EXECUTION VERSION

ELEMENT FINANCIAL CORPORATION

- and -

BMO NESBITT BURNS INC.

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA
as Subscription Receipt Agent

SUBSCRIPTION RECEIPT AGREEMENT

Providing for the Issue of
Subscription Receipts

Dated as of May 29, 2015

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SUBSCRIPTION RECEIPT AGREEMENT

THIS AGREEMENT dated as of the 29th day of May, 2015.

BETWEEN:

ELEMENT FINANCIAL CORPORATION, a company amalgamated under the *Business Corporations Act* (Ontario)

(hereinafter called the "**Company**")

OF THE FIRST PART

- and -

BMO NESBITT BURNS INC., on its own behalf and on behalf of the other Underwriters pursuant to the Underwriting Agreement providing for the creation, issuance and sale to investors of the Subscription Receipts

(hereinafter called "**BMO**")

OF THE SECOND PART

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada and registered to carry on business in the Province of Ontario

(hereinafter called the "**Subscription Receipt Agent**")

OF THE THIRD PART

WHEREAS pursuant to the terms and conditions of an underwriting agreement dated May 22, 2015 (the "**Underwriting Agreement**") by and among BMO, Barclays Capital Canada Inc., CIBC World Markets Inc., National Bank Financial Inc., RBC Dominion Securities Inc., TD Securities Inc., Credit Suisse Securities (Canada) Inc., GMP Securities L.P., Macquarie Capital Markets Canada Ltd., Manulife Securities Incorporated, Cormark Securities Inc. and Desjardins Securities Inc. (collectively, the "**Underwriters**"), the Company proposes to create, issue and sell Subscription Receipts along with Debentures and Series G Preferred Shares (collectively the "**Offering**");

AND WHEREAS the Company is authorized to create, issue and sell the Subscription Receipts as herein provided;

AND WHEREAS all things necessary have been done and performed to make the Subscription Receipt Certificates, when certified or Authenticated by the Subscription Receipt Agent and issued and delivered as herein provided, legal, valid and binding obligations of the Company with the benefits of and subject to the terms of this Agreement;

AND WHEREAS each Subscription Receipt shall be automatically exchanged, without payment of additional consideration or any further action by the holder thereof, upon an Acquisition Closing (as hereinafter defined) forming part of the Eligible Transaction (as hereinafter defined) occurring on or before the Termination Time, for one (1) common share in the capital of the Company (each a "**Common Share**");

AND WHEREAS the Company and BMO, on behalf of the Underwriters, have agreed that:

(a) the Proceeds are to be delivered to and held by the Subscription Receipt Agent and invested in the manner set forth herein;

(b) if the Escrow Release Conditions are satisfied prior to the Termination Time: (i) the Escrowed Funds (less the remaining one-half of the Underwriters' Fee) shall be released to the Company; and (ii) the remaining one-half of the Underwriters' Fee, with Earned Interest thereon, will be released to the Underwriters;

(c) if the Acquisition Time occurs on or before the Termination Time, each Subscription Receipt will be automatically exchanged, without any further action on the part of the holder thereof and without payment of additional consideration, for one (1) Common Share; and

(d) if the Acquisition Time does not occur on or before the Termination Time, each Subscription Receipt shall be automatically terminated and cancelled and the Company will cause the Subscription Receipt Agent to deliver to each holder of Subscription Receipts the Repayment Amount less applicable withholding taxes, if any;

AND WHEREAS the foregoing recitals are made as representations by the Company and BMO, on behalf of the Underwriters, as the context provides, and not by the Subscription Receipt Agent;

AND WHEREAS the Subscription Receipt Agent has agreed to enter into this Agreement and to hold all rights, interests and benefits contained herein for and on behalf of those persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, by each of the Company, BMO and the Subscription Receipt Agent, the

Company hereby appoints the Subscription Receipt Agent as agent for the Subscription Receiptholders, to hold all rights, interests and benefits contained herein for and on behalf of those persons who from time to time become holders of Subscription Receipts issued pursuant to this Agreement, and the Company, BMO and the Subscription Receipt Agent hereby covenant, agree and declare as follows:

ARTICLE 1
INTERPRETATION

Section 1.01 Definitions

In this Agreement and in the Subscription Receipt Certificates, unless there is something in the subject matter or context inconsistent therewith:

"**1933 Act**" means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;

"**Acquisition Closing**" means the first closing of any announced transaction forming part of the Eligible Transaction;

"**Acquisition Closing Date**" means the date upon which the Company completes the Acquisition Closing;

"**Acquisition Notice**" means a written notice to the Subscription Receipt Agent in the form set out in Schedule B attached hereto executed by the Company certifying that the Escrow Release Conditions have been satisfied or waived;

"**Acquisition Time**" means the time on the Acquisition Closing Date at which the Acquisition Closing is completed;

"**Agreement**" means this agreement, as amended, supplemented or otherwise modified from time to time in accordance with the provisions hereof;

