

# *The Potash Corporation of Saskatchewan Reorganization (Articles) Regulations*

*Repealed*

by Saskatchewan Regulations 27/2016  
(effective February 25, 2016).

*Formerly*

Chapter P-17.1 Reg 2 (effective September 21, 1989)  
as amended by Saskatchewan Regulations [20/94](#).

## **NOTE:**

This consolidation is not official. Amendments have been incorporated for convenience of reference and the original statutes and regulations should be consulted for all purposes of interpretation and application of the law. In order to preserve the integrity of the original statutes and regulations, errors that may have appeared are reproduced in this consolidation.

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### **Appendix**

## CHAPTER P-17.1 REG 2

### *The Potash Corporation of Saskatchewan Reorganization Act*

#### Title

**1** These regulations may be cited as *The Potash Corporation of Saskatchewan Reorganization (Articles) Regulations*.

#### Required articles

**2** For the purpose of section 13 of *The Potash Corporation of Saskatchewan Reorganization Act*, the purchaser corporation shall include in its articles the provisions prescribed in the Appendix to these regulations.

29 Sep 89 cP-17.1 Reg 2 s2.

## Appendix

### OWNERSHIP AND VOTING RESTRICTIONS

#### 1.00 Interpretation

1.01(1) In these articles:

- (a) **“Act”** means *The Business Corporations Act*;
- (b) **“articles”** means the articles of continuance of the Corporation filed September 29, 1978, and any subsequent restated articles of incorporation, articles of amendment, articles of amalgamation, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival relating to the Corporation and includes any amendments to these articles;
- (c) **“associate”** means a person with whom another person is associated in accordance with the PCS Act;
- (d) **“Corporation”** means:
  - (i) Potash Corporation of Saskatchewan Inc.; and
  - (ii) any continuation of it resulting from one or more amalgamations or reorganizations made pursuant to the Act;
- (e) **“excess voting shares”** means voting shares:
  - (i) held in excess of the aggregate percentage limit prescribed in subsection 11(2) of the PCS Act;
  - (ii) held in excess of the percentage limit prescribed in subsection 12(1) of the PCS Act; or
  - (iii) determined by the board pursuant to paragraph 5.04 or 11.05 to be excess voting shares;

- (f) **“PCS Act”** means *The Potash Corporation of Saskatchewan Reorganization Act*;
  - (g) **“registered holder”** means the registered holder of a voting share according to the securities register of the Corporation;
  - (h) **“shareholder’s declaration”** means the declaration mentioned in paragraph 5.01;
  - (i) **“suspend”** means to suspend in accordance with paragraph 8.01;
  - (j) **“provisions”** means the provisions of the articles prescribed in this Appendix.
- (2) For the purposes of selecting excess voting shares held in excess of the aggregate percentage limit prescribed in subsection 11(2) of the PCS Act, subject to paragraph 11.05, the Corporation shall select the excess voting shares from among all voting shares held by non-residents and their associates in reverse order of the date of registration of those voting shares as recorded in the Corporation’s securities register.
- (3) For the purposes of subparagraph (2), the date of registration of voting shares that, after the actual date of their registration, become excess voting shares by reason of:

- (a) a change in residence of the holder or an associate of the holder; or
- (b) a change in beneficial ownership or control without a change in registration;

is deemed to be the date that, to the best knowledge of the Corporation, the voting shares became excess voting shares by reason of that change.

## 2.00 *Constraints on Issue and Transfer*

2.01 The Corporation shall not:

- (a) issue any of its voting shares; or
- (b) register or otherwise recognize the transfer of any of its voting shares;

where the board determines that a contravention of section 11 or 12 of the PCS Act would result.

