 Bay Street, Suite 2400
P.O. Box 20
Toronto, ON, M5H 2T6

Attention: Taisha Lewis / Krisztian Toth
Email: tlewis@fasken.com / ktoth@fasken.com

8.2 Governing Law

This Agreement and all matters arising out of or relating to this Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario situated in the City of Toronto in respect of all matters arising under and in relation to this Agreement and the Arrangement.

8.3 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties agree that, in the event of any breach or threatened breach of this Agreement by a Party, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance, and the Parties shall not object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at Law or equity to each of the Parties.

8.4 Time of Essence

Time shall be of the essence in this Agreement.

8.5 Entire Agreement, Binding Effect and Assignment

This Agreement (including the schedules hereto and the Company Disclosure Letter) constitute the entire agreement, and supersede all other prior agreements, understandings, negotiations and discussions, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. 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 in this Agreement or in any certificate delivered pursuant to this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement. This Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any

of the Parties without the prior written consent of the other Party; provided that each of the Purchaser and the Parent may assign all or part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, any of its affiliates, provided that if such assignment and/or assumption takes place, the Purchaser or the Parent, as applicable, shall continue to be liable joint and severally with such affiliate, as the case may be, for all of its obligations hereunder, and Section 2.11 of this Agreement shall apply to the Purchaser *mutatis mutandis* in respect of any such assignee.

8.6 No Liability

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

8.7 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, that provision will be severed from this Agreement and all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

8.8 Third Party Beneficiaries

- (a) The provisions of Section 5.3, 5.6 and 8.6 are intended for the benefit of all present and former directors and officers and/or employees of the Company and its Subsidiaries, as and to the extent applicable in accordance with their terms, and shall be enforceable by each of such Persons and his or her heirs, executors administrators and other legal representatives (collectively, the “**Third Party Beneficiaries**”) and the Company shall hold the rights and benefits thereof in trust for and on behalf of the Third Party Beneficiaries, and the Company hereby accepts such trust and agrees to hold the benefit of and enforce performance of such covenants on behalf of the Third Party Beneficiaries.
- (b) Except as provided in this Section 8.8, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

8.9 Counterparts, Execution

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such

executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank]

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

FORZA PETROLEUM LIMITED

By: "Kevin McPhee" (signed)
Name: Kevin McPhee
Title: General Counsel and Corporate Secretary

1453709 B.C. LTD.

By: "Baz Raof Kareem" (signed)
Name: Baz Raof Kareem
Title: Director

ZEG OIL AND GAS LTD.

By: "Baz Raof Kareem" (signed)
Name: Baz Raof Kareem
Title: Director

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

ARTICLE 1
INTERPRETATION

1.1 Definitions

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

“affiliate” has the meaning ascribed thereto in NI 45-106, provided that, for purposes of this Plan of Arrangement, a reference to an affiliate of the Parent or the Purchaser does not include the Company and its Subsidiaries and a reference to an affiliate of the Company does not include the Parent, the Purchaser or their respective Subsidiaries which are not also Subsidiaries of the Company;

“Arrangement” means the arrangement of the Company under Section 192 of the CBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and Section 6.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order (with the prior written consent of both the Company and the Purchaser, each acting reasonably);

“Arrangement Agreement” means the arrangement agreement made as of December 10, 2023 among the Purchaser, the Parent and the Company, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof;

“Arrangement Resolution” means the special resolution of the Company Securityholders approving the Plan of Arrangement considered at the Company Meeting substantially in the form of Schedule B to the Arrangement Agreement;

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

“Authorization” means, with respect to any Person, any authorization, Order, permit, approval, grant, licence, concession, registration, consent, right, notification, condition, franchise, privilege, certificate, judgement, writ, injunction, award, determination, direction, decision, decree, by-law, rule or regulation, of, from or required by any Governmental Entity having jurisdiction over the Person;

“Award” means a conditional grant of a Company Share from treasury by the Company pursuant to the LTIP;

“Award Consideration” means \$0.15 in cash per Award;

“Business Day” means any day, other than a Saturday, a Sunday or any day on which banks are closed or authorized to be closed for business in Toronto, Ontario or Calgary, Alberta, provided however that for the purposes of counting the number of Business Days elapsed, each Business Day will be deemed to commence at 9:00 a.m. (Toronto time) and end at 5:00 p.m. (Toronto time) on the applicable day;

“Canadian Securities Laws” means the *Securities Act* (Ontario), together with all other applicable securities Laws of Ontario or of any other province or territory of Canada;