"**Authenticated**" means (a) with respect to the issuance of a Subscription Receipt Certificate, one which has been duly signed by the Company and authenticated by manual signature of an authorized officer of the Subscription Receipt Agent, (b) with respect to the issuance of an Uncertificated Subscription Receipt, one in respect of which the Subscription Receipt Agent has completed all Internal Procedures such that the particulars of such Uncertificated Subscription Receipt as required by Section 2.05 are entered in the register of holders of Subscription Receipts, but for clarity, such particulars shall not include underlying beneficial owners or participants of the Depository; "Authenticate", "Authenticating" and "Authentication" have the appropriate correlative meanings;

"**Base Shelf Prospectus**" means the (final) short form base shelf prospectus of the Company dated March 31, 2015;

"**BMO**" means BMO Nesbitt Burns Inc., the party of the second part hereunder, including its successors and assigns;

"**Business Day**" means any day that is not a Saturday, Sunday or statutory holiday in Toronto, Ontario, or a day when the principal corporate trust office of the Subscription Receipt Agent in such city is not generally open to the public for the transaction of business;

"**CDS Global Subscription Receipts**" means Subscription Receipts representing all or a portion of the aggregate number of Subscription Receipts issued in the name of the Depository represented by an Uncertificated Subscription Receipt, or if requested by the Depository or the Company, by a Subscription Receipt Certificate;

"**Certificated Subscription Receipt**" means a Subscription Receipt evidenced by a writing or writings as a Subscription Receipt Certificate;

"**Closing Date**" has the meaning ascribed thereto in the Underwriting Agreement;

"**Closing Time**" has the meaning ascribed thereto in the Underwriting Agreement;

"**Common Shares**" means the common shares in the capital of the Company as constituted at the close of business on the date of this Agreement; provided that in the event of any reclassification, subdivision, consolidation, conversion, exchange or other modification thereto shall thereafter mean the shares or other securities or property resulting therefrom;

"**Company**" means Element Financial Corporation, the party of the first part hereunder, and includes any successor company to or of the Company which shall have complied with the provisions of Section 9.02;

"**Debentures**" means the up to $575,000,000 aggregate principal amount of 4.25% extendible convertible unsecured subordinated debentures of the Company (inclusive of the over-allotment option provided to the Underwriters of the Debentures);

"**Deemed Earnings**" means interest that would have otherwise been earned on the 50% of the Underwriters' Fee payment in respect of the issuance of the Subscription Receipts and Optioned Subscription Receipts (if applicable), as if such amounts had been held in escrow as part of the Escrowed Funds and not paid to the Underwriters;

"**Depository**" means CDS Clearing and Depository Services Inc. or such other Person as is designated in writing by the Company to act as depository in respect of the Subscription Receipts;

"**Depository Participants**" means institutions that participate directly or indirectly in the Depository's book entry registration system for the Subscription Receipts;

"**Depository Subscription Receipts**" means Subscription Receipts that are to be held only by or on behalf of the Depository;

"**Designated Office**" means the principal office of the Subscription Receipt Agent in the City of Toronto or such other place as may be designated in accordance with Section 3.01(i);

"**director**" means a director of the Company, and reference without more to action by the directors means action by the directors of the Company as a board or, to the extent empowered, by a committee of the board, in each case by resolution duly passed;

"**Earnings**" means any income (including interest or gains) actually received from time to time on the Proceeds or any investment thereof;

"**Effective Date**" with respect to any Subscription Receipt means the date of automatic exchange of the Subscription Receipts pursuant to Section 4.01;

"**Eligible Transaction**" shall mean, either individually or collectively, the purchase or acquisition by the Company (or any of its affiliates) of one or more businesses or assets, pursuant to a transaction or series of transactions, via share purchase, asset purchase, merger, amalgamation, plan of arrangement or other similar transaction within the Company's business verticals, in which not less than 80% of the gross proceeds raised from the offering of Subscription Receipts and the offering of Debentures hereunder will be deployed in a transaction or series of transactions that have been announced within six months of the Closing Date of the Offering;

"**Escrowed Funds**" at any time means the aggregate of (i) the Proceeds and (ii) any Earnings, and includes any investment of the Escrowed Funds and proceeds of disposition thereof;

"**Escrow Release Conditions**" means (i) the Company having announced the Eligible Transaction within 6 months of the Closing Date of the Offering; and (ii) the satisfaction or waiver of all conditions precedent to the completion of an Acquisition Closing in accordance with the terms of the definitive documentation among the parties in respect of such Acquisition Closing but for (A) the payment of the purchase price and other amounts to be satisfied in part by the release of the Escrowed Funds and (B) such conditions precedent to the completion of an Acquisition Closing that by their nature are to be satisfied at the Acquisition Time, occur on or prior to the Outside Date;

"**Extraordinary Resolution**" has the meaning attributed thereto in Section 8.12 and Section 8.15;

"**Governmental Entity**" means any (a) multinational, federal, provincial, territorial, state, municipal, local or other governmental or public department, central bank, court, commission, commissioner, tribunal, board, bureau, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the foregoing, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above, or (d) stock exchange, automated quotation system, self-regulatory authority or securities regulatory authority;

