

The Saskatchewan Oil and Gas Corporation Act, 1985

Repealed

by [Chapter W-4.0001 of the *Statutes of Saskatchewan, 1996*](#)
(effective December 31, 1996).

Formerly

[Chapter S-32.1 of the *Statutes of Saskatchewan, 1984-85-86*](#)
(effective December 13, 1985) as amended by the [Statutes of
Saskatchewan, 1992, c.76](#).

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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CHAPTER S-32.1

An Act respecting Saskatchewan Oil and Gas Corporation

PART I

Short Title and Interpretation

Short title

1 This Act may be cited as *The Saskatchewan Oil and Gas Corporation Act, 1985*.

Interpretation

2(1) In this Act:

(a) **“agent”** means:

(i) with respect to Her Majesty the Queen in right of Saskatchewan, in right of Canada or in right of another province, an agent of the Crown in that right, and includes:

(A) a municipal or public body, other than a municipal or public body in Saskatchewan, empowered to perform a function of government in Canada;

(B) a corporation empowered to perform a function or duty on behalf of the Crown in that right; or

(C) a corporation controlled, directly or indirectly, by the Crown in that right;

but does not include a member of the Executive Council or a person performing a function or duty in connection with the administration or management of an estate or property of an individual; and

(ii) with respect to the government of a foreign state or a political subdivision of it, a person empowered to perform a function or duty on behalf of the government of the foreign state or political subdivision;

(b) **“articles”** means the articles of Saskoil;

(c) **Repealed.** 1992, c.76, s.3.

(d) **“board”** means the board of directors of Saskoil;

(e) **“bylaws”** means bylaws of Saskoil;

(f) **“corporation”** means any corporation however incorporated and includes an association, partnership or other unincorporated organization;

(g) **Repealed.** 1992, c.76, s.3.

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- (h) **“government”** means:
 - (i) Her Majesty in right of Canada or of a province; or
 - (ii) the government of a foreign state or a political subdivision of a foreign state;
- (i) **“minister”** means the member of the Executive Council to whom for the time being the administration of this Act is assigned;
- (j) **“non-resident”** means:
 - (i) an individual who is not ordinarily resident in Canada;
 - (ii) a corporation incorporated, formed or otherwise organized elsewhere than in Canada;
 - (iii) the government of a foreign state or a political subdivision of a foreign state or an agent of either;
 - (iv) a corporation that is controlled directly or indirectly by an individual, corporation, government or agent of a government described in subclauses (i) to (iii);
 - (v) a trust:
 - (A) established by an individual, corporation, government or agent of a government described in subclauses (i) to (iv) other than a trust for the administration of a pension fund for the benefit of individuals a majority of whom are residents; or
 - (B) in which individuals, corporations, governments or agents of governments described in subclauses (i) to (iv) have more than 50% of the beneficial interest;
 - (vi) a corporation of which the majority of the directors, or persons occupying the position of director by whatever name called, are individuals described in subclause (i); or
 - (vii) a corporation that is controlled directly or indirectly by a trust described in subclause (v);
- (k) **“person”** includes a trust and any government or agent of a government;
- (l) **“resident of Canada”** means a person who is not a non-resident;
- (m) **“Saskoil”** means the Saskatchewan Oil and Gas Corporation continued pursuant to *The Saskatchewan Oil and Gas Corporation Act*, as that Act existed on the day before the coming into force of this Act, and continued under *The Business Corporations Act* by virtue of this Act and any continuation of it resulting from one or more amalgamations pursuant to *The Business Corporations Act*;
- (n) **“shareholder”** means a person who, according to the securities register of Saskoil, is the holder of a share of Saskoil and a reference in this Act to the holding of a share by or in the name of a person or any description of person is a reference to his being a shareholder according to that register;

- (o) **“share of Saskoil”** means a voting share in the share capital of Saskoil that Saskoil is authorized by its articles to issue;
 - (p) **“voting share”** means a share of Saskoil that, apart from this Act, carries the right under all circumstances to vote on a resolution electing all or any of the directors of Saskoil.
- (2) For the purposes of this Act:
- (a) a corporation is affiliated with another corporation if one is the subsidiary of the other or if both of them are controlled by the same person;
 - (b) a corporation with share capital is controlled by a person if shares of the corporation carrying voting rights sufficient to elect a majority of the directors of the corporation are held, directly or indirectly, other than by way of security only, by or on behalf of that person;
 - (c) a corporation without share capital is controlled by a government in Canada if all or a majority of its members or directors are appointed or designated, either by their personal names or by their names of office, by:
 - (i) a statute or regulations made pursuant to a statute;
 - (ii) the Governor in Council or the Lieutenant Governor in Council of a province, as the case may be; or
 - (iii) a minister of the Crown in right of Canada or of a province, as the case may be;
- or by any combination of the means described in subclauses (i) to (iii);
- (d) a corporation is controlled by a person if the corporation is, in the opinion of the board as evidenced by a resolution of the board, then in fact effectively controlled by that person either directly or indirectly and either through the holding of shares of the corporation or any other corporation or through the holding of a significant portion of the outstanding debt of the corporation, or by any other means, whether of a like or different nature;
 - (e) a corporation is a subsidiary of another corporation if it is controlled by that other corporation;
 - (f) a person is deemed to beneficially own shares of Saskoil if:
 - (i) the shares are beneficially owned by a corporation controlled by that person or by an affiliate of that corporation; or
 - (ii) the shares are beneficially owned by that person through a trustee, legal representative, agent or other intermediary;
 - (g) a corporation is deemed to beneficially own shares of Saskoil if those shares are beneficially owned by its affiliates.