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

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

“Company” means Forza Petroleum Limited, a corporation incorporated under the CBCA;

“Company Meeting” means the special meeting of the Company Securityholders, including any adjournment or postponement thereof, called and held in accordance with the Interim Order to consider the Arrangement Resolution;

“Company Securityholders” means, collectively, the Company Shareholders and holders of Awards;

“Company Shareholders” means the registered and/or beneficial holders of Company Shares;

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

“Consideration” means \$0.15 in cash per Company Share;

“Court” means the Ontario Superior Court of Justice (Commercial List);

“Depository” means Computershare Trust Company of Canada;

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

“Dissent Rights” has the meaning specified in Section 4.1;

“Dissent Shares” means the Company Shares held by a Dissenting Shareholder and in respect of which the Dissenting Shareholder has validly exercised Dissent Rights in accordance with the CBCA and the terms of the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

“Dissenting Shareholder” means a registered Company Shareholder who has duly and validly exercised its Dissent Rights in accordance with the CBCA and the terms of the Interim Order and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Company Shares in respect of which Dissent Rights are validly exercised by such registered Company Shareholder in accordance with the CBCA and the terms of the Interim Order;

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

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

“ETA” means Part IX of the *Excise Tax Act* (Canada);

“Final Order” means the final order of the Court in a form acceptable to the Purchaser and the Company, each acting reasonably, pursuant to Section 192 of the CBCA approving the Arrangement, as such order may be amended, modified, supplemented or varied by the Court (with the consent of both the Purchaser and the Company, each acting reasonably) at any time prior to the Effective Date;

“Governmental Entity” means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, minister, ministry, bureau, agency or instrumentality, domestic or foreign; (b) any stock exchange, including the TSX; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

“GST” means all Taxes payable under the ETA (including, for greater certainty, harmonized sales tax) or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA or any such provincial legislation shall refer to any analogous or successor provision thereto of like or similar effect;

“Interim Order” means the interim order of the Court contemplated by Section 2.2 of the Arrangement Agreement and made pursuant to the CBCA in a form acceptable to both the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended, modified, supplemented or varied by the Court (with the consent of both the Company and the Purchaser, each acting reasonably);

“Law” or **“Laws”** means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, by-laws, statutes, codes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees, codes, constitutions or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended, and, for greater certainty, includes the terms and conditions of any Authorization of or from any Governmental Entity, and Canadian Securities Laws;

“Letter of Transmittal” means the letter of transmittal sent to registered Company Shareholders for use in connection with the Arrangement;

“Liens” means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“**LTIP**” means the long-term equity incentive plan of the Company dated May 13, 2015 governing the outstanding Awards;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**Order**” means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, settlements, stipulations, or decrees of any Governmental Entity (in each case, whether temporary, preliminary or permanent);

“**Parent**” means Zeg Oil and Gas Ltd., a corporation incorporated under the laws of the British Virgin Islands;

“**Person**” includes any individual, corporation, limited liability company, unlimited liability company, partnership, limited partnership, limited liability partnership, firm, joint venture, syndicate, capital venture fund, trust, association, body corporate, trustee, executor, administrator, legal representative, estate, government (including any Governmental Entity) and any other form of entity or organization, whether or not having legal status;

“**Plan of Arrangement**” means this plan of arrangement and any amendments or variations hereto made in accordance with the Arrangement Agreement and this Plan of Arrangement or upon the direction of the Court (with the prior written consent of the Company and the Purchaser, each acting reasonably) in the Final Order;

“**Purchaser**” means 1453709 B.C. Ltd., a corporation incorporated under the laws of the Province of British Columbia;

“**Subsidiary**” has the meaning ascribed thereto in the NI 45-106;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;

“**Tax**” or “**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity (whether foreign or domestic), whether computed on a separate, consolidated, unitary, combined or other basis, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, employment insurance premiums, unemployment insurance, social insurance taxes, Canada Pension Plan contributions, sales, use and goods and services taxes, GST, value added taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, environmental taxes, capital taxes, production taxes, recapture, withholding taxes, employee health taxes, surtaxes, customs, import and export taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing; (ii) any fine, penalty, interest or addition to amounts described in (i), (iii) or (iv); (iii) any tax imposed, assessed, or collected or payable pursuant to any tax-sharing agreement or any other contract relating to the sharing, an indemnity or payment of or for any such tax, levy, assessment, tariff, duty, deficiency, or fee; and (iv) any liability for any of the foregoing as a transferee, successor, guarantor, or by contract, by statute or by operation of Law; and

“TSX” means the Toronto Stock Exchange.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular Article, Section or other portion hereof.