2.02 For the purpose of determining under paragraph 2.01 whether or not a contravention of subsection 11(2) of the PCS Act would result at any particular time from a transfer referred to in clause 2.01(b), the board shall be entitled:

- (a) to make a preliminary determination, which shall not constitute a determination under paragraph 2.01, that from the evidence then available the level of holdings by non-residents and their associates may have reached or exceeded 45%.
- (b) to refrain from making such a determination under paragraph 2.01 for a period of up to 90 days following the making of such preliminary determination under clause (a), so long as the board shall be proceeding in reasonable and diligent manner to acquire and verify the information necessary to make such determination.

2.03 If upon a determination being made by the board following the delay permitted by clause 2.02(b) it appears that the level of holdings of non-residents and their associates for the purposes of subsection 11(2) of the PCS Act exceed 45% the Corporation need not undertake the compulsory sale, redemption or suspension procedures of articles 6.00, 7.00 and 8.00 respectively:

- (a) if such level does not exceed 49%, for a period of up to one year following such determination;
- (b) if such level exceeds 49% but does not exceed 55%, for a period of up to 180 days following such determination; and
- (c) if such level exceeds 55%, for a period of up to 30 days following such determination.

At or before the expiry of the relevant period, the board shall make a new determination and if that determination reveals that the level of holdings of non-residents and their associates exceeds the level permitted by subsection 11(2) of the PCS Act, the Corporation shall with all reasonable diligence undertake such of such sale, redemption and suspension procedures as in the opinion of the board is appropriate in the circumstances.

### 3.00 *Limitation on Voting Rights*

3.01(1) On circumstances under which subsection 11(3) of the PCS Act requires that voting rights attached to voting shares that are held by non-residents and their associates be reduced, the total number of votes cast in aggregate for each particular alternative with respect to a particular resolution by all registered holders of those voting shares shall be reduced according to the rules prescribed in this paragraph.

(2) The number of votes which, but for this paragraph would be attached to the voting shares described in subparagraph (1) and would be cast, in aggregate, for each particular alternative with respect to the particular resolution by all registered holders of those voting shares, shall be multiplied by a fraction:

- (a) the numerator of which is the product of the total number of votes cast on the particular resolution attached to voting shares not held by non-residents and their associates multiplied by an amount equal to the number of the percentage limit prescribed in subsection 11(3) of the PCS Act divided by an amount equal to the difference between 100 and the number of the percentage limit prescribed in subsection 11(3) of the PCS Act; and
- (b) the denominator of which is the total number of votes which, but for this paragraph, would be attached to voting shares held by non-residents and their associates and which, but for this paragraph, would be cast on the particular resolution.

(3) The numerator resulting from the calculation pursuant to clause (2)(a) shall be calculated to the nearest whole number of votes and the fraction resulting from the calculation pursuant to subparagraph (2) shall be calculated to one one-hundredth of one percent, rounding down.

(4) If the number of votes cast in aggregate for each particular alternative with respect to a particular resolution by all registered holders of the voting shares described in subparagraph (1) is reduced pursuant to this paragraph to a number of votes which is not a whole number, that number shall be further reduced to the next lower whole number.

3.02 If the board determines that any person or any group of associated persons holds voting shares in contravention of section 12 of the PCS Act, that person or group of associated persons shall not exercise, in person or by proxy, the voting rights attached to any of the voting shares held by that person or that group of associated persons.

4.00 *Limitation on Dividends and Distributions*

4.01 If the board determines that any person or group of associated persons hold voting shares in contravention of section 12 of the PCS Act, the Corporation shall not pay any dividend or make any other distribution with respect to any of the voting shares held by that person or that group of associated persons.

4.02 Notwithstanding paragraph 4.01, the board may authorize the payment of a dividend or the making of any other distribution with respect to any voting shares to a registered holder who would otherwise be disentitled to it pursuant to paragraph 4.01 if in the board's opinion:

- (a) the contravention was inadvertent or of a technical nature; or
- (b) it would be inequitable not to pay the dividend or make the distribution to the registered holder.

