

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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**EQUAL ENERGY LTD.**

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Type: **8-K** | Act: **34** | File No.: **001-34759** | Film No.: **13852034**  
SIC: **1311** Crude petroleum & natural gas

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OKLAHOMA CITY OK 73142

Business Address

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OKLAHOMA CITY OK 73142  
(405) 242-6000

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934**

**May 13, 2013**

(Date of Report - date of earliest event reported)

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**EQUAL ENERGY LTD.**

(Exact Name of Registrant as Specified in Its Charter)

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**Oklahoma City, Ok**

(State or Other Jurisdiction of  
Incorporation or Organization)

**001-34759**

(Commission File Number)

**98-0533758**

(I.R.S. Employer  
Identification No.)

**4801 Gaillardia Pkwy, Ste 325**

(Address of Principal Executive Offices)

**73142**

(Zip Code)

**(405) 242-6000**

(Registrant's Telephone Number, Including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.**

On February 14, 2013, Dan Botterill provided notice to Equal Energy Ltd. (the "Company"), of his intention to not stand for reelection as a director at the 2013 Annual Meeting of Shareholders and his decision to step down from his position, as Chairman of the board, effective May 13, 2013.

The Board named Michael Doyle as the new Chairman of the Board effective May 13, 2013. Mr. Doyle has been member of the board since December 2007 and is Chief Executive and a principal in CanPetro International Ltd., a private company active in oil and gas production and other investments within Canada and internationally.

On February 14, 2013, Peter Carpenter provided notice to the Company of his intention to not stand for reelection as a director at the 2013 Annual Meeting of Shareholders and his decision to step down from his position, as Chairman of reserves and HSE committee, effective May 13, 2013.

The Board named Kyle Travis as the new Chairman of reserves and HSE committee effective May 13, 2013. Mr. Travis is a new board member and is President of Patriot Resources, LLC. with a 34 years of diversified experience in the oil and gas industry.

On March 13, 2013, Roger Giovanetto provided notice to the Company, of his intention to not stand for reelection as a director at the 2013 Annual Meeting of Shareholders and his decision to step down from his position as Chairman of the compensation committee, effective May 13, 2013.

The Board named Vick Dusik as the new Chairman of the compensation committee effective May 13, 2013. Mr. Dusik has been member of the board since February 2008 and is Managing Director of Imro Capital Corp., a capital provider to the renewable energy sector.

**ITEM 5.03 AMENDMENTS TO ARTICLES OF INCORPORATION OR BYLAWS; CHANGE IN FISCAL YEAR.**

On May 13, 2013, the Company's shareholders rejected the amendment and restatement to the Company's By-Law No. 1, General By-Law (the "Amendment"), which had added certain advance-notice provision to the Company's by-laws, effective January 24, 2013.

Effective May 13, 2013, following provisions added under the Amendment were removed from Division 4 of the Company's by-laws:

- (a) Nominations of persons for election as directors of Equal at any meeting of shareholders may only be made: (a) by or at the direction of the board of directors of Equal, (b) by or at the direction or request of one or more shareholders pursuant to a proposal submitted to Equal in accordance with applicable law or a requisition of meeting submitted to the directors in accordance with applicable law, or (c) by any person who, at the close of business on the date of the giving of the applicable notice and on the record date for determining shareholders entitled to vote at such meeting, is a registered holder or beneficial owner of shares that are entitled to be voted at such meeting and complies with the notice and other procedures set forth in Division 4 of the Amendment;
- (b) Subject to certain exception, any nomination to the board of directors must be in the proper written form and delivered in the manner required by the Amendment and must be received by Equal no less than 30 days and no more than 65 days prior to the annual meeting of shareholders. In the case of a special meeting of shareholders that is not also an annual meeting, nominations must be received no later than 15 days after the announcement of the special meeting; and
- (c) Notwithstanding anything to the contrary, if the management information circular for an annual meeting of shareholders nominates fewer than the number of directors to be elected at the meeting, a nominating shareholder's notice required by the Amendment will also be considered timely, but only regarding nominees for the additional directorships that are to be filled by election at such annual meeting, if it is received by the Corporate Secretary of Equal not later than the close of business on the 15th day following the date on which such management information circular was first mailed to the shareholders by Equal.

In addition, pursuant to the Amendment, the minimum quorum requirement for shareholder meetings was revised to require that the minimum quorum for shareholder meetings be, unless otherwise required by law, at least two shareholders holding shares representing not less than 25% of the shares entitled to be voted at the meeting. Prior to the Amendment and effective May 13, 2013, the minimum quorum for such meetings consist of two shareholders holding not less than 5% of the shares entitled to be voted at the meeting.

A copy of the Company' s General By-Laws is attached hereto as Exhibit 3.2.