1.3 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada and “\$” refers to Canadian dollars.

1.4 Gender and Number

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender shall include all genders.

1.5 Certain Phrases, etc.

In this Plan of Arrangement, the words (i) “including”, “includes” and “include” mean “including (or includes or include) without limiting the generality of the foregoing” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

1.6 Statutes

In this Plan of Arrangement, any reference to a statute refers to such statute and all rules, resolutions, policies, instruments and regulations made under it, as it or they may have been or may from time to time be amended, supplemented or re-enacted, unless stated otherwise.

ARTICLE 2 **EFFECT OF ARRANGEMENT**

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

2.2 Binding Effect

At the Effective Time, this Plan of Arrangement and the Arrangement shall without any further authorization, act or formality on the part of the Court become effective and be binding upon the Purchaser, the Parent, the Company, the Depositary, the registrar and transfer agent of the Company, all registered and beneficial Company Shareholders (including Dissenting Shareholders), all holders of Awards and all other Persons.

ARTICLE 3
ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, each of the following events shall occur and shall be deemed to occur consecutively in the following order, five minutes apart, except where noted, without any further authorization, act or formality:

- (a) each Award outstanding immediately prior to the Effective Time (whether vested or unvested) shall, notwithstanding the terms of the LTIP or any applicable grant agreement in relation thereto, be deemed to be assigned and transferred by such holder to the Company (free and clear of all Liens) in exchange for the Award Consideration and:
 - (i) each such Award shall immediately be cancelled;
 - (ii) each holder of an Award shall cease to be a holder of such Award;
 - (iii) each such holder's name shall be removed from the register of Awards maintained by or on behalf of Company;
 - (iv) the LTIP and all agreements, certificates and similar instruments relating to the LTIP shall be terminated or cancelled, as the case may be, and shall be of no further force and effect; and
 - (v) each holder of an Award shall thereafter have only the right to receive from the Company, as described in Section 5.1 below, the Award Consideration, at the time and in the manner specified herein;
- (b) each of the Dissent Shares shall be deemed to have been transferred to the Purchaser (free and clear of all Liens) in consideration for a claim against the Purchaser under the CBCA, as modified by the Interim Order, for the amount determined under Section 4.1, and:
 - (i) such Dissenting Shareholders shall cease to be the holders of such Dissent Shares and to have any rights as holders of such Dissent Shares other than the right to be paid fair value for such Dissent Shares as set out in Section 4.1;
 - (ii) such Dissenting Shareholders' names shall be removed as the holders of such Dissent Shares from the registers of Company Shares maintained by or on behalf of Company; and
 - (iii) the Purchaser shall be deemed to be the transferee of such Dissent Shares free and clear of all Liens, and the Purchaser shall be entered in the registers of Company Shares maintained by or on behalf of Company, as the holder of such Dissent Shares; and
- (c) each Company Share outstanding (other than Company Shares then held by the Purchaser or the Parent, which includes the Dissent Shares transferred to the

Purchaser pursuant to Section 3.1(b)) shall be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the Consideration for each Company Share held, and:

- (i) the holders of such Company Shares shall cease to be the holders thereof and to have any rights as holders of such Company Shares other than the right to be paid the Consideration by the Depository in accordance with this Plan of Arrangement;
- (ii) such holders' names shall be removed from the register of the Company Shares maintained by or on behalf of the Company; and
- (iii) the Purchaser shall be deemed to be the transferee of such Company Shares (free and clear of all Liens) and the Purchaser shall be entered in the register of the Company Shares maintained by or on behalf of the Company,

it being expressly provided that the events provided for in this Section 3.1 will be deemed to occur on the Effective Date, notwithstanding that certain procedures related thereto may not be completed until after the Effective Date.

3.2 Adjustments to Consideration

If, between the date of the Arrangement Agreement and the Effective Time, the Company sets a record date, or otherwise declares, sets aside or pays any dividend or distribution, then: (a) to the extent that the amount of such dividends or distributions per Company Share does not exceed the Consideration, the Consideration shall be reduced by the per Company Share amount of such dividends or distributions; and (b) to the extent that the amount of such dividends or distributions per Company Share exceeds the Consideration, the Consideration shall be reduced to zero and such excess amount shall be placed in escrow for the account of the Purchaser or another Person designated by the Purchaser or the Parent. If, between the date of the Arrangement Agreement and the Effective Time, the Company effects a stock split or consolidation of the Company Shares, the Award Consideration and the Consideration will be adjusted to reflect the effect of such stock split or consolidation of the Company Shares.