"**Indemnified Person**" has the meaning ascribed thereto in Section 12.07;

"**including**" and "**includes**" means "including without limitation" and "includes without limitation", respectively;

"**Initial Subscription Receipts Underwriters' Fees**" has the meaning ascribed thereto in the Underwriting Agreement;

"**Internal Procedures**" means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Subscription Receipt Agent's internal procedures customary at such time for the entry, change or deletion made to be completed under the operating procedures followed at the time by the Subscription Receipt Agent, it being understood that neither preparation and issuance shall constitute part of such procedures for any purpose of this definition;

"**Law**" or "**Laws**" means all federal, state and provincial codes, conventions, laws, ordinances, policies, by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority (including the TSX), and the term "applicable" with respect to such Laws and in a context that refers to one or more parties to this Agreement, means such Laws as are applicable to such party or its business, undertaking, property or securities and emanate from a person having jurisdiction over the party or parties or its or their business, undertaking, property or securities;

"**Liabilities**" means any and all liabilities, debts or obligations of every type and description whatsoever, whether absolute, accrued, fixed or unfixed, liquidated or unliquidated, contingent or otherwise;

"**OBCA**" means the *Business Corporations Act* (Ontario), including the regulations promulgated thereunder;

"**Offering**" means the offer and sale of Subscription Receipts, Debentures and Series G Preferred Shares by the Underwriters pursuant to the terms of the Underwriting Agreement;

"**Optioned Subscription Receipts**" means the Subscription Receipts which may be issued pursuant to the terms of the Underwriting Agreement upon exercise of the Subscription Receipt Over-Allotment Option;

"**Outside Date**" means 5:00 p.m. (Toronto time) on December 31, 2015 or any other later date determined by the Subscription Receiptholders by way of Extraordinary Resolution in accordance with Article 8 herein;

"**Over-Allotment Closing Time**" has the meaning ascribed thereto in the Underwriting Agreement;

"**Over-Allotment Subscription Receipts Underwriters' Fees**" has the meaning ascribed thereto in the Underwriting Agreement;

"**Permitted Investments**" means an interest-bearing account or deposit with a Schedule I Canadian bank;

“**Person**” means a person and includes an individual, corporation, partnership, trustee, unincorporated organization or any other entity whatsoever, and words importing persons have a similar extended meaning;

“**pro rata portion**” shall be determined, as between holders of Subscription Receipts, based on the aggregate Subscription Price payable in respect of the Common Shares underlying their respective Subscription Receipts;

“**Proceeds**” means the Subscription Price multiplied by the total number of Subscription Receipts issued (including for clarity, any Optioned Subscription Receipts issued), less 50% of the Initial Subscription Receipts Underwriters’ Fees or the Over-Allotment Subscription Receipt Underwriters’ Fees payable as at the Closing Time or the Over-Allotment Closing Time, respectively;

“**Prospectus**” means the Prospectus Supplement together with the Base Shelf Prospectus qualifying the distribution of the Subscription Receipts, Debentures and Series G Preferred Shares in each of the provinces in Canada and, unless the context otherwise requires, includes all documents incorporated or deemed to be incorporated by reference therein and any amendments thereto;

“**Prospectus Supplement**” means the prospectus supplement of the Company dated May 22, 2015 relating to the Offering qualifying the distribution to the public of the Subscription Receipts, Debentures and Series G Preferred Shares;

“**register**” means the one set of records and accounts maintained by the Subscription Receipt Agent pursuant to Section 3.01;

“**Registered Subscription Receiptholders**” means the persons who are registered owners of Subscription Receipts as such names appear on the register, of the Subscription Receipt Agent;

“**Repayment Amount**” means with respect to any Subscription Receipt, the Subscription Price plus a *pro rata* portion of any Earnings and Deemed Earnings;

“**Repayment Date**” means the date which is five Business Days after the Termination Date;

“**Repayment Time**” means 1:00 p.m. (Toronto time) on the Repayment Date;

“**Rule 144A**” means Rule 144A adopted by the United States Securities and Exchange Commission under the 1933 Act;

“**Series G Preferred Shares**” means the up to 6,900,000 6.50% cumulative 5-year rate reset preferred shares, series G in the capital of the Company (inclusive of the over-allotment option provided to the Underwriters of the Series G Preferred Shares);

“**Subscription Price**” means the cash subscription price of $17.00 per Subscription Receipt;

“**Subscription Receipt Over-Allotment Option**” has the meaning ascribed thereto in the Underwriting Agreement;

"**Subscription Receipts**" means the subscription receipts created by and authorized by and issuable under this Agreement (including, for clarity, the Optioned Subscription Receipts, if any), to be issued and countersigned hereunder as a Certificated Subscription Receipt and/or Uncertificated Subscription Receipt held through the book entry registration system on a no certificate issued basis, and, where the context so requires, also means the Subscription Receipts issued and Authenticated hereunder, whether by way of Subscription Receipt Certificate or Uncertificated Subscription Receipt, in each case that have not at the particular time expired, been cancelled or exchanged;