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(3) For the purposes of this Act, when the total number of voting shares held by a person or members of a group of associated persons is in excess of the percentage limit mentioned in subsection 8(1), all of the voting shares held by that person or members of that group are deemed to be held in contravention of subsection 8(1).

(4) For the purposes of this Act, a person is associated with another person if:

- (a) one of them is a corporation of which the other is an officer or director;
- (b) one of them is a partnership of which the other is a partner;
- (c) one of them is a corporation that is controlled by the other person;
- (d) both are corporations that are controlled by the same person;
- (e) both are parties to a voting trust that relates to voting shares;
- (f) one of them is a government and the other is an agent of that government;
- (g) both are agents of the same government;
- (h) both are holders of the same voting shares whether as shareholders or as beneficial owners; or
- (i) both are associated within the meaning of any of clauses (a) to (h) with the same person.

(5) Notwithstanding subsection (4), for the purposes of this Act:

- (a) two corporations are not deemed to be associated with each other by virtue of clause (4)(i) by reason only that each is associated with the same person pursuant to clause (4)(a);
 - (b) if not more than 10,000 voting shares of Saskoil are held by a person as a shareholder or beneficial owner, he or she is not associated with any other person and no other person is associated with him or her in relation to those shares;
 - (c) if one shareholder who is associated with another shareholder pursuant to subsection (4) submits to Saskoil a statutory declaration:
 - (i) stating that none of the voting shares held by him or her or to be held by him or her are or will be, to his or her knowledge, held in right of, or for the use or benefit of, himself or herself or any person with whom he or she is associated pursuant to subsection (4); or
 - (ii) specifying the number of voting shares of which he or she is the shareholder that:
 - (A) are not held by him or her; and
 - (B) will not to his or her knowledge be held by him or her;
- in right of, or for the use or benefit of, any person with whom he or she is associated pursuant to subsection (4);

then neither shareholder is associated with the other in relation to those shares as long as the shares from time to time held by the shareholder who made the declaration are not held contrary to the statements made in the declaration.

(6) Notwithstanding subsections (4) and (5), the board may by resolution declare that two or more persons are associated for the purposes of this Act where the board is satisfied that:

- (a) those persons are parties to an agreement or arrangement under which they act in concert with respect to their interests in Saskoil; or
- (b) those persons have been and are continuing to act in concert with respect to their interests in Saskoil.

(7) For the purposes of this Act, if a share of Saskoil is held jointly and one or more of the joint holders is a non-resident, the share is deemed to be held by a non-resident.

(8) For the purposes of this Act, if a person who was at any time a resident becomes a non-resident, any shares of Saskoil acquired by that person while he or she was a resident and held by him or her while he or she is a non-resident are deemed to be shares held for the use or benefit of a non-resident.

(9) In determining the order of registration of voting shares in the securities register of Saskoil for the purposes of subsections 7(8), 8(9) and 9(2), if a person who was a resident of Canada becomes a non-resident at a time when that person holds or is the beneficial owner of voting shares, those voting shares are deemed to have been registered in the securities register of Saskoil on the date on which the former resident of Canada becomes a non-resident.

1984-85-86, c.S-32.1, s.2; 1992, c.76, s.3.

PART II

Saskatchewan Oil and Gas Corporation

Saskoil continued

3(1) In this section, “**Director**” means the Director appointed pursuant to *The Business Corporations Act*.

(2) Saskoil is continued under *The Business Corporations Act*, effective on the day that this Act comes into force, as a corporation to which that Act applies as if it had been incorporated under that Act, having as its articles of incorporation the articles of continuance set forth in the Appendix.

(3) Saskoil shall file with the Director:

- (a) a copy of the articles of continuance mentioned in subsection (2); and
- (b) a notice of registered office and a notice of directors in the form prescribed pursuant to *The Business Corporations Act*;

executed by any officer or director of Saskoil.

(4) On the filing of the articles of continuance and the notice of registered office and the notice of directors pursuant to subsection (3), the Director shall issue to Saskoil a certificate of continuance dated as at the day that this Act comes into force.

(5) The certificate of continuance issued pursuant to subsection (4) is deemed to be the certificate of incorporation of Saskoil.