**ITEM 5.07 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

On May 13, 2013, the Company held its Annual Meeting of Shareholders in Calgary, Canada. The following matters were submitted to a vote of shareholders and voting results were as follows:

- (1) Setting Number of Directors to be Elected at Seven: The proposal to set number of directors to be elected at seven was approved, by the following vote:

<u>Votes For</u>	<u>Votes Against</u>	<u>Abstain</u>
17,013,878	6,763,749	114,540

- (2) Election of Directors: The seven director nominees named in the Company's proxy statement were elected for a one-year term expiring in 2014 or until their successors are duly elected and qualified, by the following vote:

<u>Director Nominee</u>	<u>Votes For</u>	<u>Withheld</u>	<u>Abstain</u>	<u>Broker</u>
				<u>Non-Votes</u>
Lee Canaan	10,431,314	4,661,578	0	8,799,275
Michael Coffman	10,433,204	4,641,688	0	8,817,275
Michael Doyle	7,325,897	6,233,520	1,515,475	8,817,275
Victor Dusik	7,394,985	6,164,432	1,515,475	8,817,275
Don Klapko	6,884,143	6,675,274	1,515,475	8,817,275
Robert Wilkinson	7,389,084	6,170,333	1,515,475	8,817,275
Kyle Travis	10,416,945	4,657,947	0	8,817,275

- (3) Advisory Vote to Approve Compensation of Named Executive Officers: The Company's shareholders rejected, on a non-binding advisory basis, the 2013 compensation of the Company's named executive officers, as described in the Company's 2013 proxy statement, by the following vote:

<u>Votes For</u>	<u>Votes Against</u>	<u>Broker Non-Votes</u>
6,600,756	8,474,135	8,817,276

- (4) Advisory Vote on the Frequency of Future Advisory Votes on Executive Compensation: The Company's shareholders recommended, on a non-binding advisory basis, to hold an advisory vote on executive compensation on an annual basis, by the votes set forth in the table below:

<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>	<u>Broker Non-Votes</u>
10,795,642	156,668	3,887,227	9,052,630

Based on these results, the Company's Board of Directors has decided to hold an advisory vote on the compensation of the Company's named executive officers on an annual basis, until the next advisory vote on the frequency of stockholder votes on executive compensation.

- (5) Appointment of Independent Registered Public Accounting Firm: KPMG LLP was ratified as the auditors of the Company's financial statements for fiscal year 2013, by the following vote:

<u>Votes For</u>	<u>Votes Against</u>	<u>Broker Non-Votes</u>
19,767,846	4,102,775	21,546

- (6) Amended and Restated By-Law No. 1: The Company's shareholders rejected amended and restated by-law No. 1, by the following votes:

<u>Votes For</u>	<u>Votes Against</u>	<u>Broker Non-Votes</u>
6,657,469	8,417,422	8,817,276

- (7) Renewal of Unallocated Entitlements: The Company's shareholders rejected renewal of unallocated entitlements under its stock option plan, by the following vote:

<b>Votes For</b>	<b>Votes Against</b>	<b>Broker Non-Votes</b>
4,206,208	10,868,683	8,817,276

- (8) Share Capital Amendment to Implement Stock Dividend Program: The Company' s shareholders rejected share capital amendment to implement stock dividend program, by the following vote:

<b>Votes For</b>	<b>Votes Against</b>	<b>Broker Non-Votes</b>
7,796,083	7,286,973	8,809,111

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**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS**

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.2	By-Law Number 1, General By-Law
99.1	News release of Equal Energy Ltd, dated May 15, 2013: Equal Energy Announces Shareholder Vote Results, Names New Chairman

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 16, 2013

**EQUAL ENERGY LTD.**

By: */s/ Dell Chapman*

\_\_\_\_\_  
Name: Dell Chapman

Title: Senior Vice President, Finance



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## Index to Exhibits

<u>Exhibit No.</u>	<u>Description</u>
3.2	By-Law Number 1, General By-Law
99.1	News release of Equal Energy Ltd, dated May 15, 2013: Equal Energy Announces Shareholder Vote Results, Names New Chairman

**BY-LAW NUMBER 1  
GENERAL BY-LAW  
EQUAL ENERGY LTD.**

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**BY-LAW NUMBER 1**  
**GENERAL BY-LAW**

A by-law relating generally to the conduct of the business and affairs of

**EQUAL ENERGY LTD.**

(hereinafter called the "Corporation").

IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

**DIVISION 1**  
**INTERPRETATION**

1.1 Definitions

In the by-laws of the Corporation, unless the context otherwise specifies or requires:

- (a) "Act" means the *Business Corporations Act* of Alberta, as from time to time amended and every statute that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) "appoint" includes "elect" and vice versa;
- (c) "articles" means the articles of incorporation or continuance of the Corporation, as from time to time amended or restated;
- (d) "board" means the board of directors of the Corporation;
- (e) "business day" means a day which is not a non-business day;
- (f) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (g) "meeting of shareholders" includes an annual and a special meeting of shareholders;
- (h) "non-business day" means Saturday, Sunday and any other day that is a holiday as from time to time defined in *The Interpretation Act* of Alberta;
- (i) "Regulations" means the regulations under the Act as published or from time to time amended and every regulation that may be substituted therefore and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefore in the new regulations;
- (j) "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by virtue of section 3.1 of this by-law or by a resolution passed pursuant thereto; and

- 
- (k) “special meeting of shareholders” means a meeting of any particular class or classes of shareholders and a meeting of all shareholders entitled to vote at any annual meeting of shareholders at which special business is to be transacted.

Save as aforesaid, all terms which are contained in the by-laws of the Corporation and which are defined in the Act or the Regulations shall, unless the context otherwise specifies or requires, have the meanings given to such terms in the Act or the Regulations. Words importing the singular number include the plural and vice versa; the masculine shall include the feminine; and the word “person” shall include an individual, partnership, association, body corporate, body politic, trustee, executor, administrator and legal representative.

Headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

## **DIVISION 2 BANKING AND SECURITIES**

### **2.1 Banking Arrangements**

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

### **2.2 Voting Rights in Other Bodies Corporate**

The signing officers of the Corporation may execute and deliver instruments of proxy and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of such voting certificates or evidence of the right to exercise such voting rights. In addition, the board, or failing the board, the signing officers of the Corporation, may direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

## **DIVISION 3 EXECUTION OF INSTRUMENTS**

### **3.1 Authorized Signing Officers**

Unless otherwise authorized by the board, deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any two of the president, chairman of the board, managing director, any vice-president, any director, secretary, treasurer, any assistant secretary or any assistant treasurer or any other office created by by-law or by the board; provided that if the Corporation only has one director, that director alone may sign any instruments on behalf of the Corporation. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same, but no instrument is invalid merely because the corporate seal is not affixed thereto.

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### 3.2 Cheques, Drafts and Notes

All cheques, drafts or orders for the payment of money and all notes and acceptances and bills of exchange shall be signed by such officer or person or persons, whether or not officers of the Corporation, and in such manner as the board may from time to time designate by resolution.

## **DIVISION 4 DIRECTORS**

### 4.1 Number

The board shall consist of such number of directors as is fixed by the articles or where the articles specify a variable number, shall consist of such number of directors as is not less than the minimum nor more than the maximum number of directors provided in the articles and as shall be fixed from time to time by resolution of the shareholders.

### 4.2 Election and Term

Subject to the articles or a unanimous shareholder agreement, the election of directors shall take place at each annual meeting of shareholders and all of the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall, subject to the articles or a unanimous shareholder agreement, be the number of directors then in office, or the number of directors whose terms of office expire at the meeting, as the case may be, except that, if cumulative voting is not required by the articles and the articles otherwise permit, the shareholders may resolve to elect some other number of directors. Where the shareholders adopt an amendment to the articles to increase the number or minimum number of directors, the shareholders may, at the meeting at which they adopt the amendment, elect the additional number of directors authorized by the amendment. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected. If the articles so provide and subject to the Act, the board may, between annual general meetings, appoint one or more additional directors to serve until the next annual general meeting.

### 4.3 Removal of Directors

Subject to the Act and the articles, the shareholders may by ordinary resolution passed at a special meeting remove any director from office, except a director elected by employees or creditors pursuant to the articles or a unanimous shareholder agreement, and the vacancy created by such removal may be filled at the same meeting, failing which it may be filled by the board. However, if the articles provide for cumulative voting, no director shall be removed pursuant to this section where the votes cast against the resolution for his removal would, if cumulatively voted at an election of the full board, be sufficient to elect one or more directors.

### 4.4 Consent

A person who is elected or appointed a director is not a director unless:

- (a) he was present at the meeting when he was elected or appointed and did not refuse to act as a director, or
- (b) if he was not present at the meeting when he was elected or appointed:
  - (i) he consented in writing to act as a director before his election or appointment or within ten (10) days after it, or
  - (ii) he has acted as a director pursuant to the election or appointment.



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#### 4.5 Vacation of Office

A director of the Corporation ceases to hold office when:

- (a) he dies or resigns;
- (b) he is removed in accordance with section 109 of the Act; or
- (c) he becomes disqualified under subsection 105(1) of the Act.

#### 4.6 Committee of Directors

The directors may appoint from among their number a managing director who is a resident Canadian or a committee of directors and delegate to such managing director or committee any of the powers of the directors. A committee may be comprised of one director.

#### 4.7 Transaction of Business of Committee

Subject to the provisions of this by-law with respect to participation in a meeting by telephone, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all of the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Alberta and may be called by any one member of the committee giving notice in accordance with the by-laws governing the calling of meetings of the board.

#### 4.8 Procedure

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

#### 4.9 Remuneration and Expenses

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

#### 4.10 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy among the directors, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure to elect the number or minimum number of directors required by the articles. If there is not a quorum of directors, or if there has been a failure to elect the number or minimum number of directors required by the articles, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

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#### 4.11 Action by the Board

Subject to any unanimous shareholder agreement, the board shall manage the business and affairs of the Corporation. Notwithstanding a vacancy among the directors, a quorum of directors may exercise all the powers of the directors. If the Corporation has only one director, that director may constitute a meeting.

### **DIVISION 5 MEETING OF DIRECTORS**

#### 5.1 Place of Meeting

Meetings of the board may be held at any place within or outside Alberta.

#### 5.2 Notice of Meeting

Unless the board has made regulations otherwise, meetings of the board may be summoned on twenty-four (24) hours' notice, given verbally or in writing, and whether by means of telephone, fax, email or any other means of communication. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) fill a vacancy among the directors or in the office of auditor;
- (c) issue securities, except in the manner and on the terms authorized by the board;
- (d) declare dividends;
- (e) purchase, redeem or otherwise acquire shares issued by the Corporation, except in the manner and on the terms authorized by the board;
- (f) pay a commission referred to in section 41 of the Act;
- (g) approve a management proxy circular referred to in Part 7 of the Act;
- (h) approve any financial statements referred to in section 155 of the Act; or
- (i) adopt, amend or repeal by-laws;

provided, however, that a director may in any manner, and either before or after the meeting, waive notice of a meeting and attendance of a director at a meeting of the board shall constitute a waiver of notice of the meeting except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

For the first meeting of the board to be held immediately following an election of directors no notice of such meeting shall be necessary, and for a meeting of the board at which a director is to be appointed to fill a vacancy in the board, no notice of such meeting shall be necessary to the newly elected or appointed director or directors in order to legally constitute the meeting, provided, in each case, that a quorum of the directors is present.