ARTICLE 4 DISSENT RIGHTS

4.1 Dissent Rights

- (a) In connection with the Arrangement, each registered Company Shareholder may exercise rights of dissent ("**Dissent Rights**") with respect to the Company Shares held by such Company Shareholder pursuant to and in the manner set forth in Section 190 of the CBCA, as modified by the Interim Order, the Final Order and this Section 4.1(a); provided that, notwithstanding Section 190(5) of the CBCA, the written objection to the Arrangement Resolution referred to in Section 190(5) of the CBCA must be received by Company not later than 4:00 p.m. (Toronto time) two Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Shareholders who:

- (i) are ultimately entitled to be paid by the Purchaser fair value for their Dissent Shares (1) shall be deemed not to have participated in the transactions in Article 3 (other than Section 3.1(b)); (2) shall be deemed to have transferred and assigned such Dissent Shares (free and clear of any Liens) to the Purchaser in accordance with Section 3.1(b); (3) will be entitled to be paid the fair value of such Dissent Shares by the Purchaser, which fair value, notwithstanding anything to the contrary contained in the CBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Company Meeting; and (4) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Company Shares; or
 - (ii) are ultimately not entitled, for any reason, to be paid by the Purchaser fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement in respect of those Company Shares on the same basis as a non-dissenting Company Shareholder and shall be entitled to receive, and shall receive, only the consideration set forth in Section 3.1(c).
- (b) In no event shall the Parent, the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of the Company Shares in respect of which Dissent Rights are purported to be exercised.
- (c) In no event shall the Parent, the Purchaser, the Company or any other Person be required to recognize a Dissenting Shareholder as a registered or beneficial holder of Company Shares or any interest therein (other than the rights set out in this Section 4.1) at or after the Effective Time, and at the Effective Time the names of such Dissenting Shareholders shall be deleted from the central securities register of the Company as at the Effective Time.
- (d) For greater certainty, in addition to any other restrictions in the Interim Order, no Person shall be entitled to exercise Dissent Rights with respect to (i) Company Shares which such Person has voted or has instructed a proxyholder to vote in favour of the Arrangement Resolution, (ii) less than all of the Company Shares held by such Person, or (iii) Awards.

ARTICLE 5 **CERTIFICATES AND PAYMENT**

5.1 Certificates and Payments

- (a) Following receipt of the Final Order and in any event prior to the filing of the Articles of Arrangement, the Purchaser shall deliver or cause to be delivered to the Depository sufficient funds to satisfy the aggregate Consideration payable to the Company Shareholders in accordance with Section 3.1(c), which cash shall be held by the Depository in escrow as agent and nominee for such former Company Shareholders for distribution thereto in accordance with the provisions of this Article 5.

- (b) Upon surrender to the Depositary of a certificate or DRS statement which immediately prior to the Effective Time represented outstanding Company Shares that were transferred pursuant to Section 3.1(c), together with a duly completed and executed Letter of Transmittal and any such additional documents and instruments as the Depositary may reasonably require, the registered holder of the Company Shares represented by such surrendered certificate or DRS statement shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Company Shareholder, as soon as practicable, the Consideration that such Company Shareholder has the right to receive under the Arrangement for such Company Shares, less any amounts withheld pursuant to Section 5.3, and any certificate or DRS statement so surrendered shall forthwith be cancelled.
- (c) On or as soon as practicable after the Effective Date, the Company shall pay or cause to be paid the Award Consideration, net of applicable withholdings, to holders of Awards pursuant to Section 3.1(a), either (i) pursuant to the normal payroll practices and procedures of Company, or (ii) by cheque or similar means (delivered to such holder of Awards, as reflected on the register maintained by or on behalf of Company in respect of the Awards).
- (d) After the Effective Time and until surrendered for cancellation as contemplated by Section 5.1(b), each certificate that immediately prior to the Effective Time represented one or more Company Shares (other than Company Shares held by the Purchaser, the Parent or any of their respective affiliates) shall be deemed at all times to represent only the right to receive from the Depositary in exchange therefor the Consideration that the holder of such certificate is entitled to receive in accordance with Section 3.1(c), less any amounts withheld pursuant to Section 5.3.
- (e) No holder or former holder of Company Shares or Awards shall be entitled to receive any consideration with respect to such Company Shares or Awards other than any cash payment to which such holder is entitled to receive in accordance with Section 3.1 and this Section 5.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