"**Subscription Receipt Agent**" means Computershare Trust Company of Canada, the party of the third part hereunder, including its successors and assigns;

"**Subscription Receipt Certificate**" means a certificate representing one or more Subscription Receipts substantially in the form of the Subscription Receipt certificate attached hereto as Schedule A;

"**Subscription Receiptholders**" or "**holders**" means the persons at any given time entered in a register of holders described in Section 3.01 as holders of Subscription Receipts at such time;

"**Subscription Receiptholders' Request**" means an instrument signed in one or more counterparts by Subscription Receiptholders who hold in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding, requesting the Subscription Receipt Agent to take some action or proceeding specified therein;

"**Subsidiary of the Company**" means any corporation of which Voting Shares carrying more than 50% of the votes attached to all outstanding Voting Shares of such corporation are owned, directly or indirectly, other than by way of security only, by one or more of the Company and any Subsidiary of the Company, provided that the Company or such Subsidiary of the Company is not contractually or otherwise prohibited or restricted from exercising sufficient of the voting rights attached to such Voting Shares to elect at least a majority of the directors of such corporation;

"**Successor Entity**" has the meaning ascribed thereto in Section 9.02;

"**Tax**" means all taxes of any kind including all federal, provincial, state and local, domestic and foreign income, franchise, property, mining, transfer duties, sales, goods and services, harmonized sales, excise, employment, employer health, payroll, health, social security, value-added, ad valorem, transfer, withholding and other taxes, including taxes based on or measured by gross receipts, profits, capital, sales, use or occupation, tariffs, levies, customs duties and import and export taxes, countervail and anti-dumping, license or registration fees, Canada, Ontario and other government pension plan premiums or contributions, impositions, assessments or governmental charges of any nature whatsoever, including any interest, penalties, fines or additions with respect thereto and including any transfer pricing penalties imposed by a taxation authority;

"**Termination Date**" means the date on which a Termination Event occurs;

“**Termination Event**” means the earliest to occur of any of the following events: (i) the Company has not announced an Eligible Transaction within six months of the Closing Date of the Offering; (ii) the Acquisition Closing has not occurred on or prior to the Outside Date; or (iii) if prior to such times in (i) and (ii) the Company advises BMO, on behalf of the Underwriters for the Subscription Receipts, that an Acquisition Closing will not be completed;

“**Termination Time**” means 5:00 p.m. (Toronto time) on the Termination Date;

“**TSX**” means the Toronto Stock Exchange or any successor thereof;

“**Transfer Agent**” means the registrar and transfer agent from time to time of the Common Shares, being as at the date hereof Computershare Investor Services Inc.;

“**Uncertificated Subscription Receipt**” means any Depository held Subscription Receipt which is not a Certificated Subscription Receipt;

“**Underwriters’ Fee**” means the Initial Subscription Receipts Underwriters’ Fees and, if applicable, the Over-Allotment Subscription Receipt Underwriters’ Fees;

“**Underwriting Agreement**” means the Underwriting Agreement dated as of May 22, 2015 among the Company and the Underwriters;

“**Underwriters**” has the meaning ascribed thereto in the recitals above;

“**United States**” has the meaning given to that term in Regulation S under the 1933 Act;

“**Voting Shares**” of any corporation means shares of one or more classes or series of a class of shares of such corporation carrying voting rights under all circumstances (and not by reason of the happening of a contingency) sufficient if exercised to elect all of the directors of such corporation, provided that such shares shall be deemed not to cease to be Voting Shares solely by reason of a right to vote for the election of one or more of the directors of such corporation accruing to shares of another class or series of a class of shares of such corporation by reason of the happening of a contingency;

“**Written Request of the Company**” and “**Certificate of the Company**” mean a written order, request, consent, direction and certificate, respectively, signed in the name of the Company by any director or officer of the Company or by any other individual to whom such signing authority is delegated by the directors from time to time, and may consist of one or more instruments so executed, respectively.

Section 1.02 <u>Words Importing the Singular</u>

Words importing the singular include the plural and vice versa and words importing a particular gender or neuter include both genders and neuter.

Section 1.03 Interpretation Not Affected by Headings, Etc.

The division of this Agreement into articles and sections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

Section 1.04 Day Not a Business Day

If the day on or before which any action which would otherwise be required to be taken hereunder is not a Business Day in the place where the action is required to be taken, that action will be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

Section 1.05 Time of the Essence

Time will be of the essence in all respects in this Agreement and the Subscription Receipt Certificates.

Section 1.06 Currency

Except as otherwise stated, all dollar amounts herein and in the Subscription Receipt Certificates are expressed in Canadian dollars.

Section 1.07 Applicable Law

The parties to this Agreement agree that any legal suit or proceeding arising with respect to this Agreement or the Subscription Receipt Certificates will be tried exclusively in the courts of the Province of Ontario in the City of Toronto, and the parties to this Agreement agree to submit to the jurisdiction of, and to venue in, such courts. This Agreement and the Subscription Receipt Certificates will be construed and enforced in accordance with the laws prevailing in the Province of Ontario and the federal laws of Canada applicable therein and will be treated in all respects as Ontario contracts.