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### 5.3 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

### 5.4 Calling of the Meetings

Meetings of the board shall be held from time to time at such time and at such place as the board, the chairman of the board, the managing director, the president or any two directors may determine. Should more than one of the above-named call a meeting at or for substantially the same time, there shall be only one meeting held and such meeting shall occur at the time and place determined by, in order of priority, the board, any two directors, the chairman, or the president.

### 5.5 Regular Meetings

The board may, from time to time, appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, and forthwith to each director subsequently elected or appointed, but no other notice shall be required for any such regular meeting except where the Act or this by-law requires the purpose thereof or the business to be transacted thereat to be specified.

### 5.6 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director or president. If no such officer is present, the directors present shall choose one of their number to be chairman.

### 5.7 Quorum

Subject to the following section 5.8, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater number of directors as the board may from time to time determine.

### 5.8 25% Canadian Representation at Meetings

Directors shall not transact business at a meeting of directors unless at least 25% of the directors present are resident Canadians. Notwithstanding the foregoing, directors may transact business at a meeting of directors when less than 25% of the directors present are resident Canadians if:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Canadian directors present at the meeting, together with any resident Canadian director who gives his approval under clause (a), totals at least half of the directors present at the meeting.

### 5.9 Voting

Questions arising at any meeting of the board shall be decided by a majority of votes, and in the event of any equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

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#### 5.10 Meeting by Telephone

A director may participate in a meeting of the board or a committee of the board by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such meeting by such means is deemed to be present at the meeting.

#### 5.11 Resolution in Lieu of Meeting

Notwithstanding any of the foregoing provisions of this by-law, a resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of directors is as valid as if it had been passed at a meeting of the board or committee of directors, as the case may be. A copy of every such resolution shall be kept with the minutes of the proceedings of the directors or committee of directors. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

#### 5.12 Amendments to the Act

It is hereby affirmed that the intention of sections 4.6, 5.8 and 7.3 as they relate to Canadian representation is to comply with the minimum requirements of the Act and in the event that such minimum requirements shall be amended, deleted or replaced such that no, or lesser, requirements with respect to Canadian representation are then in force, such sections shall be deemed to be correspondingly amended, deleted or replaced without any further act of the directors or shareholders of the Corporation.

### **DIVISION 6 PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

#### 6.1 Conflict of Interest

A director or officer shall not be disqualified from his office, or be required to vacate his office, by reason only that he is a party to, or is a director or officer or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation or a subsidiary thereof. Such a director or officer shall, however, disclose the nature and extent of his interest in the contract at the time and in the manner provided by the Act. Subject to the provisions of the Act, a director shall not by reason only of his office be accountable to the Corporation or to its shareholders for any profit or gain realized from such a contract or transaction, and such contract or transaction shall not be void or voidable by reason only of the director's interest therein, provided that the required declaration and disclosure of interest is properly made, the contract or transaction is approved by the directors or shareholders, if necessary, and it was fair and reasonable to the Corporation at the time it was approved and, if required by the Act, the director refrains from voting as a director on the contract or transaction.

#### 6.2 Limitation of Liability

Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer for the time being of the Corporation shall be liable for the acts, neglects or defaults of any other director or officer or employee or for joining in any act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other

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assets belonging to the Corporation shall be placed out or invested or for any loss, conversion, misapplication or misappropriation of or any damage resulting for any dealings with any moneys, securities or other assets belonging to the Corporation or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the Regulations thereunder or from liability for any breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board.

No act or proceeding of any director or officer or the board shall be deemed invalid or ineffective by reason of the subsequent ascertainment of any irregularity in regard to such act or proceeding or the election, appointment or qualification of such director or officer or board.

### 6.3 Indemnity

Subject to section 124 of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate, if:

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

The Corporation shall also indemnify such persons in such other circumstances as the Act permits or requires. Nothing herein contained shall limit the right of any person entitled to indemnity to claim indemnity apart from the provisions of this section 6.3.

### 6.4 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in section 6.3 against any liability incurred by him:

- (a) in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or
- (b) in his capacity as a director or officer of another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

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## **DIVISION 7 OFFICERS**

### 7.1 Election or Appointment

Subject to any unanimous shareholder agreement, the board may, from time to time, appoint a chairman of the board, a president, one or more vice-presidents, a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Except for a managing director and a chairman of the board who must be directors, an officer may, but need not be, a director and one person may hold more than one office.

### 7.2 Chairman of the Board

The chairman of the board shall, when present, preside at all meetings of the board, committees of directors and at all meetings of shareholders.

If no managing director is appointed, the board may assign to the chairman of the board any of the powers and duties that, by any provision of this by-law, are assigned to the managing director; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

### 7.3 Managing Director

The managing director, if any, shall be a resident Canadian and shall have, subject to the authority of the board, general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify.

### 7.4 President

The president shall, subject to the authority of the board and the managing director, if any, have such powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office; provided, however, that unless he is a director he shall not preside as chairman at any meeting of the board or of a committee of directors.

### 7.5 Vice-President

During the absence or disability of the president, his duties shall be performed and his powers exercised by the vice-president or, if there is more than one, by the vice-president designated from time to time by the board or the president; provided, however, that a vice-president who is not a director shall not preside as chairman at any meeting of the board or of a committee of directors. A vice-president shall have such other powers and duties as the board or the president may prescribe.