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(6) On and after the continuance of Saskoil under *The Business Corporations Act* pursuant to this section and notwithstanding any provision in *The Saskatchewan Oil and Gas Corporation Act*, as that Act existed before the coming into force of this Act:

- (a) Saskoil is deemed to have always owned, does own and will continue to own all property, whether real or personal, acquired, administered, possessed or received by Saskoil prior to the continuance and not disposed of prior to the continuance and all of the property so owned is deemed, for all purposes, both at law and in equity, to have always been the property of Saskoil;
 - (b) Saskoil is deemed for all purposes to have always been bound by and entitled to the benefits of all contracts entered into by it prior to the continuance and is, and continues to be, bound by and entitled to the benefits of those contracts;
 - (c) Saskoil is deemed for all purposes to have always incurred on its own behalf all obligations, expenditures, costs and liabilities of whatever nature incurred by it prior to the continuance, and is, and continues to be, responsible and liable for all those obligations, expenditures, costs and liabilities;
 - (d) an existing cause of action, claim or liability to prosecution with respect to Saskoil is not affected by the continuance;
 - (e) a civil, criminal or administrative action or proceeding pending by or against Saskoil may be continued to be prosecuted by or against Saskoil; and
 - (f) a conviction against, or ruling, order or judgment in favour of or against, Saskoil may be enforced by or against Saskoil.
- (7) Notwithstanding *The Crown Corporations Act, 1978*:
- (a) on the date this Act comes into force, the advances made before the coming into force of this Act to Saskoil by the Crown Investments Corporation of Saskatchewan in the aggregate amount of \$145,500,000 are:
 - (i) to the extent of \$145,499,100 converted to a loan to Saskoil, which is repayable on demand without interest; and
 - (ii) to the extent of the balance of the advances of \$900 converted to an equity investment in the share capital of Saskoil to be represented by 100 fully paid common shares of Saskoil of which the Crown Investments Corporation of Saskatchewan is to be the holder on the continuance of Saskoil under *The Business Corporations Act* as provided in subsection (2); and
 - (b) the Crown Investments Corporation of Saskatchewan and Saskoil shall agree, within 30 days of the coming into force of this Act, to convert the loan of \$145,499,100 mentioned in clause (a) into fully paid common shares of Saskoil on those terms and conditions that are approved by the Lieutenant Governor in Council.
- (8) Saskoil may use the name "Saskoil" in place of its corporate name and, when used, Saskoil has the same force and effect as its corporate name.
- (9) Saskoil may not apply for continuance in another jurisdiction.

- (10) The head office of Saskoil is to be in Saskatchewan.
- (11) Saskoil may not sell, lease or exchange all or substantially all of its property.
- (12) Subject to provisions of this Act, *The Business Corporations Act* applies to Saskoil.

1984-85-86, c.S-32.1, s.3.

Saskoil not an agent of Her Majesty

- 4 Saskoil is not an agent of Her Majesty in right of Saskatchewan.

1984-85-86, c.S-32.1, s.4.

Directors

- 5(1) At least 50% of the directors of Saskoil are to be residents of Saskatchewan.
- (2) Notwithstanding subsection (1), if, as a result of a vacancy on the board or of a director ceasing to be a resident of Saskatchewan, fewer than 50% of the directors are residents of Saskatchewan, the directors then in office may continue to exercise all the powers of directors and all proceedings of the board are valid until the next annual general meeting at which directors are elected.

1992, c.76, s.4.

Requirements on share issue

- 6(1) Within 60 days of the issue of any of its voting shares of any class, Saskoil shall notify the minister in writing of the number and class of the voting shares so issued.
- (2) Saskoil shall cause each share certificate issued with respect to its voting shares to contain a legible statement that this Act applies to the voting shares.
- (3) No more than five shares of Saskoil are to form the subject matter of any options to purchase shares of Saskoil given to officers of Saskoil in conjunction with any distribution to the public of shares of Saskoil.
- (4) In the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49% of its shares to a person other than Her Majesty in right of Saskatchewan or an agent of Her Majesty in right of Saskatchewan.

1984-85-86, c.S-32.1, s.6.

PART III

Conditions Relating to Voting Shares

Limitations on non-resident share holdings

- 7(1) Non-residents other than Canadian citizens shall not hold, in the aggregate, as shareholders, beneficial owners or partly as shareholders and partly as beneficial owners, other than by pledge, hypothecation, mortgage or other form of security for indebtedness or other obligation, voting shares to which are attached more than 35% of the total number of votes attached to the issued and outstanding voting shares.

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(2) In the case of the subscription for shares of Saskoil pursuant to an offer of voting shares by way of:

- (a) rights granted by Saskoil to holders of its voting shares to purchase additional voting shares; or
- (b) a distribution of voting shares to the public;

Saskoil may count all the voting shares included in the offer as voting shares issued and outstanding.

(3) The validity of a transfer of voting shares that has been made or recorded in the securities register of Saskoil or the validity of the issuance of voting shares is not affected by the holding of the shares in contravention of this section.