Section 1.08 Language

The parties to this Agreement expressly request and require that this Agreement and all related documents be drafted in English. Les parties aux présentes conviennent et exigent que cette convention et tous les documents qui s'y rattachent soient rédigés en anglais.

Section 1.09 References to this Agreement

The words and phrases "this Subscription Receipt Agreement", "this Agreement", "herein", "hereby", "hereof" and similar expressions mean or refer to this agreement and any agreement, deed or instrument supplemental hereto and the words "article" and "section" followed by a number mean and refer to the specified article and section of this Agreement.

ARTICLE 2
THE SUBSCRIPTION RECEIPTS

Section 2.01 Payment Acknowledgement

(a) The Subscription Receipt Agent hereby acknowledges receipt from BMO, on behalf of the Underwriters, by wire in the aggregate amount of $1,997,329,468.75 and confirms that such funds have been deposited in a segregated account in the name of the Company designated as “Element Financial Corporation - Subscription Receipts 2015”, or as otherwise directed by the Company in writing, and the Subscription Receipt Agent will retain and hold such amount in accordance with the terms of this Agreement pending payment of such amount in accordance with the terms and conditions of this Agreement. Upon receipt of such amount, the Subscription Receipt Agent shall execute a separate written receipt evidencing receipt.

(b) The Company hereby:

(i) acknowledges that the amount received by the Subscription Receipt Agent pursuant to subsection 2.01(a) represents payment in full by the Underwriters of the aggregate Subscription Price for 119,735,000 Subscription Receipts, net of the amount contemplated by subsection 2.01(c)(ii); and

(ii) irrevocably directs the Subscription Receipt Agent to retain the amount specified in subsection 2.01(a) in accordance with the terms of this Agreement pending payment of such amount in accordance with the terms of this Agreement.

(c) On behalf of the Underwriters, BMO acknowledges:

(i) receipt of one or more CDS Global Subscription Receipts representing 119,735,000 Subscription Receipts registered in the name of the Depository (or its nominee); and

(ii) satisfaction by the Company of its obligation to pay 50% of the Initial Subscription Receipts Underwriters’ Fees at the Closing Time pursuant to the Underwriting Agreement.

Section 2.02 Creation and Issue of Subscription Receipts

(a) Creation of Subscription Receipts: Up to 119,735,000 Subscription Receipts are hereby created and authorized for issue for a price per Subscription Receipt equal to the Subscription Price.

(b) Subscription Terms: Each Subscription Receipt issued hereunder will evidence (i) the holder's right to receive, without additional consideration or further action, in accordance with the provisions of this Agreement, one (1) Common Share for each one (1) Subscription Receipt, or (ii) the Repayment Amount.

(c) The Subscription Receipt Agent is hereby directed, immediately following the execution and delivery of this Agreement, to execute, issue and deliver to BMO, on behalf of the Underwriters an aggregate of 119,735,000 Subscription Receipts in the manner and form directed by BMO.

(d) In the event of the closing of the exercise of the Subscription Receipt Over-Allotment Option, in whole or in part, prior to the Acquisition Time, the Underwriters shall transfer to the Subscription Receipt Agent an amount equal to (i) the number of Optioned Subscription Receipts acquired by the Underwriters upon such exercise of the Subscription Receipt Over-Allotment Option multiplied by (ii) the Subscription Price, which amount will be deposited in the segregated account contemplated by subsection 2.01(a) and be dealt with in accordance with the terms of this Agreement. The Company shall: (1) issue and shall direct the Subscription Receipt Agent, against payment of such amount, to certify and deliver to the Depository or its nominee, for the benefit of the Underwriters, one or more CDS Global Subscription Receipts representing the number of Optioned Subscription Receipts acquired by the Underwriters upon the exercise of the Subscription Receipt Over-Allotment Option; and (2) pay or cause to be paid to BMO, on behalf of the Underwriters, an amount equal to 50% of the Over-Allotment Subscription Receipt Underwriters' Fees payable by the Company at the Over-Allotment Closing Time. For greater certainty, the 50% of the Over-Allotment Subscription Receipt Underwriters' Fees payable at the Over-Allotment Closing Time may be netted off the amount payable by the Underwriters to the Subscription Receipt Agent pursuant to this subsection 2.02(d).

Section 2.03 <u>Termination of Subscription Receipts</u>

(a) Should a Termination Event occur, then all of the Subscription Receipts shall, at the Repayment Time and without any action on the part of the holders thereof (including the surrender of Subscription Receipt Certificates), be automatically terminated and cancelled and the Repayment Amount (less any withholding Tax required to be withheld in respect thereof under applicable Laws) shall be remitted to such holders as contemplated by Section 6.03(c) and the holders of such Subscription Receipts shall thereafter have no rights thereunder except to receive an amount equal to the Repayment Amount (less any withholding Tax required to be withheld in respect thereof under applicable Laws) in accordance with Section 6.03(c).

(b) The Repayment Amount (less any withholding Tax required to be withheld in respect thereof under applicable Laws) shall be remitted to each holder of a Subscription Receipt by the Subscription Receipt Agent in accordance with Section 6.03(c).