5.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Company Shares that were transferred pursuant to Section 3.1(c) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate the Consideration deliverable in accordance with such holder's duly completed and executed Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such Consideration, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Purchaser, Parent and the Company in a manner satisfactory to the Purchaser, Parent and the Company, each acting reasonably, against any claim that may be made against the Purchaser, Parent and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

5.3 Withholding Rights

The Purchaser, the Company, the Parent and the Depositary, as applicable, shall be entitled to deduct or withhold, or to direct any Person to deduct or withhold on their behalf, from any consideration or other amounts otherwise payable or otherwise deliverable to any of the Company Shareholders (including Dissenting Shareholders), the holders of Awards or any other Person under this Plan of Arrangement or the Arrangement Agreement such amounts as the Purchaser, the Company, the Parent or the Depositary, as applicable, reasonably determines are required to be deducted or withheld from such consideration or other amount payable under any provision of any Law in respect of Taxes. To the extent that amounts are so deducted or withheld, such amounts will be treated for all purposes under this Plan of Arrangement as having been paid to the applicable recipient in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate taxing authority.

5.4 Limitation and Proscription

To the extent that a former Company Shareholder shall not have complied with the provisions of Section 5.1 or Section 5.2 on or before the date that is six (6) years after the Effective Date (the “**final proscription date**”), then:

- (a) the Consideration that such former Company Shareholder was entitled to receive shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Company Shares pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser for no consideration,
- (b) the Consideration that such former Company Shareholder was entitled to receive shall be delivered to the Purchaser by the Depositary,
- (c) the certificates formerly representing Company Shares shall cease to represent a right or claim of any kind or nature as of such final proscription date, and
- (d) any payment made by way of cheque by the Depositary pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or before the final proscription date shall cease to represent a right or claim of any kind or nature.

5.5 No Liens

Any exchange or transfer of Company Shares pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

5.6 Paramountcy

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all Company Shares and Awards issued prior to the Effective Time; (ii) the rights and obligations of the holders of Company Shares (other than the Purchaser, Parent or any of their respective affiliates), Awards, and of the Company, the Purchaser, Parent, the Depositary and any transfer agent or other depositary in relation thereto, shall be solely as provided for in this Plan of Arrangement and the Arrangement Agreement; and (iii) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or

in any way relating to any Company Shares and/or Awards shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6 **AMENDMENTS**

6.1 Amendments

- (a) The Purchaser and the Company reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that any such amendment, modification or supplement must be agreed to in writing by each of the Company and the Purchaser and filed with the Court, and, if made following the Company Meeting, then: (i) approved by the Court, and (ii) if the Court directs, approved by the Company Securityholders and communicated to the Company Securityholders if and as required by the Court, and in either case in the manner required by the Court. The Parent shall be deemed to have agreed and consented to any amendment, modification and/or supplement to this Plan of Arrangement if agreed and consented to by the Purchaser.
- (b) Subject to the provisions of the Interim Order, any amendment, modification or supplement to this Plan of Arrangement, if agreed to by the Company and the Purchaser, may be proposed by the Company and the Purchaser at any time prior to or at the Company Meeting, with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting will be effective only if it is agreed to in writing by each of the Company and the Purchaser and, if required by the Court, by some or all of the Company Securityholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made by the Company and the Purchaser without the approval of or communication to the Court or the Company Securityholders, provided that it concerns a matter which, in the reasonable opinion of the Company and the Purchaser is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the economic interests of any of the Company Securityholders.
- (e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the Arrangement Agreement.

ARTICLE 7 **FURTHER ASSURANCES**

7.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further

act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

SCHEDULE B
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* involving Forza Petroleum Limited (the “**Company**”), pursuant to the arrangement agreement among the Company, Zeg Oil and Gas Ltd. and 1453709 B.C. Ltd. dated December 10, 2023, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Arrangement Agreement**”), as more particularly described and set forth in the management proxy circular of the Company dated December ●, 2023 (the “**Circular**”), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement of the Company, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms (the “**Plan of Arrangement**”), the full text of which is set out as Appendix B to the Circular, is hereby authorized, approved and adopted.
3. The: (i) Arrangement Agreement and all the transactions contemplated therein; (ii) actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement; and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto, and causing the performance by the Company of its obligations thereunder, are hereby ratified and approved.
4. The Company is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended).
5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common shares of the Company and holders of awards issued pursuant to the Company’s long term incentive plan (together, the “**Company Securityholders**”) entitled to vote thereon or that the Arrangement has been approved by the Court, the directors of the Company (other than interested directors required to abstain from voting) are hereby authorized and empowered, without further notice to or approval of the Company Securityholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.
6. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute and deliver for filing with the Director under the *Canada Business Corporations Act* articles of arrangement and such other documents as may be necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.
7. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be

delivered, whether under the corporate seal of the Company or otherwise, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