4.03 Except for a dividend or other distribution authorized pursuant to paragraph 4.02, the Corporation may recover the amount of any dividend paid or distribution made from the registered holder to whom it was paid or made if the dividend was paid or the distribution was made with respect to voting shares which the board has determined, either before or after the date of the dividend or distribution, to be held in contravention of section 12 of the PCS Act, whether or not the Corporation had knowledge of the contravention when the dividend was paid or distribution was made.

5.00 *Shareholder's Declaration*

5.01(1) At the request of the Corporation, every person who:

- (a) is or proposes to be a registered holder;
- (b) is or proposes to be or is believed by the Corporation to be a beneficial owner of voting shares, a person controlling voting shares or a person holding voting shares in right of, or for the use or benefit of, another person;
- (c) subscribes for voting shares;
- (d) requests a transfer of voting shares;
- (e) requests a change in the registration of voting shares;
- (f) elects to convert or exchange any securities of the Corporation into or for voting shares; or

(g) holds a proxy with respect to voting shares;  
shall file with the Corporation or its registrar and transfer agent a shareholder's declaration.

(2) The Corporation may request a shareholder's declaration at any time or from time to time.

5.02(1) A person who is required by the PCS Act or these provisions to file a shareholder's declaration shall file that shareholder's declaration in a form authorized from time to time by the board.

(2) The shareholder's declaration shall contain that information that may be requested by the Corporation to enable the Corporation to determine whether the provisions of the PCS Act or these provisions are being or may be contravened.

(3) Without restricting the Corporation's right to request information, the information mentioned in subparagraph (2) may include:

- (a) the name and address of the person;
- (b) the names and addresses of that person's associates;
- (c) the names and addresses of any persons with whom that person acts in concert with respect to interests in the Corporation;
- (d) whether the person and that person's associates are residents or non-residents;
- (e) whether the person and that person's associates are Canadian citizens;
- (f) the number and designation of voting shares that are held or to be held by that person and by that person's associates;
- (g) whether any voting shares are held by way of security for indebtedness only;
- (h) the name and address of any other person in whose right, or for whose use or benefit, voting shares are held and whether or not that other person is that person's associate; and
- (i) the name and address of the person who controls the voting shares.

(4) The Corporation may require that any shareholder's declaration be given in the form of:

- (a) a simple declaration in writing; or
- (b) in the form of a statement given under oath or an affirmation which, to the satisfaction of the board, is, under the laws of the jurisdiction in which the same is sworn or made, substantially similar in effect to a statutory declaration in Canada.

5.03 No person from whom a shareholder's declaration is requested pursuant to these provisions shall fail to co-operate with the Corporation in the acquisition of any additional shareholder's declarations from any additional persons that, in the opinion of the Corporation, may be necessary for the purposes of these provisions.

5.04(1) Prior to the Corporation taking any action pursuant to these provisions to:

- (a) sell or redeem any voting shares; or
- (b) suspend any voting shares pursuant to clause 8.01(1)(a);

the Corporation shall send to the registered holder of the voting shares a written notice requesting a shareholder's declaration from that registered holder pursuant to these provisions for the purpose of determining if all or any of the voting shares held by that registered holder are excess voting shares.

(2) The notice mentioned in subparagraph (1) shall advise that, unless the requested declaration or other response satisfactory to the board is received by the Corporation or its registrar and transfer agent within 60 days of the date of the notice, the board is empowered to determine that voting shares held by that registered holder:

- (a) are excess voting shares; and
- (b) may be sold, redeemed or suspended by the Corporation.

(3) If the board determines that the voting shares or any of them are excess voting shares, the Corporation may, not earlier than 60 days and not later than 120 days after the date of the notice mentioned in subparagraph (1), send a further written notice to the registered holder advising that the excess voting shares held by that registered holder shall be sold or redeemed and all of the voting shares shall be suspended by the Corporation pursuant to these provisions unless that registered holder has:

- (a) sold or disposed of the excess voting shares;
- (b) advised the Corporation in writing that the excess voting shares have been sold or disposed of; and
- (c) provided the Corporation with evidence satisfactory to the Corporation of that sale or disposition;

before the date set out in the notice mentioned in subparagraph (1), which date shall not be less than 60 days after the date of that notice.