Section 2.04 <u>Form of Subscription Receipt Certificates</u>

(a) <u>Form</u>: The Subscription Receipts may be issued in both certificated and uncertificated form. All Subscription Receipts issued in certificated form shall be evidenced by a Subscription Receipt Certificate (including all replacements issued in accordance with this Agreement), substantially in the form attached hereto as Schedule A, which shall be dated as of the date hereof, shall bear such distinguishing letters and numbers as the

Company, with the approval of the Subscription Receipt Agent, may prescribe and such legends as the Company may prescribe and shall be issuable in any denomination excluding fractions. All Subscription Receipts issued to the Depository may be in either a certificated or uncertificated form, such uncertificated form being evidenced by a book position on the register of Subscription Receiptholders to be maintained by the Subscription Receipt Agent in accordance with subsection 3.01(a)**.**

(b) Production: Each Subscription Receipt Certificate shall be signed by any duly authorized signatory of the Company, whose signature shall appear on the Subscription Receipt Certificate and may be printed, lithographed or otherwise mechanically reproduced thereon and, in such event, certificates so signed are as valid and binding upon the Company as if it had been signed manually. Any Subscription Receipt Certificate which has a signature as provided herein shall be valid notwithstanding that the person whose signature is printed, lithographed or mechanically reproduced no longer holds office at the date of issuance of such certificate. The Subscription Receipt Certificates may be engraved, printed or lithographed, or partly in one form and partly in another, as the Subscription Receipt Agent may determine.

(c) Each CDS Global Subscription Receipt originally issued in Canada and held by the Depository, and each CDS Global Subscription Receipt issued in exchange therefor or in substitution thereof shall bear or be deemed to bear the following legend or such variations thereof as the Company may prescribe from time to time:

“UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO ELEMENT FINANCIAL CORPORATION (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN ANY SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY OTHER PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.”

Section 2.05 Authentication by Subscription Receipt Agent

(a) Authentication Required: Each Subscription Receipt Certificate shall be Authenticated by the Subscription Receipt Agent. The Subscription Receipt Agent shall Authenticate Certificated and Uncertificated Subscription Receipts (at original issuance only upon the written direction of the Company exchange, registration of transfer, partial payment, or otherwise) and they shall then be entered on the register maintained by the Subscription Receipt Agent. The Company shall, and hereby acknowledges that it shall, thereupon be deemed to have duly and validly issued such Subscription Receipts under this Agreement. Such Authentication shall be conclusive evidence that such Certificated or Uncertificated Subscription Receipts have been duly issued hereunder and that the holder or holders are entitled to the benefits of this Agreement. The register shall be final and conclusive evidence as to all matters relating to Certificated and Uncertificated Subscription Receipts with respect to which this Agreement requires the Subscription Receipt Agent to maintain records or accounts. The register maintained by the Subscription Receipt Agent shall be binding upon the Company. No Subscription Receipt shall be considered issued and shall not be valid or obligatory and shall not entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by the Subscription Receipt Agent.

(b) Validity of Certificated Subscription Receipts: No Certificated Subscription Receipt shall be considered issued and Authenticated or, if Authenticated, shall be obligatory or shall entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by manual signature by or on behalf of the Subscription Receipt Agent and entered on the register maintained by the Subscription Receipt Agent.

(c) Validity of Uncertificated Subscription Receipts: No Uncertificated Subscription Receipt shall be considered issued and shall be obligatory or shall entitle the holder thereof to the benefits of this Agreement, until it has been Authenticated by entry on the register maintained by the Subscription Receipt Agent.

(d) Authentication not Representation: The Authentication by the Subscription Receipt Agent of any Subscription Receipts whether by way of entry on the register or otherwise shall not be construed as a representation or warranty by the Subscription Receipt Agent as to the validity of the Agreement or such Subscription Receipts (except the due Authentication thereof) or as to the performance by the Company of its obligations under this Agreement and the Subscription Receipt Agent shall in no respect be liable for the use made of the Subscription Receipts or any of them or the proceeds thereof.

Section 2.06 Subscription Receipts to Rank Pari Passu

All Subscription Receipts will rank *pari passu*, whatever may be the actual dates of issue of the Subscription Receipt Certificates by which they are represented.

Section 2.07 Issue in Substitution for Lost Certificates, Etc.

(a) Substitution: If any Subscription Receipt Certificate becomes mutilated or is lost, destroyed or stolen, the Company, subject to applicable law and to Section 2.07(b), will issue, and thereupon the Subscription Receipt Agent will certify and deliver, a new Subscription Receipt Certificate of like tenor and bearing the same legends as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated certificate or in lieu of and in substitution for such lost, destroyed or stolen certificate.