(4) If two or more persons hold the same voting shares as shareholders or as beneficial owners, each of those persons is deemed to be the sole holder of those shares for the purpose of subsection (1).

(5) For the purposes of this Act, the percentage limit mentioned in subsection (1) does not apply to a person acting as an underwriter in connection with a distribution of voting shares during the period commencing on the commencement date of that distribution and ending 150 days after the commencement date of that distribution.

(6) For the purposes of subsections (2) and (5):

- (a) **“distribution”** means a distribution as defined in *The Securities Act, 1988*;
- (b) **“underwriter”** means an underwriter as defined in *The Securities Act, 1988*.

(7) A shareholder is deemed not to be the holder of shares for the purpose of determining whether this section has been contravened if the shareholder submits to Saskoil a statutory declaration:

- (a) stating that, with respect to voting shares of which he or she is the shareholder, he or she holds those shares in right of, or for the use or benefit of, another person with whom he or she is not associated; and
- (b) showing the name and address of that other person and the number of shares so held.

(8) For the purposes of this Act, if there is a contravention of the percentage limit prescribed in subsection (1), the voting shares in excess of that percentage limit shall be determined based on the order inverse to the order of registration of the shares in the securities register of Saskoil.

1992, c.76, s.5.

Limitation on holding of voting shares

8(1) Subject to subsections (2), (2.1) and (6):

- (a) no one person shall hold, as a shareholder or beneficial owner or partly as a shareholder and partly as a beneficial owner; and

- (b) no group of associated persons shall hold, as shareholders or beneficial owners or partly as shareholders and partly as beneficial owners;

other than by pledge, hypothecation, mortgage or other form of security for indebtedness or other obligation, voting shares to which are attached more than 10% of the total number of votes attached to the issued and outstanding voting shares.

(2) For the purposes of this Act, the percentage limit mentioned in subsection (1) does not apply to Her Majesty in right of Saskatchewan with respect to any voting shares held by Her Majesty or to any agent of Her Majesty in right of Saskatchewan with respect to any voting shares held by that agent.

(2.1) Subject to subsection 10(1.2), for the purposes of this Act, the percentage limit mentioned in subsection (1) does not apply, for the period of time prescribed by the board, with respect to voting shares acquired by a person or group of persons who:

- (a) is or are designated by the board; and
- (b) acquires or acquire the voting shares:
 - (i) in connection with a merger, amalgamation or reorganization of Saskoil or any subsidiary of Saskoil;
 - (ii) in the course of an acquisition made by Saskoil or any subsidiary of Saskoil; or
 - (iii) as part of a financing arrangement in connection with an acquisition by Saskoil or any subsidiary of Saskoil.

(3) In the case of the subscription for shares of Saskoil pursuant to an offer of voting shares by way of:

- (a) rights granted by Saskoil to holders of its voting shares to purchase additional voting shares; or
- (b) a distribution of voting shares to the public;

Saskoil may count all the voting shares included in the offer as voting shares issued and outstanding.

(4) The validity of a transfer of voting shares that has been made or recorded in the securities register of Saskoil or the validity of the issuance of voting shares is not affected by the holding of the shares in contravention of this section.

(5) If two or more persons hold the same voting shares as shareholders or as beneficial owners, each of those persons is deemed to be the sole holder of those shares for the purpose of subsection (1).

(6) For the purposes of this Act, the percentage limit mentioned in subsection (1) does not apply to a person acting as an underwriter in connection with a distribution of voting shares during the period commencing on the commencement date of that distribution and ending 150 days after the commencement date of that distribution.

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(7) For the purposes of subsections (3) and (6):

(a) **“distribution”** means a distribution as defined in *The Securities Act, 1988*;

(b) **“underwriter”** means an underwriter as defined in *The Securities Act, 1988*.

(8) A shareholder is deemed not to be the holder of shares for the purpose of determining whether this section has been contravened if the shareholder submits to Saskoil a statutory declaration:

(a) stating that, with respect to voting shares of which he or she is the shareholder, he or she holds those shares in right of, or for the use or benefit of, another person with whom he or she is not associated; and

(b) showing the name and address of that other person and the number of shares so held.

(9) For the purposes of this Act, if there is a contravention of the percentage limit prescribed in subsection (1), the voting shares in excess of that percentage limit shall be determined based on the order inverse to the order of registration of the shares in the securities register of Saskoil.

1984-85-86, c.S-32.1, s.8; 1992, c.76, s.6.

Prohibition re dividends on certain voting shares

9(1) When voting shares are held in contravention of subsection 8(1), Saskoil shall not pay any dividends with respect to any of those voting shares.

(1.1) When voting shares are held in contravention of subsection 7(1), Saskoil shall not pay any dividends with respect to any of those voting shares in excess of the percentage limit mentioned in that subsection.