#### 6.00 *Compulsory Sale of Excess Voting Shares*

6.01(1) On or after the date set out in the notice mentioned in subparagraph 5.04(3), the Corporation may sell the excess voting shares registered in the name of a registered holder to whom the notice has been given.

(2) The Corporation may make the sale mentioned in subparagraph (1):

- (a) through the facilities of a stock exchange designated by the board; or
- (b) if the voting shares are not, at the time of the proposed sale, listed on a stock exchange, by a public or private sale or by any other means that the board may determine.

(3) On a sale in accordance with this paragraph, the former registered holder of the excess voting shares sold is, from the time of the sale, entitled to receive only the net proceeds of the sale, being an amount equal to the proceeds of sale less any applicable commission and other costs of sale.



(4) The Corporation shall deposit the net proceeds of sale mentioned in subparagraph (3) in a special account in any chartered bank, credit union or trust company in Canada selected by the Corporation.

(5) The amount deposited pursuant to subparagraph (4) is payable to the former registered holder of the excess voting shares sold on presentation and surrender by that former registered holder to the bank, credit union or trust company mentioned in subparagraph (4) of the certificate or certificates representing the excess voting shares.

(6) Any interest allowed on any deposit made pursuant to subparagraph (4) belongs to the Corporation.

6.02(1) On and after the date of deposit by the Corporation of the net proceeds of sale of excess voting shares sold by the Corporation pursuant to paragraph 6.01, the former registered holder is not to be entitled to any of the remaining rights of a registered holder with respect to the excess voting shares.

(2) If a part only of the voting shares represented by any certificate is sold by the Corporation, the Corporation shall issue to the registered holder a new certificate representing the balance of the shares at the expense of the Corporation on presentation and surrender of the first mentioned certificate.

6.03(1) Within 30 days of the deposit by the Corporation of the net proceeds of sale of excess voting shares sold by the Corporation pursuant to paragraph 6.01, the Corporation shall send a written notice to the former registered holder:

- (a) specifying the amount of the net proceeds of sale; and
- (b) advising of the name and address of the chartered bank, credit union or trust company where the deposit has been made by the Corporation and from which the net proceeds of the sale may be obtained.

(2) The notice mentioned in subparagraph (1) may contain any further information that the board considers appropriate.

6.04 The Corporation is deemed:

- (a) to be the agent and lawful attorney of the registered holder of voting shares to effect any sale of voting shares authorized by these provisions; and
- (b) to have, without limitation, the power to execute and deliver proper instruments of transfer.

#### 7.00 *Redemption of Excess Voting Shares*

7.01(1) Subject to paragraphs 5.04 and 7.02, the Corporation may redeem:

- (a) at any time the whole; or
- (b) from time to time any part;

of any excess voting shares registered in the name of a registered holder on payment for the excess voting shares to be redeemed of a redemption price determined pursuant to this paragraph.

(2) For the purposes of this paragraph, the redemption price is the price which the board determines that the Corporation would be able to purchase, at the time of determination, voting shares through:

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- (a) the facilities of The Toronto Stock Exchange;
  - (b) if the voting shares are not then listed on the exchange mentioned in clause (a), the facilities of any other stock exchange as the board may determine;
  - (c) if the voting shares are not then listed on any stock exchange, the over-the-counter market in Toronto as quoted to the Corporation by any two of the five largest investment dealers in Canada who are members of the Investment Dealers Association of Canada; or
  - (d) if the voting shares are not traded in the over-the-counter market in Toronto, at the market price for the voting shares determined by the board in its sole discretion.
- (3) For the purposes of subparagraph (2), the size of investment dealers is to be determined by measuring the shareholders' equity of the investment dealers based on their audited balance sheet for their most recently completed fiscal year.
- 7.02(1) In any case of redemption of excess voting shares of the Corporation pursuant to this Part, the notice given by the Corporation pursuant to sub-paragraph 5.04(3) shall specify a date for redemption, which date shall not be less than 60 days and not more than 90 days after the date of the notice.
- (2) The notice given pursuant to subparagraph 5.04(3) shall set out:
- (a) the number and class of voting shares to be redeemed;
  - (b) the redemption price and the basis on which it was determined;
  - (c) the date specified for redemption; and
  - (d) the office or offices of the Corporation and any other place or places within Canada at which registered holders of the voting shares to be redeemed may present and surrender the certificates representing those shares for redemption.
- 7.03(1) On and after the date specified for redemption in any notice of redemption sent pursuant to paragraphs 5.04 and 7.02 and unless the registered holder has sold or disposed of the excess voting shares and has so advised the Corporation in accordance with paragraph 5.04, the Corporation shall pay or cause to be paid to or to the order of the registered holder of the voting shares to be redeemed, the redemption price of the voting shares on presentation and surrender of the certificate or certificates representing the voting shares called for redemption.
- (2) For the purposes of subparagraph (1), the registered holder shall surrender the certificate or certificates at:
- (a) the office or one of the offices of the Corporation designated in the notice; or
  - (b) any other place within Canada specified in the notice.
- (3) The Corporation shall pay for the voting shares being redeemed by cheque payable to the registered holder at par at any branch in Canada of any Canadian chartered bank, credit union or trust company licensed under the laws of Canada or a province of Canada.
- (4) When paid, the cheque mentioned in subparagraph (3) shall satisfy and discharge all liability of the Corporation for the redemption price, to the extent of the amount represented by the cheque, unless the cheque is not paid on due presentation.

(5) If only part of the voting shares represented by any certificate are to be redeemed, the Corporation shall issue to the registered holder a new certificate representing the balance of the shares to the registered holder at the expense of the Corporation on presentation and surrender of the first mentioned certificate.

7.04(1) At any time on or after the date specified for redemption in any notice of redemption sent pursuant to paragraphs 5.04 and 7.02, and unless the registered holder has sold or disposed of the excess voting shares and has so advised the Corporation in accordance with paragraph 5.04, the Corporation may deposit the redemption price of the voting shares called for redemption, or of any of the voting shares called for redemption that are represented by certificates which have not at the date of the deposit been surrendered by the registered holders in connection with the redemption, in a special account maintained by the Corporation with a branch located in Saskatoon, Saskatchewan, of a Canadian chartered bank, credit union or trust company designated by the Corporation in the notice of redemption.

(2) The amount deposited without interest pursuant to subparagraph (1) is payable to or to the order of the respective registered holders of the voting shares, on presentation and surrender by them of the certificates representing the voting shares to the branch of bank, credit union or trust company mentioned in subparagraph (1).

(3) On the deposit being made pursuant to subparagraph (1), the voting shares with respect to which the deposit has been made:

- (a) are deemed to have been redeemed; and
- (b) the rights of the registered holders are limited to receiving their proportion of the amount so deposited without interest, on presentation and surrender to the bank, credit union or trust company of the certificate or certificates representing the shares.

(4) Any interest allowed on any deposit pursuant to this paragraph belongs to the Corporation.

7.05 The Corporation shall not make any payment to redeem excess voting shares if there are reasonable grounds for believing that:

- (a) the Corporation is, or would after the redemption be, unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would after the redemption be less than the aggregate of its liabilities and stated capital of all classes.

#### 8.00 *Suspension of Rights of Voting Shares*

8.01(1) If:

- (a) a registered holder fails to sell or dispose of excess voting shares or fails to so advise the Corporation and provide evidence of any sale or disposition before the date set out in the notice sent pursuant to subparagraph 5.04(3); or
- (b) the board has made a determination pursuant to clause 11.05 (2)(a) and (b);

the Corporation may suspend the voting shares held by that registered holder by striking the registered holder of the voting shares from the securities register of the Corporation for all purposes except for the purpose of transferring of voting shares or otherwise dealing with them in accordance with these provisions.