### 7.6 Secretary

The secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of directors and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the

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stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer, if any, may specify.

#### 7.7 Treasurer

The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions and he shall have such other powers and duties as the board or chief executive officer, if any, or the president may specify.

#### 7.8 General Manager or Manager

If elected or appointed, the general manager shall have, subject to the authority of the board, the managing director, if any, the chief executive officer, if any, and the president, full power to manage and direct the business and affairs of the Corporation (except such matters and duties as by law must be transacted or performed by the board and/or by the shareholders) and to employ and discharge agents and employees of the Corporation and may delegate to him or them any lesser authority. A general manager or manager shall conform to all lawful orders given to him by the board and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any agent or employee appointed by a general manager or manager shall be subject to discharge by the board.

#### 7.9 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board, the managing director, if any, or the chief executive officer, if any, or the president may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer, if any, or the president otherwise directs.

#### 7.10 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

#### 7.11 Vacancies

If the office of any officer of the Corporation shall be or become vacant by reason of death, resignation, disqualification or otherwise, the board may appoint a person to fill such vacancy.

#### 7.12 Remuneration and Removal

The remuneration of all officers appointed by the board shall be determined from time to time by resolution of the board. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be determined. All officers shall be subject to removal by resolution of the board at any time, with or without cause, notwithstanding any agreement to the contrary, provided however that this right of removal shall not limit in any way such officer's right to damages by virtue of such agreement or any other rights resulting from such removal in law or equity.

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### 7.13 Agents and Attorneys

The Corporation, by or under the authority of the board, shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the power to sub-delegate) of management, administration or otherwise as may be thought fit.

### 7.14 Conflict of Interest

An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 6.1.

### 7.15 Fidelity Bonds

The board may require such officers, employees and agent of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such forms and with such surety as the board may from time to time determine.

## **DIVISION 8 SHAREHOLDERS' MEETINGS**

### 8.1 Annual Meetings

Subject to the Act, the annual meeting of shareholders shall be held at such time and on such day in each year and at such place or places as the board, the chairman of the board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors if required by the Act or the articles, and for the transaction of such other business as may properly be brought before the meeting.

### 8.2 Special Meetings

The board shall have the power to call a special meeting of shareholders at any time.

### 8.3 Place of Meetings

Meetings of shareholders shall be held as provided for in the articles or failing any reference in the articles at such place in Alberta as the board may determine.

### 8.4 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than fifty (50) days and not less than twenty-one (21) days, as a record date for the determination of shareholders entitled to notice of the meeting. If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be the close of business on the date immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

### 8.5 Notice of Meeting

Notice of the time and place of each meeting of shareholders shall be sent not less than twenty-one (21) days and not more than fifty (50) days before the meeting to each shareholder entitled to vote at the meeting, each director and the auditor of the Corporation. Such notice may be sent by mail addressed to,



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or may be delivered personally to, the shareholder, at his latest address as shown in the records of the Corporation or its transfer agent, to the director, at his latest address as shown in the records of the Corporation or in the last notice filed pursuant to section 106 or 113 of the Act, or to the auditor, at his most recent address as shown in the records of the Corporation. A notice of meeting of shareholders sent by mail to a shareholder, director or auditor in accordance with the above is deemed to be served on the day on which it was deposited in the mail. A notice of a meeting is not required to be sent to shareholders who are not registered on the records of the Corporation or its transfer agent on the record date as determined according to section 8.4 hereof. Notice of a meeting of shareholders at which special business is to be transacted shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A special meeting and an annual meeting may be convened by one and the same notice and it shall not be an objection to the notice that it only convenes the second meeting contingently on any resolution being passed by the requisite majority at the first meeting.

#### 8.6 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 8.7 hereof, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except to the extent that such person has transferred any of his shares after the record date set pursuant to section 8.4 hereof, or, if no record date is fixed, after the date on which the list referred to in section 8.7 is prepared, and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than ten (10) days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at the close of business on the record date, or if no record date is set, at the close of business on the date preceding the date notice is sent, is entered in the securities' register as the holder of one or more shares carrying the right to vote at such meeting.

#### 8.7 List of Shareholders Entitled to Notice

In the event the Corporation has greater than fifteen (15) shareholders entitled to vote at a meeting, for every meeting of shareholders the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order, and showing the number of shares held by each shareholder. If a record date for the meeting is fixed pursuant to section 8.4 hereof by the board, the shareholders listed shall be those registered at the close of business on the record date. If no record date is fixed by the board, the shareholders listed shall be those listed at the close of business on the last business day immediately preceding the day on which notice of a meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where its central securities' register is maintained and at the place where the meeting is held.

#### 8.8 Meetings Without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held; and
- (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held.

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At such meetings any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to a meeting being held at such place.

#### 8.9 Waiver of Notice

A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of a meeting of shareholders and attendance of any such person at a meeting of shareholders shall constitute a waiver of notice of the meeting except where such person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### 8.10 Chairman, Secretary and Scrutineers

The chairman of the board or, in his absence, the president, if such an officer has been elected or appointed and is present, or otherwise a vice-president who is a shareholder of the Corporation shall be chairman of any meeting of shareholders. If no such officer is present within fifteen (15) minutes from the time fixed for holding the meeting, or declines to be chairman of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

#### 8.11 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

#### 8.12 Quorum

A quorum at any meeting of shareholders (unless a greater number of persons are required to be present or a greater number of shares are required to be represented by the Act or by the articles or by any other by-law) shall be persons present not being less than two (2) in number and holding or representing not less than five (5%) per cent of the shares entitled to be voted at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of the meeting of shareholders, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business, and if at such adjourned meeting a quorum as defined above is not present, the shareholders present either personally or by proxy shall be deemed to constitute a quorum.