SCHEDULE C
REPRESENTATIONS AND WARRANTIES OF THE COMPANY

1. Status

The Company is a corporation duly incorporated, organized and validly subsisting under the federal Laws of Canada and is properly registered or licensed under the Laws of all jurisdictions in which its business is carried on except where the failure to be so registered or licensed would not, individually or in the aggregate, have a Company Material Adverse Effect. The Company has all requisite corporate power, capacity and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and to enter into and deliver this Agreement and to perform its obligations hereunder.

2. Authority, Execution and Binding Obligation

All necessary corporate action has been taken by the Company to authorize the execution and delivery by the Company of this Agreement and the performance by the Company of its obligations hereunder and the completion of the Arrangement and the other transactions contemplated under this Agreement and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the completion of the Arrangement or the other transactions contemplated under this Agreement other than the approval of the Arrangement Resolution by the Company Securityholders, the Interim Order, the Final Order and approval by the Company Board of the Company Circular.

This Agreement has been duly executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against it in accordance with its terms except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3. Board Approvals

The Unconflicted Company Board, at a meeting duly called and held and following the receipt and review of a unanimous recommendation from the Special Committee to approve the Arrangement, has unanimously (i) determined that the Arrangement is fair to Company Securityholders (other than the Purchaser and its affiliates) and in the best interests of the Company; (ii) approved this Agreement, the Arrangement and the other transactions contemplated by this Agreement in all respects; (iii) made the Company Board Recommendation; and (iv) directed that the approval of the Arrangement Resolution be submitted for the consideration of the Company Securityholders at the Company Meeting. As of the date hereof, none of the aforesaid actions by the Company Board has been amended, rescinded or modified.

4. Capital

The Company is authorized to issue an unlimited number of Company Shares and an unlimited number of preferred shares, issuable in series, of which, as at the date hereof, 606,238,848 Company Shares and no preferred shares have been duly and validly

authorized and issued, representing all of the issued and outstanding shares in the capital of the Company.

No Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option (including convertible or exchangeable securities or warrants) for the purchase, subscription for or issuance of Company Shares, or securities convertible into or exercisable or exchangeable for equity securities of the Company or of any unissued interest in or securities of any kind of the Company or any of the Company Subsidiaries, except pursuant to the Awards.

There are no outstanding contractual or other obligations of the Company or any Company Subsidiary to repurchase, redeem or otherwise acquire any securities of the Company or Company Subsidiary or to qualify securities for public distribution in Canada, the United States or elsewhere.

5. Company Subsidiaries

The Company Subsidiaries are the Company's only Subsidiaries, and the Company has no direct or indirect equity or voting interest of any kind in any other Person. Except as disclosed in Section C-5 of the Company Disclosure Letter, the Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding shares or other equity securities of each of the Company Subsidiaries, free and clear of all Liens, other than those arising by operation of Law (statutory or otherwise).

6. Transfer Agent

Computershare Trust Company of Canada, at its principal office in Toronto, has been duly appointed by the Company as the registrar and transfer agent in respect of the Company Shares.

7. Awards

As at the date hereof, there were unvested 16,938,225 Awards to receive a total of 16,938,225 Company Shares issued and outstanding, all of which have been duly authorized by the Company Board (or a duly authorized committee thereof) and issued in compliance with applicable Law and the terms of the LTIP. Section C-7 of the Company Disclosure Letter contains a complete and accurate anonymized list of the outstanding Awards with details regarding vesting terms.

8. No Shareholder Rights Plan

The Company has not adopted any shareholder rights plan or other anti-takeover device other than advance notice by-laws in relation to the nomination of directors for election to the Company Board.