(2) Notwithstanding subsection (1), if:

(a) voting shares are held in contravention of subsection 8(1) by two or more associated persons; and

(b) the contravention was, in the opinion of Saskoil, inadvertently caused by the acquisition of voting shares by one or more of those persons in circumstances where the person or persons who acquired the voting shares did not know:

(i) of the association; or

(ii) that the acquisition would result in the contravention;

Saskoil may pay dividends only with respect to the number of voting shares not in excess of the percentage limit mentioned in subsection 8(1), and the voting shares in excess of that percentage limit shall be determined based on the order inverse to the order of registration of the shares in the securities register of Saskoil.

(3) Notwithstanding subsections (1), (1.1) and (2), the board may authorize the payment of dividends with respect to any voting shares to a shareholder who would otherwise be disentitled to them pursuant to that subsection if the board is of the opinion that:

- (a) the contravention was inadvertent or is of a technical nature; or
- (b) it would be inequitable not to pay dividends to the shareholder.

(4) If dividends are paid by Saskoil with respect to voting shares in contravention of this section, Saskoil may by action recover the amount of the dividends so paid from the shareholders to whom they were paid whether or not Saskoil had knowledge of the contravention of this section.

1984-85-86, c.S-32.1, s.9; 1992, c.76, s.7.

Prohibition re voting

10(1) If a person or the members of any group of associated persons hold, as shareholders, beneficial owners or partly as shareholders and partly as beneficial owners, a number of voting shares in contravention of subsection 8(1), no person shall exercise the voting rights attached to any of those voting shares so held.

(1.1) If non-residents hold, in the aggregate, voting shares in contravention of subsection 7(1), no person shall exercise the voting rights attached to any of those voting shares in excess of the percentage limit mentioned in that subsection.

(1.2) No person or group of persons described in subsection 8(2.1) shall exercise voting rights attached to those voting shares that are held by that person or group of persons in excess of the percentage limit mentioned in subsection 8(1).

(2) If voting rights are exercised in contravention of this section at a meeting of the shareholders of Saskoil, the vote or other proceedings at that meeting are not affected by reason of the exercise of the voting rights in contravention of this section.

1984-85-86, c.S-32.1, s.10; 1992, c.76, s.8.

11 Repealed. 1992, c.76, s.9.

Request for information

12(1) A shareholder of Saskoil shall, on the written request of the board given in accordance with subsection (2) and the bylaws, submit a statutory declaration to Saskoil with respect to:

- (a) his or her beneficial ownership of any shares of Saskoil;
- (b) the identity of the beneficial owner of all or any of the voting shares of which he or she is a holder;
- (c) whether or not he or she is a Canadian citizen or a resident of Canada;
- (d) whether or not the person in whose right or for whose use or benefit the voting shares are held is a Canadian citizen or a resident of Canada;
- (e) if the shareholder is a corporation, trust or government, information establishing that it is a resident of Canada;

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- (f) whether he or she is associated with any other person; and
 - (g) any other matter that the board considers relevant for the purposes of determining whether the voting shares held by the shareholder or persons associated with the shareholder are held in contravention of subsection 7(1) or 8(1), whether dividends have been paid in contravention of subsection 9(1) or (1.1), or whether voting rights have been exercised in contravention of subsection 10(1), (1.1) or (1.2).
- (2) A request pursuant to subsection (1):
 - (a) may be given by registered mail or personal service; and
 - (b) is to prescribe the period following the giving of the request, being not less than 30 days, within which the request is to be complied with.
- (3) When:
 - (a) a statutory declaration has been requested pursuant to this section by the board from a shareholder; and
 - (b) the shareholder fails or neglects to submit to the board a declaration satisfactory to the board within the time prescribed in the written request;

until a declaration satisfactory to the board has been submitted to it, sections 9, 10 and 13 apply to those voting shares as though they were voting shares held in contravention of subsection 7(1) or 8(1).
- (4) It is a condition of every transfer of a voting share to be made or recorded in the securities register of Saskoil and of the issue of any share of Saskoil that the transferee or purchaser shall, at the request of the board, submit to the board a declaration to the like effect as the declaration that may be requested by the board pursuant to subsection (1).
- (5) When the board has requested a statutory declaration pursuant to subsection (4), the board shall not with respect to the person who is required to submit the statutory declaration accept any offer to purchase a voting share or allow any transfer to be made or recorded in the securities register of Saskoil unless:
 - (a) the declaration has been submitted to the board; and
 - (b) it appears to the board from the declaration that the purchaser or transferee would not, by the acceptance of the offer to purchase the shares being purchased or the entry in the securities register of the voting shares being transferred, hold those shares in contravention of subsection 7(1) or 8(1).
- (6) When, in the case of the issue or transfer of any voting shares, it appears that the number of voting shares that would be held by the purchaser or the transferee, as shown by the securities register of Saskoil, would not be more than 10,000 voting shares if the offer to purchase were accepted or the transfer allowed, the board is entitled to assume that:
 - (a) the purchaser or transferee is not and will not be associated with any other person; and

- (b) unless the address to be recorded in the securities register for the purchaser or transferee is outside Canada, the voting shares will not be held in contravention of subsection 7(1).
- (7) The board may establish reasonable presumptions, procedures and rules not inconsistent with this Act for the purpose of implementing sections 7, 8, 9 and 10 according to their intent.