#### 8.13 Participation in Meeting by Telephone

A shareholder or any other person entitled to attend a meeting may participate in a meeting of shareholders by means of such telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a person participating in such a meeting by such means is deemed to be present at the meeting.

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#### 8.14 Proxyholders and Representatives

Votes at meetings of the shareholders may be given either personally or by proxy; or, in the case of a shareholder who is a body corporate or association, by an individual authorized by a resolution of the board of governing body of the body corporate or association to represent it at a meeting of shareholders of the Corporation, upon producing a certified copy of such resolution or otherwise establishing his authority to vote to the satisfaction of the secretary or the chairman.

A proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and is valid only at the meeting in respect of which it is given or any adjournment of that meeting. A person appointed by proxy need not be a shareholder.

#### 8.15 Time for Deposit of Proxies

The board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than forty-eight (48) hours exclusive of Saturdays and holidays, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time having been specified in such notice, it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

#### 8.16 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or duly represented at a meeting of shareholder may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented and vote, they shall vote as one the shares jointly held by them.

#### 8.17 Votes to Govern

Except as otherwise required by the Act, all questions proposed for the consideration of shareholders at a meeting of shareholders shall be determined by a majority of the votes cast and in the event of an equality of votes at any meeting of shareholders, either upon a show of hands or upon a ballot, the chairman shall not have a second or casting vote.

#### 8.18 Show of Hands

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of shareholders upon the said question.

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## 8.19 Ballots

On any question proposed for consideration at a meeting of shareholders, a shareholder, proxyholder or other person entitled to vote may demand and the chairman may require that a ballot be taken either before or upon the declaration of the result of any vote by show of hands. If a ballot is demanded on the election of a chairman or on the question of an adjournment it shall be taken forthwith without an adjournment. A ballot demanded or required on any other question shall be taken in such manner as the chairman shall direct. A demand or requirement for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares that he is entitled to vote at the meeting upon the question, to the number of votes as provided for by the articles or, in the absence of such provision in the articles, to one vote for each share he is entitled to vote. The result of the ballot so taken shall be the decision of the shareholders upon the question. The demand or requirement for a ballot shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the ballot has been demanded or required.

## 8.20 Adjournment

The chairman at a meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than thirty (30) days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the time of the adjournment. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given in the same manner as notice for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) days, subsection 149(1) of the Act does not apply.

## 8.21 Resolution in Lieu of a Meeting

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders; and a resolution in writing dealing with all matters required to be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at such meeting, satisfies all the requirements of the Act relating to meetings of shareholders. A copy of every such resolution in writing shall be kept with minutes of the meetings of shareholders. Any such resolution in writing is effective for all purposes at such time as the resolution states regardless of when the resolution is signed and may be signed in counterpart.

## 8.22 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or duly represented constitutes a meeting.

# **DIVISION 9 SHARES**

## 9.1 Non-Recognition of Trusts

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.

## 9.2 Certificates

The shareholder is entitled at his option to a share certificate that complies with the Act or a non-transferable written acknowledgement of his right to obtain a share certificate from the Corporation in respect of the securities of the Corporation held by him. Share certificates and acknowledgements of a shareholders' right to a share certificate, respectively, shall be in such form as described by the Act and as



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the board shall from time to time approve. A share certificate shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent or branch transfer agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on the share certificate may be printed or otherwise mechanically reproduced on it.

### 9.3 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issuance of a new share certificate or other such certificate in lieu of and upon cancellation of a certificate that has been mutilated or in substitution for a certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

### 9.4 Joint Holders

The Corporation is not required to issue more than one share certificate in respect of a share held jointly by several persons, and delivery of a certificate to one of several joint holders is sufficient delivery to all. Any one of such holders may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such certificate.

## **DIVISION 10 TRANSFER OF SECURITIES**

### 10.1 Registration of Transfer

If a share in registered form is presented for registration of transfer, the Corporation shall register the transfer if:

- (a) the share is endorsed by an appropriate person, as defined in section 64 of the Act;
- (b) reasonable assurance is given that the endorsement is genuine and effective;
- (c) the Corporation has no duty to enquire into adverse claims or has discharged any such duty;
- (d) any applicable law relating to the collection of taxes has been complied with;
- (e) the transfer is rightful or is to a bona fide purchaser; and
- (f) any fee referred to in section 49(2) of the Act has been paid.

### 10.2 Transfer Agents and Registrar

The board may from time to time by resolution appoint or remove one or more trust corporations as its agent or agents to maintain a central securities' register or registers, and an agent or agents to maintain a branch securities' register or registers. Agents so appointed may be designated as transfer agent or registrar according to their functions, and a person may be appointed and designated with functions as both registrar and transfer or branch transfer agent. Registration of the issuance or transfer of a security in the central securities' register or in a branch securities' register is complete and valid registration for all purposes.

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### 10.3 Securities' Registers

A central securities' register of the Corporation shall be kept at its registered office or at any other place in Alberta designated by the board to record the shares and other securities issued by the Corporation in registered form, showing with respect to each class or series of shares and other securities:

- (a) the names, alphabetically arranged, and the latest known address of each person who is or has been a holder;
- (b) the number of shares or other securities held by each holder; and
- (c) the date and particulars of the issuance and transfer of each share or other security.