9. No Defaults

The execution and delivery by the Company of this Agreement, the performance by it of its covenants hereunder and the completion of the Arrangement and the other transactions contemplated under this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) require the Authorization of, or other action by or in respect of, or filing, recording, registering or publication with, any Governmental Entity, other than the Interim Order, the Final Order, the filing of Articles of Arrangement and the receipt of a Certificate of Arrangement, and customary filings with the Securities Authorities and the TSX;
- (b) result in or require the creation of any Lien upon any of the Company Shares or any of the properties or assets of the Company or any Company Subsidiary;
- (c) require any consent, waiver, permit, exemption, approval, agreement, amendment or confirmation of any third party that is necessary to be obtained under, or required in order to maintain in full force and effect following completion of the Arrangement, any Company Material Contract; or
- (d) result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with:
 - (i) any of the provisions of the constating documents or by-laws of the Company or any resolutions of its directors or shareholders;
 - (ii) any Authorization held by the Company or any of the Company Subsidiaries or necessary to the ownership of the Company Shares, the use of the assets of the Company or any Company Subsidiary or the operation of its business;
 - (iii) subject to obtaining the Interim Order, Final Order, the filing of Articles of Arrangement and the receipt of a Certificate of Arrangement, and customary filings with the Securities Authorities and the TSX, any Law applicable to the Company or any of the Company Subsidiaries, including Canadian Securities Laws, the rules, policies and regulations of the TSX, or any Order; or
 - (iv) any Company Material Contract.

10. Compliance with Laws

Except where non-compliance would not have a Company Material Adverse Effect or as disclosed in Section C-10 of the Company Disclosure Letter, each of the Company and each Company Subsidiary has conducted and is conducting its activities or business in compliance with all applicable Laws, and, in particular, all applicable licensing and environmental Laws or other lawful requirements of any Governmental Entity, and neither the Company nor any of the Company Subsidiaries has received notice of any alleged violation of any such Laws. The Company and the Company Subsidiaries hold all material Authorizations in all jurisdictions in which the Company and the Company Subsidiaries carry on business necessary to carry on their respective business as now conducted and all such Authorizations are valid and existing and in good standing, except where the lack of such valid or existing Authorization would not, individually or in the aggregate, have a Company Material Adverse Effect.

11. Listing

The issued and outstanding Company Shares are listed and posted for trading on the TSX. To the knowledge of the Company, no other securities of the Company or any of the Company Subsidiaries are listed for trading or are quoted on any other stock exchange or quotation system.

12. Contingent Liabilities

Neither the Company nor any of the Company Subsidiaries has incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding except as: (i) disclosed in the Financial Statements; or (ii) incurred in the ordinary course of business by the Company or the Company Subsidiaries, as the case may be, and which do not, individually or in the aggregate, have a Company Material Adverse Effect.

13. No Company Material Adverse Effect

Since the date of the last Audited Financial Statements, there has not been any Company Material Adverse Effect.

14. No Cease Trade Orders

No Order having the effect of suspending the sale or ceasing, preventing or suspending the trading of the Company Shares or other securities of the Company or the Company Subsidiaries or preventing the distribution of the Company Shares has been issued or made by any Governmental Entity or Securities Authority and is continuing in effect and, to the best of the knowledge of the Company, no Proceedings for that purpose have been instituted or are pending or are contemplated or threatened by any such Governmental Entity or Securities Authority or under any securities Laws, or the rules, policies and regulations of the TSX.

15. No Judgments, Lawsuits or Claims

There are no outstanding Orders against the Company or any of the Company Subsidiaries or to which the Company or the Company Subsidiaries are subject or by which their assets are bound and there are no claims or Proceedings in existence, or to the Company's knowledge, threatened or asserted against the Company or the Company Subsidiaries or with respect to any of the assets of the Company or the Company Subsidiaries or the interests of the Company or the Company Subsidiaries therein that would have a Company Material Adverse Effect if successfully asserted.

16. Reporting Issuer

The Company is a reporting issuer in good standing under the securities Laws in each of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Prince Edward Island, Nova Scotia and Newfoundland and Labrador.

17. Voting Agreements

Except for the Voting Agreements and agreements with the Purchaser or its affiliates, no shareholders' agreements, voting agreements, investors' rights agreements or other agreements are in force or effect which in any manner affects (i) the voting or control of any of the securities of the Company or any of the Company Subsidiaries; or (ii) the operations or affairs of the Company or of any of the Company Subsidiaries (for greater certainty, excluding commercial operating agreements that affect the assets).

18. No Finder's Fee

Except as disclosed in Section C-18 of the Company Disclosure Letter, no Person acting or purporting to act for the Company, or the Company Subsidiaries is entitled to any brokerage fees, commissions, finder's fees, financial advisory fees or other similar fees in connection with the transactions contemplated by this Agreement.

19. No Prior Valuations

To the knowledge of the Company, except for the Valuation, no prior valuations (within the meaning of MI 61-101) of the Company, its securities or material assets have been made in the 24 months prior to the date hereof.