(b) Cost of Substitution: The applicant for the issue of a new Subscription Receipt Certificate pursuant to this Section 2.07 shall bear the reasonable cost of the issue thereof and in the case of loss, destruction or theft shall, as a condition precedent to the issue thereof:

(i) furnish to the Company and to the Subscription Receipt Agent such evidence of ownership and of the loss, destruction or theft of the Subscription Receipt Certificate to be replaced as is satisfactory to the Company and to the Subscription Receipt Agent in their discretion, acting reasonably;

(ii) if so requested, furnish an indemnity and surety in amount and form satisfactory to the Company and to the Subscription Receipt Agent in their discretion, acting reasonably; and

(iii) pay the reasonable charges of the Company and the Subscription Receipt Agent in connection therewith.

Section 2.08 Cancellation of Surrendered Subscription Receipts

All Subscription Receipts surrendered to the Subscription Receipt Agent pursuant to the terms of this Agreement shall be cancelled in accordance with the Internal Procedures of the Subscription Receipt Agent. Upon request by the Company, the Subscription Receipt Agent shall furnish to the Company a cancellation certificate identifying the Subscription Receipt Certificates so cancelled, the number of Subscription Receipts evidenced thereby, the number of Common Shares, if any, issued pursuant to such Subscription Receipts and the details of any Subscription Receipt Certificates issued in substitution or exchange for such Subscription Receipt Certificates so cancelled.

Section 2.09 Subscription Receiptholder not a Shareholder

Nothing in this Agreement or in the holding of a Subscription Receipt represented by a Subscription Receipt Certificate, or otherwise, shall be construed as conferring on any Subscription Receiptholder any right or interest whatsoever as a shareholder of the Company, including but not limited to any right to vote at, to receive notice of, or to attend, any meeting of shareholders or any other proceeding of the Company or any right to receive any dividend or other distribution.

Section 2.10 Depository Subscription Receipts

(a) Reregistration Through Book Entry Registration System: Reregistration of beneficial interests in and transfers of Subscription Receipts held by the Depository shall be made only through the book entry registration system of the Depository and no Subscription Receipt Certificates shall be issued in respect of such Subscription Receipts except where physical certificates evidencing ownership in such securities are required or as set out herein or as may be requested by the Depository, as determined by the Company, from time to time. Except as provided in this Section 2.10, owners of beneficial interests in any CDS Global Subscription Receipts shall not be entitled to have Subscription Receipts registered in their names and shall not receive or be entitled to receive Subscription

Receipts in definitive form or to have their names appear in the register referred to in subsection 3.01(a) herein. Notwithstanding any terms set out herein, Subscription Receipts having any legend set forth in subsection 2.04(c) herein and held in the name of the Depository may only be held in the form of Uncertificated Subscription Receipts with the prior consent of the Subscription Receipt Agent and in accordance with the Internal Procedures of the Subscription Receipt Agent.

(b) Registration in the Name of the Depository: Notwithstanding any other provision in this Agreement, no CDS Global Subscription Receipts may be exchanged in whole or in part for Subscription Receipts registered, and no transfer of any CDS Global Subscription Receipts in whole or in part may be registered, in the name of any Person other than the Depository for such CDS Global Subscription Receipts or a nominee thereof unless:

(i) the Depository notifies the Company that it is unwilling or unable to continue to act as depository in connection with the Depository Subscription Receipts and the Company is unable to locate a qualified successor;

(ii) the Company determines that the Depository is no longer willing, able or qualified to discharge properly its responsibilities as holder of the CDS Global Subscription Receipts and the Company is unable to locate a qualified successor;

(iii) the Depository ceases to be a clearing agency or otherwise ceases to be eligible to be a depository and the Company is unable to locate a qualified successor;

(iv) the Company determines that the Subscription Receipts shall no longer be held as Depository Subscription Receipts through the Depository;

(v) such right is required by applicable Law, as determined by the Company and the Company's counsel; or

(vi) such registration is effected in accordance with the internal procedures of the Depository and the Subscription Receipt Agent,

following which, Subscription Receipts for those holders requesting the same shall be registered and issued to the beneficial owners of such Subscription Receipts or their nominees as directed by the holder. The Company shall provide an officer's certificate giving notice to the Subscription Receipt Agent of the occurrence of any event outlined in this subsection 2.10(b)(i) to (vi).

(c) Exchange of CDS Global Subscription Receipts: Subject to the provisions of this Section 2.10, any exchange of CDS Global Subscription Receipts for Subscription Receipts which are not CDS Global Subscription Receipts may be made in whole or in part in accordance with the provisions of Section 3.01(c), mutatis mutandis. All such Subscription Receipts issued in exchange for a CDS Global Subscription Receipt or any portion thereof shall be registered in such names as the Depository for such CDS Global Subscription Receipts shall direct and shall be entitled to the same benefits and subject to the same terms and conditions (except insofar as they relate specifically to CDS Global

Subscription Receipts) as the CDS Global Subscription Receipts or portion thereof surrendered upon such exchange.

(d) Authentication: Every Subscription Receipt that is Authenticated upon registration or transfer of a CDS Global Subscription Receipt, or in exchange for or in lieu of a CDS Global Subscription Receipt or any portion thereof, whether pursuant to this Section 2.10, or otherwise, shall be Authenticated in the form of, and shall be, a CDS Global Subscription Receipt, unless such Subscription Receipt is registered in the name of a person other than the Depository for such CDS Global Subscription Receipt or a nominee thereof.