A branch securities' register or registers may be kept either in or outside Alberta at such place or places as the board may determine. A branch securities' register shall only contain particulars of securities issued or transferred at that branch. Particulars of each issue or transfer of a security registered in a branch securities' register shall also be kept in the corresponding central securities' register.

### 10.4 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities' register in respect thereof or to make any dividend or other payments in respect thereof except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

## **DIVISION 11 DIVIDENDS AND RIGHTS**

### 11.1 Dividends

Subject to the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully-paid shares of the Corporation.

### 11.2 Dividend Cheques

A dividend payable in money shall be paid by cheque to the order of each registered holder of shares of the class or series in respect of which it has been declared and shall be mailed by prepaid ordinary mail to such registered holder at his address recorded in the Corporation's securities' register or registers or such address as such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

### 11.3 Non-Receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

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#### 11.4 Unclaimed Dividends

No dividend shall bear interest against the Corporation. Any dividend unclaimed after a period of six (6) years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

#### 11.5 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than fifty (50) days the date for the payment of any dividend, as a record date for the determination of the persons entitled to receive payment of such dividend, provided that, unless waived as provided for in the Act, notice of any such record date is given, not less than seven (7) days before such record date, by newspaper advertisement in the manner provided in the Act and by written notice to each stock exchange in Canada, if any, on which the Corporation's shares are listed for trading. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend shall be at the close of business on the day on which the resolution relating to such dividend is passed by the board.

### **DIVISION 12 INFORMATION AVAILABLE TO SHAREHOLDERS**

#### 12.1 Confidential Information

Except as provided by the Act, no shareholders shall be entitled to obtain information respecting any details or conduct of the Corporation's business which in the opinion of the directors it would be inexpedient in the interests of the Corporation to communicate to the public.

#### 12.2 Conditions of Access to Information

The directors may from time to time, subject to rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholders shall have any right to inspect any document or book or register or account record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders.

#### 12.3 Registered Office and Separate Records Office

The registered office of the Corporation shall be at a place within Alberta and at such location therein as the board may from time to time determine. The records office will be at the registered office or at such location, if any, within Alberta, as the board may from time to time determine.

### **DIVISION 13 NOTICES**

#### 13.1 Method of Giving Notices

A notice or document required by the Act, the Regulations, the articles or the by-laws to be sent to a shareholders or director of the Corporation may be sent by prepaid mail addressed to, or may be delivered personally to:

- (a) the shareholder at his latest address as shown in the records of the Corporation or its transfer agent; and
- (b) the director at his latest address as shown in the records of the Corporation or in the last notice filed under section 106 or 113.



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A notice or document sent by mail in accordance with the foregoing to a shareholder or director of the Corporation is deemed to be received by him at the time it would be delivered in the ordinary course of mail unless there are reasonable grounds for believing that the shareholders or director did not receive the notice or document at the time or at all.

### 13.2 Notice to Joint Shareholders

If two or more persons are registered as joint holders of any share, any notice may be addressed to all of such joint holders but notice addressed to one of such persons shall be sufficient notice to all of them.

### 13.3 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholders from whom he derives his title to such share prior to his name and address being entered on the securities' register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

### 13.4 Non-Receipt of Notices

If a notice or document is sent to a shareholder in accordance with section 13.1 and the notice or document is returned on three (3) consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until the shareholder informs the Corporation in writing of his new address; provided always, that in the event of the return of a notice of a shareholders' meeting mailed to a shareholder in accordance with section 13.1 the notice shall be deemed to be received by the shareholder on the date deposited in the mail notwithstanding its return.

### 13.5 Omissions and Errors

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

### 13.6 Signature on Notices

Unless otherwise specifically provided, the signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

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### 13.7 Waiver of Notice

If a notice or document is required by the Act or the Regulations, the articles, the by-laws or otherwise to be sent, the sending of the notice or document may be waived or the time for the notice or document may be waived or abridged at any time with the consent in writing of the person entitled to receive it.

## **DIVISION 14 MISCELLANEOUS**

### 14.1 Financial Assistance to Shareholders, Employees and Others

The Corporation may give financial assistance by means of a loan, guarantee or otherwise:

- (a) to any person in the ordinary course of business if the lending of money is part of the ordinary business of the Corporation;
- (b) to any person on account of expenditures incurred or to be incurred on behalf of the Corporation;
- (c) to a holding body corporate if the Corporation is a wholly-owned subsidiary of the holding body corporate;
- (d) to a subsidiary body corporate of the Corporation; or
- (e) to employees of the Corporation or any of its affiliates:
  - (i) to enable or assist them to purchase or erect living accommodation for their own occupation; or
  - (ii) in accordance with the plan for the purchase of shares of the Corporation or any of its affiliates to be held by a trustee; and, subject to the Act:
- (f) to a shareholder or director of the Corporation or of an affiliated corporation;
- (g) to an associate of a shareholder or of a director of the Corporation or of an affiliated corporation; or
- (h) to any person for the purpose of or in connection with a purchase of a share issued or to be issued by the Corporation or an affiliated corporation.

### 14.2 Severability

The invalidity or unenforceability of any provision of this by-law shall not affect the validity or enforceability of the remaining provisions of this by-law.

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MADE by the board as evidenced by the signature of the following director, effective the 8<sup>th</sup> day of April, 2010.