1984-85-86, c.S-32.1, s.12; 1992, c.76, s.10.

Judicial remedies

13 A judge of Her Majesty's Court of Queen's Bench for Saskatchewan may, on the application of a shareholder or beneficial owner of a share of Saskoil, make an order of any or all of the following kinds:

- (a) an order directing Saskoil to commence and diligently prosecute an action pursuant to subsection 9(4);
- (b) an order giving directions respecting:
 - (i) an election of the members of the board; and
 - (ii) the term of office of the members of the board elected at that election;

if the court is satisfied that all or a majority of the existing board were elected at an election at which voting rights were exercised in contravention of subsection 10(1), (1.1) or (1.2).

1992, c.76, s.11.

Reliance on statements, rules and knowledge

14(1) Saskoil and any of its directors, officers, employees or agents may rely on any statement made in any declaration submitted pursuant to section 12, any determination made in good faith by any of them in accordance with any presumption, procedure or rule established pursuant to subsection 12(7) or the knowledge of any of its directors, officers, employees or agents in determining, for the purposes of this Act:

- (a) whether any voting shares are held in contravention of subsection 7(1) or 8(1);
- (b) whether any dividends have been paid in contravention of subsection 9(1) or (1.1);
- (c) whether any voting rights were exercised in contravention of subsection 10(1), (1.1) or (1.2);
- (d) whether a person is associated with any other person;
- (e) whether a person is a resident of Canada;
- (f) whether an individual is a citizen of Canada; or
- (g) any other circumstances relevant to the implementation by Saskoil or the board of sections 7, 8, 9 and 10 according to their intent.

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(2) Saskoil and its directors, officers, employees or agents are not liable in an action for anything done or omitted to be done by them in good faith as a result of any conclusions made by them on the basis of those statements, those determinations or that knowledge mentioned in subsection (1).

1992, c.76, s.12.

Ruling by board

15 On the written application to it by any shareholder, beneficial owner of a voting share or other person that the board considers interested in the matter, the board may make a ruling on whether:

- (a) any person or group of associated persons holds voting shares in contravention of subsection 7(1) or 8(1); or
- (b) subsection 10(1), (1.1) or (1.2) applies to any person or group of associated persons;

and the board is bound by a ruling so made unless the applicant did not disclose to the board a fact that is, in the opinion of the board, material in making its ruling or unless there is a subsequent change of circumstances that is, in the opinion of the board, material.

1984-85-86, c.S-32.1, s.15; 1992, c.76, s.13.

PART IV Province of Saskatchewan

16 Repealed. 1992, c.76, s.14.

Appointment to board by minister

17(1) In lieu of voting the shares of Saskoil held by Her Majesty the Queen in right of Saskatchewan and any of Her agents on any resolution electing members of the board, the Lieutenant Governor in Council may annually appoint to the board a number of members equal to the product of:

- (a) the number of members of the board exclusive of any directors to be appointed pursuant to subsection (2.1); and
- (b) the quotient equal to the number of voting shares held by Her Majesty the Queen in right of Saskatchewan and any of Her agents as at the date of notification by Saskoil of the date of its annual general meeting pursuant to subsection (4) divided by the total number of voting shares issued and outstanding at that date.

(2) The product calculated pursuant to subsection (1) is to be rounded to the nearest whole number.

(2.1) The Lieutenant Governor in Council may appoint one member to the board if, on the date of notification by Saskoil of the date of its annual general meeting pursuant to subsection (4), Her Majesty the Queen in right of Saskatchewan and Her agents hold in the aggregate less than 20% of the voting shares.

(2.2) The right of the Lieutenant Governor in Council to appoint a member to the board pursuant to subsection (2.1) does not in any manner derogate from or otherwise affect the right of the Lieutenant Governor in Council to appoint members to the board pursuant to subsection (1).

(3) The Lieutenant Governor in Council shall make an appointment pursuant to subsection (1) or (2.1) by delivering a written notice to Saskoil at least 60 days before the date of the annual general meeting of Saskoil.

(4) Saskoil shall notify the minister of the date of its annual general meeting at least 90 days in advance of the meeting.

(5) If a director appointed to the board pursuant to this section dies, resigns or otherwise becomes incapable of carrying out his duties, the Lieutenant Governor in Council may appoint a person to replace that director.

(6) The Lieutenant Governor in Council shall make an appointment pursuant to subsection (5) within 60 days of the date of the vacancy and, where the Lieutenant Governor in Council fails to do so, the vacancy may be filled in the manner prescribed in the bylaws.

(7) Directors appointed pursuant to this section cease to hold office, unless reappointed for a further term, at the time the directors elected at the next annual general meeting assume office.