20. Fairness Opinion and Valuation

As of the date hereof:

- (a) the Valuator has delivered an oral opinion to the Special Committee to the effect that, as of the date of such opinion and subject to the assumptions and limitations to be set out in the written opinion related thereto, the Consideration to be received by the Company Shareholders (other than the Purchaser and its affiliates) pursuant to the Arrangement is fair, from a financial point of view, to the Company Shareholders (other than the Purchaser and its affiliates) (the "**Fairness Opinion**");
- (b) the Special Committee has received an oral Valuation from the Valuator; and
- (c) the Company has been authorized by the Valuator to permit inclusion of the Fairness Opinion and the Valuation and references thereto in the Company Circular.

SCHEDULE D
REPRESENTATIONS AND WARRANTIES OF THE PURCHASER AND THE PARENT

1. Status

Each of the Purchaser and the Parent is a corporation incorporated under the laws of the jurisdiction of its respective incorporation, is validly existing and has the corporate power and authority to enter into and perform its obligations under this Agreement.

2. Authority, Execution and Binding Obligation

All necessary corporate action has been taken by each of the Purchaser and the Parent to authorize the execution and delivery by each of the Purchaser and the Parent of this Agreement and the performance by each of the Purchaser and the Parent of its respective obligations hereunder and the completion of the Arrangement and the other transactions contemplated under this Agreement and no other corporate proceedings on the part of the Purchaser or the Parent are necessary to authorize this Agreement or the completion of the Arrangement or the other transactions contemplated under this Agreement other than the approval of the Arrangement Resolution by the Company Securityholders, the Interim Order, the Final Order and approval by the Company Board of the Company Circular.

This Agreement has been duly executed and delivered by the Purchaser and the Parent and constitutes a valid and legally binding obligation of each of the Purchaser and the Parent enforceable against each of the Purchaser and the Parent in accordance with its terms except as the enforcement thereof may be limited by bankruptcy, insolvency and other applicable Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may be granted only in the discretion of a court of competent jurisdiction.

3. No Defaults

The execution and delivery by each of the Purchaser and the Parent of this Agreement, the performance by each of the Purchaser and the Parent of its respective covenants hereunder and the completion of the Arrangement and the other transactions contemplated under this Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

- (a) require the Authorization of, or other action by or in respect of, or filing, recording, registering or publication with, any Governmental Entity, other than the Interim Order, the Final Order, the filing of Articles of Arrangement and the receipt of a Certificate of Arrangement and customary filings with the Securities Authority and the TSX; or
- (b) result in a material breach of or material default under, and do not and will not create a state of facts which, after notice or lapse of time, or both, would constitute a material breach of or material default under, and do not and will not conflict with:
 - (i) any of the provisions of the constating documents or by-laws of each of the Purchaser and the Parent or any resolutions of its respective directors or shareholders;

- (ii) any Authorization held by the Parent; or
- (iii) subject to obtaining the Interim Order, the Final Order, the filing of Articles of Arrangement and the receipt of a Certificate of Arrangement and customary filings with the Securities Authority and the TSX, any Laws applicable to each of the Purchaser and the Parent,

except in each case as would not, individually or in the aggregate, reasonably be expected to prevent or materially delay the ability of the Purchaser and the Parent to consummate the Arrangement.

4. Available Funds

The Purchaser has, and will have at the Effective Time, sufficient available funds to consummate the Arrangement and pay the aggregate Consideration on the terms and subject to the conditions set forth herein and in the Plan of Arrangement. The Purchaser's obligations hereunder are not subject to any conditions regarding the Purchaser's or the Parent's ability to obtain financing for the Consideration to be paid pursuant to the Arrangement.

5. Ownership of the Purchaser

The Parent is, directly or indirectly, the registered and beneficial owner of all of the outstanding securities of the Purchaser.

6. Ownership of Company Shares

As of the date hereof, other than 500,431,626 Company Shares, neither the Purchaser, the Parent nor any of their respective affiliates or any other Person acting jointly or in concert with any of them, beneficially owns or controls, or will prior to the Effective Date beneficially own or control, any Company Shares or any securities that are convertible into, or exchangeable or exercisable for, Company Shares.

7. Certain Arrangements

As of the date hereof, other than the Voting Agreements, there are no contracts, undertakings, commitments, arrangements or understandings, whether written or oral, between the Purchaser, the Parent or any of their respective affiliates, on the one hand, and any beneficial owner of outstanding Company Shares or any member of the Company's management or the Company Board, on the other hand, relating in any way to the Company's securities, the transactions contemplated by this Agreement (including relating to the conferring of a collateral benefit or entry into a connected transaction, in each case as defined in MI 61-101), or the Arrangement Resolution.