*"Blaine Boerchers"*

**Blaine Boerchers**

CONFIRMED by the shareholder(s) as evidenced by the signature of the following shareholder, effective the 8<sup>th</sup> day of April, 2010.

**Enterra Energy Trust**

Per: *"Blaine Boerchers"*

**Authorized Signatory**



### **Equal Energy Announces Shareholder Vote Results, Names New Chairman**

OKLAHOMA CITY, May 16, 2013 /CNW/ - Equal Energy Ltd. (NYSE:EQU) (TSX:EQU.TO) is pleased to announce the appointment of Michael Doyle as Chairman. Equal thanks Dan Botterill, the previous Chairman who did not stand for re-election and two other outgoing directors also not standing for re-election, Roger Giovanetto and Peter Carpenter, for their dedicated service.

At the Annual and Special Meeting of Shareholders, held on May 13, 2013, all seven director nominees were elected by a majority of votes cast, including four incumbents and three new directors. Shareholders voted against three proposals put forward by the company, including a bylaw amendment requiring advance notice of nominations to the Board. That bylaw, which took effect on January 24, 2013 after approval by the Board, has been repealed as a result of the vote and the minimum quorum for future shareholder meetings will revert back to two shareholders holding not less than 5% of the votes.

“The overall voting results reinforce comments we have heard that shareholders are frustrated,” said Michael Doyle, Chairman. “The message has been received and we will endeavor to respond by enhancing communications between shareholders and the Board of Directors, and by reaching out more actively to the financial community.”

#### **New Shareholder Communications Policy**

As part of the Board’s intention to provide open communication with its shareholders, Equal is developing a formal shareholder communications policy. Among other things, Equal intends to establish a new website contact form for shareholder communications with the Board on governance issues and other matters within the Board’s purview.

Equal is also considering communications initiatives such as a webcast quarterly conference call with investors to respond to questions, and an open house for investors and analysts at our Hunton property to raise Equal’s profile.

#### **Board Committees**

Below is the composition of Equal’s four regular Board committees. All members on all committees are independent as defined under both US and Canadian securities legislation.

Audit Committee - Victor Dusik (Chair), Lee Canaan, Michael Coffman

Compensation Committee - Victor Dusik (Chair), Michael Coffman, Michael Doyle

Governance and Nominating Committee - Michael Doyle (Chair), Kyle Travis, Robert Wilkinson

Reserves & HSE Committee - Kyle Travis (Chair), Lee Canaan, Robert Wilkinson

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## Vote Results for Directors

The detailed results of the vote for the election of directors are set out below.

Director	votes			
	votes for	% for	withheld	% withheld
Michael Coffman	10,433,204	69.21%	4,641,688	30.79 %
Kyle Travis	10,416,945	69.10%	4,657,947	30.90 %
Lee Canaan	10,431,314	69.08%	4,661,578	30.92 %
Victor Dusik	7,394,985	54.54%	6,164,432	45.46 %
Robert Wilkinson	7,389,084	54.49%	6,170,333	45.51 %
Michael Doyle	7,325,897	54.03%	6,233,520	45.97 %
Don Klapko	6,884,143	50.77%	6,675,274	49.23 %

## Vote Results on Other Matters

Other matters before the meeting are described more fully in the Management Information Circular dated April 9, 2013. Shareholders voted for the appointment of KPMG LLP as auditors and voted against a proposed amendment to the articles of Equal to permit a stock dividend if the Company so chooses, and against a proposal to approve the issuance of unallocated entitlements under each of Equal's Stock Option Plan and Restricted Share and Performance Plan.

A majority of shareholders voted against a non-binding advisory on executive compensation and for annual voting regarding the frequency of advisory votes on executive compensation.

Additional details of voting results for the meeting are available on the US filing system EDGAR and on the Canadian filing system SEDAR.

## About Equal Energy:

Equal Energy is an oil and gas exploration and production company based in Oklahoma City, Oklahoma. Our oil and gas assets are centered on the Hunton liquids-rich natural gas property in Oklahoma. Our shares are listed on the New York Stock Exchange and The Toronto Stock Exchange under the symbol (EQU). Our convertible debentures are listed on the Toronto Stock Exchange under the symbol EQU.DB.B.

## Forward-looking Statements:

*Certain information in this press release constitutes forward-looking statements under applicable securities law including the reduction of costs, future hedging activities, the payment of dividends and the development of a new shareholder communications policy and program. Any statements that are contained in this press release that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements are often identified by terms such as "may," "should," "anticipate," "expects," "seeks" and similar expressions.*

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*Forward-looking statements necessarily involve known and unknown risks, such as risks associated with oil and gas production; marketing and transportation; loss of markets; volatility of commodity prices; currency and interest rate fluctuations; imprecision of reserve and future production estimates; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of dispositions; inability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to income tax, environmental laws and regulatory matters. Readers are cautioned that the foregoing list of factors is not exhaustive.*

*Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated forward-looking statements contained in this press release are expressly qualified by this cautionary statement.*

*Additional information on these and other factors that could affect Equal's operations or financial results are included in Equal's reports on file with Canadian and U.S. securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)), the SEC's website ([www.sec.gov](http://www.sec.gov)), Equal's website ([www.equalenergy.ca](http://www.equalenergy.ca)) or by contacting Equal. Furthermore, the forward looking statements contained in this press release are made as of the date of this press release, and Equal does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by securities law.*

**For further information please contact:**

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