1984-85-86, c.S-32.1, s.17; 1992, c.76, s.15.

PART V General

Regulations

18 The Lieutenant Governor in Council may make regulations prescribing any matter or thing necessary or advisable for carrying out the intent and purposes of this Act.

1984-85-86, c.S-32.1, s.18.

Superannuation plans

19(1) Saskoil may establish and support any:

- (a) pension fund;
- (b) group insurance plan; and
- (c) pension or superannuation agreement;

for the benefit of its employees.

(2) Notwithstanding *The Crown Corporations Act, 1978*, any:

- (a) pension fund;
- (b) group insurance plan; and
- (c) pension or superannuation agreement;

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established or supported by Saskoil prior to the coming into force of this Act for the benefit of those persons who were employees of Saskoil on the day before the coming into force of this Act is hereby continued and may be administered until July 1, 1987 by the Crown Investments Corporation of Saskatchewan pursuant to clause 24(1)(m) of that Act as part of a scheme established by the Crown Investments Corporation of Saskatchewan for the superannuation of employees of departments, boards, commissions, agencies, offices or Crown corporations of the Province of Saskatchewan.

(3) For the purposes of subsection (2), the Crown Investments Corporation of Saskatchewan may make and receive contributions that may be agreed on for the benefit of those persons who were employees of Saskoil on the day before the coming into force of this Act for the administration of the scheme mentioned in subsection (2).

1984-85-86, c.S-32.1, s.19.

Act to prevail

20 If there is any conflict between this Act and:

- (a) *The Business Corporations Act* as it applies to Saskoil;
- (b) the articles; or
- (c) the bylaws;

this Act prevails.

1984-85-86, c.S-32.1, s.20.

Crown bound

21 The Crown is bound by this Act.

1984-85-86, c.S-32.1, s.21.

R.S.S. 1978, c.S-32 repealed

22 *The Saskatchewan Oil and Gas Corporation Act* is repealed.

1984-85-86, c.S-32.1, s.22.

APPENDIX
PROVINCE OF SASKATCHEWAN
ARTICLES OF CONTINUANCE

1. Name of Corporation:
SASKATCHEWAN OIL AND GAS CORPORATION
 2. The municipality in which the registered office is to be situated:
City of Regina
 3. The class and any maximum number of shares that the Corporation is authorized to issue:
The annexed Schedule 1 is incorporated in this form
 4. Restrictions, if any, on share transfers:
There shall be no restrictions upon the transfer of shares
 5. Number (or minimum and maximum number) of directors:
There shall be not less than 6 nor more than 18 directors, as determined by the directors from time to time
 6. Restrictions, if any, on business the Corporation may carry on:
There are no restrictions on the business which the Corporation may carry on.
 7. Other provisions:
The provisions of *The Saskatchewan Oil and Gas Corporation Act, 1985*, shall apply to the Corporation:
- | <u>Date</u> | <u>Name</u> | <u>Office Held</u> | <u>Signature</u> |
|-------------|-------------|--------------------|------------------|
|-------------|-------------|--------------------|------------------|

SCHEDULE I
TO THE
ARTICLES OF CONTINUANCE
SASKATCHEWAN OIL AND GAS CORPORATION

SECTION A
AUTHORIZED CAPITAL

The Corporation is authorized to issue:

- (a) an unlimited number of First Preferred Shares issuable in series;
- (b) an unlimited number of Second Preferred Shares issuable in series; and
- (c) an unlimited number of Common Shares.

SECTION B
FIRST PREFERRED SHARES AS A CLASS

The First Preferred Shares shall, as a class, carry and be subject to the following rights, privileges, restrictions and conditions:

1. Directors' Rights to Issue in One or More Series

The directors of the Corporation may at any time and from time to time issue the First Preferred Shares in one or more series, each series to consist of such number of shares as may before issuance thereof be determined by the directors.

2. Directors to Fix Terms of Each Series

The directors of the Corporation may (subject as hereinafter provided) from time to time fix before issuance the designation, rights, privileges, restrictions and conditions to attach to the First Preferred Shares of each series including, without limiting the generality of the foregoing, the rate of dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption, voting rights and conversion rights (if any), and any other provisions attaching to the First Preferred Shares of such series.

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3. Ranking of First Preferred Shares

The First Preferred Shares of each series shall rank on a parity with the First Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

4. Priority of First Preferred Shares

The First Preferred Shares shall be entitled to preference over the Second Preferred Shares and the Common Shares of the Corporation and any other shares of the Corporation ranking junior to the First Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs and may also be given such other preferences over the Second Preferred Shares and the Common Shares of the Corporation and any other shares of the Corporation ranking junior to the First Preferred Shares as may be fixed by the directors of the Corporation as to the respective series authorized to be issued.

5. Participation in Unpaid Amounts

When any dividends or amounts payable on a return of capital are not paid in full, the First Preferred Shares of all series shall participate rateably in respect of such dividends including accumulations, if any, in accordance with the sums which would be payable on the First Preferred Shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums which would be payable on such return of capital if all sums so payable were paid in full.