(2) On a suspension pursuant to subparagraph (1), the registered holder of the voting shares:

- (a) is not entitled to and shall forfeit dividends or other distributions to shareholders of the Corporation;
- (b) is not entitled to vote or to receive forms of proxy or exercise proxy rights; and
- (c) is not entitled to receive any communications from the Corporation to its shareholders or to exercise or receive any other rights or privileges as a shareholder;

with respect to the voting shares held by that registered holder.

8.02 Within 30 days of any suspension made pursuant to paragraph 8.01, the Corporation shall send to the registered holder of the suspended voting shares a written notice advising the registered holder in reasonable detail of the suspension and its consequences.

8.03 At any time after a suspension of voting shares is in effect pursuant to subparagraph 8.01(1), the Corporation may:

- (a) sell the excess voting shares pursuant to paragraph 6.01 as if a notice pursuant to subparagraph 5.04(3) had been sent and the date specified in that notice passed; or
- (b) through effecting a deposit pursuant to paragraph 7.04, redeem the excess voting share pursuant to Part 7 as if a notice pursuant to sub-paragraph 5.04(3) had been sent and that date of deposit was the date specified for the date of redemption.

9.00 *Non-Presentation of Share Certificate*

9.01 Notwithstanding any provision of the Act, the Corporation may sell or redeem excess voting shares pursuant to these provisions without presentation and surrender of the certificate or certificates representing the excess voting shares.

9.02 If, pursuant to these provisions, the Corporation effects a sale of excess voting shares to a third party without presentation and surrender of the certificate or certificates representing the excess voting shares, the Corporation shall issue a new certificate or certificates representing the excess voting shares sold to the new registered holder.

9.03 If, pursuant to these provisions, the Corporation effects a sale or redemption of excess voting shares without presentation and surrender of the certificate or certificates representing the excess voting shares and, after that sale or redemption a bona fide purchaser presents the original share certificate or certificates representing the excess voting shares for registration of transfer and satisfies all requirements of the Corporation of general application with respect to that proposed registration:

- (a) the Corporation shall register the transfer;

- (b) the excess voting shares represented by the original certificate or certificates presented for registration of transfer are deemed to be, from the date of the sale or redemption by the Corporation, validly issued and outstanding voting shares in addition to the excess voting shares sold or redeemed; and
- (c) the Corporation is entitled to the amount of the net proceeds of the sale or redemption price deposited pursuant to paragraph 6.01 or 7.04, as the case may be, and that amount is deemed to be the consideration for which the additional voting shares were issued.

10.00 *Effect of Actions by Corporation*

10.01 If, as a result of the actions of the Corporation with respect to the redemption or suspension of any of its voting shares either pursuant to these provisions or otherwise, any person or group of associated persons who held voting shares not in contravention of section 12 of the PCS Act but who, after the redemption or suspension, holds voting shares which but for this paragraph would be held in contravention of section 12 of the PCS Act, then notwithstanding any of these provisions:

- (a) the number of votes attached to the voting shares is to be reduced to a number which is the largest whole number of votes that would not be held in contravention of section 12 of the PCS Act; and
- (b) that person or group of associated persons is not be considered by reason alone of the actions of the Corporation to be subject to any forfeiture of dividends or other distributions under Part 4 or enforcement action by the Corporation under Part 6, 7 or 8 of these provisions.

11.00 *Powers of Directors*

11.01 The board has the authority to determine whether the provisions of sections 11 or 12 of the PCS Act are or may be contravened in any circumstances.

11.02 In addition to the powers specifically set forth in these provisions, the board has all of the powers necessary or desirable, in its opinion, to effectively and efficiently administer these provisions.

11.03 Without limitation of the powers of the board set forth in these provisions, the board may, in administering these provisions, rely on:

- (a) any statement made in a shareholder's declaration;
- (b) the address of the registered holder of voting shares as shown in the securities register of the Corporation for the purpose of determining whether voting shares are held by non-residents; and
- (c) the knowledge based on information and belief of a director, officer, employee or agent of the Corporation.

11.04 For the purposes of clause 11.03(b), the board may rely on the securities register of the Corporation as of any date that is not more than four months before the day on which the determination is made.

11.05(1) Without limiting the powers of the board set forth in these provisions but subject to subparagraph (2), the board may determine that:

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- (a) the issue or transfer of any of its voting shares would result in a contravention of section 11 or 12 of the PCS Act;
  - (b) the holding of any of its voting shares is in contravention of section 11 or 12 of the PCS Act; or
  - (c) particular voting shares are excess voting shares.
- (2) The board may make a determination pursuant to subparagraph (1):
- (a) after the relevant shareholder's declarations have been requested and received by the Corporation, on the basis of those shareholder's declarations;
  - (b) after the relevant shareholder's declarations have been requested and received by the Corporation, if the board is of the opinion that it has not been provided with adequate information and it has reasonable grounds for believing that it will not be provided with adequate information; or
  - (c) whether or not a shareholder's declaration has been requested or received by the Corporation, if the board has reasonable grounds for believing that it has sufficient information to make the determination and that it would be impractical, under all the circumstances, to request or to await the receipt of a shareholder's declaration.

11.06(1) If:

- (a) a person or group of associated persons holds securities that:
  - (i) are exchangeable into or carry rights to acquire voting shares; and
  - (ii) have voting rights; and
- (b) the sum of the number of voting rights attaching to securities mentioned in clause (a) and voting shares held by the person or group of associated persons exceeds the percentage limit prescribed in section 12 of the PCS Act;

the board may deal with the securities pursuant to this provision in the same manner as if they were voting shares.

- (2) Without restricting the power of the board pursuant to subparagraph (1), the board may reduce the number of voting rights attaching to securities mentioned in clause (1)(a) and voting shares held by a person or group of associated persons to a number which is the largest whole number of votes that would not be in contravention of section 12 of the PCS Act.

11.07 Wherever for the purposes of these provisions it is necessary to determine the opinion of the board, that opinion shall be expressed and conclusively evidenced by a resolution of the board duly adopted, including a resolution in writing executed pursuant to section 112 of the Act.

12.00 *No Claims*

12.01 No registered holder and no other interested person has any claim or action against the Corporation or against any director, officer, employee or agent of the Corporation, and the Corporation has no claim or action against any director, officer, employee or agent of the Corporation, arising out of any act or omission to act, performed honestly and in good faith with a view to the best interest of the Corporation pursuant to or in intended pursuance of these provisions or any breach or alleged breach of these provisions.

13.00 *Validity of Shareholders' Meetings*

13.01 If, by inadvertence or otherwise, voting rights are exercised at a meeting of shareholders of the Corporation in contravention of the restrictions contained in the PCS Act or these provisions, the vote or other proceedings at that meeting are not invalidated or otherwise affected by reason of that exercise.

13.02 Notwithstanding the fact that, if, by inadvertence or otherwise:

- (a) voting shares of the Corporation are issued or transferred, or are permitted to be held;
- (b) any dividend is paid or other distribution is made with respect to voting shares; or
- (c) any voting or other shareholder rights are permitted to be exercised with respect to voting shares;

in contravention of any of the restrictions contained in the PCS Act or these provisions, that act or omission to act with respect to that contravention by the Corporation is deemed not to constitute a waiver of any of the rights of the Corporation contained in these provisions or to otherwise preclude the board or the Corporation from exercising any of the powers granted in these provisions.

14.00 *Notices*

14.01 Notices permitted or required to be given pursuant to these provisions to any registered holder shall be given by registered mail, certified mail or similar method of mail delivery, postage prepaid, addressed to the registered holder at the registered holder's address in the securities register of the Corporation.