6. Voting Rights

Except as required by law the holders of the First Preferred Shares shall as a class not be entitled to receive notice of or attend any meeting of the shareholders of the Corporation and shall not be entitled to any vote at any such meeting, provided that First Preferred Shares of any series may be entitled to receive notice of or attend any meeting of the shareholders of the Corporation and may be entitled to vote at any such meetings as may be specified in the rights, privileges, restrictions and conditions attaching to the First Preferred Shares of such series as set forth in the articles of amendment relating to such series.

7. Amendment of Class Rights

The class provisions attaching to the First Preferred Shares may be amended with the prior approval of the holders of the First Preferred Shares as a class given in writing by all holders of the First Preferred Shares outstanding or by at least two-thirds of the votes cast at a meeting or adjourned meeting of the holders of such shares duly called for that purpose and at which a quorum is present.

8. Restriction on Further Issuances

The Corporation shall not create or issue any shares ranking on a parity with or in priority to the First Preferred Shares with respect to payment of dividends or distribution of assets in the event of a liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, without the prior approval of the holders of the outstanding First Preferred Shares given as a class.

SECTION C

SECOND PREFERRED SHARES AS A CLASS

The Second Preferred Shares shall, as a class, carry and be subject to the following rights, privileges, restrictions and conditions:

1. Directors' Rights to Issue in One or More Series

The Directors of the Corporation may at any time and from time to time issue the Second Preferred Shares in one or more series, each series to consist of such number of shares as may before issuance thereof be determined by the directors.

2. Directors to Fix Terms of Each Series

The directors of the Corporation may (subject as hereinafter provided) from time to time fix before issuance the designation, rights, privileges, restrictions and conditions to attach to the Second Preferred Shares of each series including, without limiting the generality of the foregoing, the rate of dividends, the dates of payment thereof, the redemption price and terms and conditions of redemption, voting rights and conversion rights (if any) and any other provisions attaching to the Second Preferred Shares of such series.

3. Ranking of Second Preferred Shares

The Second Preferred Shares of each series shall rank on a parity with the Second Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

4. Priority of Second Preferred Shares

The Second Preferred Shares shall be entitled to preference over the Common Shares of the Corporation and any other shares of the Corporation ranking junior to the Second Preferred Shares with respect to the payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs and may also be given such other preferences not inconsistent with the provisions of Section B hereof, over any other shares of the Corporation as may be fixed by the directors of the Corporation as to the respective series authorized to be issued.

5. Participation in Unpaid Amounts

When any dividends or amounts payable on a return of capital are not paid in full, the Second Preferred Shares of all series shall participate rateably in respect of such dividends including accumulations, if any, in accordance with the sums which would be payable on the Second Preferred Shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums which would be payable on such return of capital if all sums so payable were paid in full.

6. Voting Rights

Except as required by law the holders of the Second Preferred Shares shall not be entitled to receive notice of or attend any meeting of the shareholders of the Corporation and shall not be entitled to any vote at any such meeting, provided that Second Preferred Shares of any series may be entitled to receive notice of or attend any meeting of the shareholders of the Corporation and may be entitled to vote at any such meetings as may be specified in the rights, privileges, restrictions and conditions attaching to the Second Preferred Shares of such series as set forth in the articles of amendment relating to such series.

7. Amendment of Class Rights

The class provisions attaching to the Second Preferred Shares may be amended with the prior approval of the holders of the Second Preferred Shares as a class given in writing by all holders of the Second Preferred Shares outstanding or by at least two-thirds of the votes cast at a meeting or adjourned meeting of the holders of such shares duly called for that purpose and at which a quorum is present.

8. Restriction on Further Issuance

The Corporation shall not create or issue any shares ranking on a parity with or in priority to the Second Preferred Shares except the First Preferred Shares with respect to payment of dividends or distribution of assets in the event of a liquidation, dissolution or winding-up of the Corporation, or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, without the prior approval of the holders of the outstanding Second Preferred Shares given as a class.

SECTION D COMMON SHARES AS A CLASS

The Common Shares shall, as a class, carry and be subject to the following rights, privileges, restrictions and conditions:

1. Voting Rights

The holders of the Common Shares shall be entitled to receive notice of, to attend and to cast one vote per Common Share held at all meetings of shareholders of the Corporation except meetings at which only holders of some other specified class or series are, at law or pursuant to the articles of the Corporation, entitled to vote.

2. Dividends

Subject to any prior rights of the holders of the First Preferred Shares and the Second Preferred Shares as to dividends, the right to receive any dividends declared by the Corporation on the Common Shares.

3. Liquidation, Dissolution or Winding-up

Subject to any prior rights of the holders of the First Preferred Shares and Second Preferred Shares, the right to receive, equally on a share-for-share basis, the remaining assets of the Corporation in the event of liquidation, dissolution, or winding-up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