(e) Uncertificated Subscription Receipts: Notwithstanding anything to the contrary in this Agreement, subject to applicable Law, the CDS Global Subscription Receipt will be issued as an Uncertificated Subscription Receipt, unless otherwise requested in writing by the Depository or the Company.

(f) Rights of Beneficial Owners: The rights of beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system shall be limited to those established by applicable Law and agreements between the Depository and the Depository Participants and between such Depository Participants and the beneficial owners of Subscription Receipts who hold securities entitlements in respect of the Subscription Receipts through the book entry registration system of the Depository, and such rights must be exercised through a Depository Participant in accordance with the rules and procedures of the Depository.

(g) Limitation of Liability: Notwithstanding anything herein to the contrary, neither the Company nor the Subscription Receipt Agent nor any agent thereof shall have any responsibility or liability for:

(i) the electronic records maintained by the Depository relating to any ownership interests or any other interests in the Subscription Receipts or the depository system maintained by the Depository, or payments made on account of any ownership interest or any other interest of any person in any Subscription Receipt represented by an electronic position in the book entry registration system (other than the Depository or its nominee);

(ii) maintaining, supervising or reviewing any records of the Depository or any Depository Participant relating to any such interest; or

(iii) any advice or representation made or given by the Depository or those contained herein that relate to the rules and regulations of the Depository or any action to be taken by the Depository on its own direction or at the direction of any Depository Participant.

(h) The Company may terminate the application of this Section 2.10 in its sole discretion in which case all Subscription Receipts shall be evidenced by Subscription Receipt Certificates registered in the name of a Person other than the Depository.

Section 2.11 Listing of Subscription Receipts

The Company confirms that the Subscription Receipts will be listed and posted for trading on the TSX subject only to the Company complying with the usual conditions imposed by the TSX with respect thereto.

Section 2.12 Right of Rescission

(a) If the Prospectus, together with any amendment thereto, contains a misrepresentation (as such term is defined in the *Securities Act* (Ontario)) and it was a misrepresentation on the date thereof or as of the date specified in the documents incorporated by reference therein, as the case may be, purchasers of Subscription Receipts to whom the Prospectus was sent or delivered and who were the original purchasers of the Subscription Receipts (the "**Original Purchasers**") shall have a right of action against the Company for rescission to receive the Subscription Price exercisable on notice given to the Company not more than 180 days subsequent to the date hereof. The right of action for rescission is only available to an Original Purchaser either while he or she is a holder of the Subscription Receipts purchased or while he or she is a holder of the Common Shares issuable upon surrender of such Subscription Receipts.

(b) In no event shall the Company be liable under this Section 2.12 if the Original Purchaser purchased the Subscription Receipts with knowledge of the misrepresentation.

Section 2.13 U.S. Holders

(a) The parties hereby acknowledge and agree that the Subscription Receipts originally sold to purchasers in the United States pursuant to Rule 144A and the Common Shares issuable in exchange for such Subscription Receipts are "restricted securities" as defined in Rule 144 under the 1933 Act, and may not be reoffered, resold, pledged or otherwise transferred, directly or indirectly, except: (i) to the Company; or (ii) outside the United States in accordance with Rule 904 of Regulation S under the 1933 Act and in compliance with applicable local laws and regulations.

(b) The Subscription Receipts will be represented in the form of one or more CDS Global Subscription Receipts. Depository Participants will record beneficial ownership of the Subscription Receipts on behalf of their respective account holders. Any transfers of Subscription Receipts represented by CDS Global Subscription Receipts may be effected only through the Depository's book based system. Transfers between Depository Participants shall occur in accordance with the Depository's rules and procedures.

ARTICLE 3
REGISTRATION, TRANSFER AND OWNERSHIP OF SUBSCRIPTION RECEIPTS AND EXCHANGE OF SUBSCRIPTION RECEIPT CERTIFICATES

Section 3.01 Registration and Transfer of Subscription Receipts

(a) Register: The Subscription Receipt Agent shall maintain records and accounts concerning the Subscription Receipts, whether certificated or uncertificated, which shall contain the information called for below with respect to each Subscription Receipt, together with such other information as may be required by Law or as the Subscription Receipt Agent may elect to record. All such information shall be kept in one set of accounts and records which the Subscription Receipt Agent shall designate (in such manner as shall permit it to be so identified as such by an unaffiliated party) as the register of the holders of Subscription Receipts. The information to be entered for each account in the register of Subscription Receipts at any time shall include (without limitation):

(i) the name and address of the holder of the Subscription Receipts, the date of Authentication thereof and the number Subscription Receipts;

(ii) whether such Subscription Receipt is a Certificated Subscription Receipt or an Uncertificated Subscription Receipt and, if a Subscription Receipt Certificate, the unique number or code assigned to and imprinted thereupon and, if an Uncertificated Subscription Receipt, the unique number or code assigned thereto if any;

(iii) whether such Subscription Receipt has been cancelled; and

(iv) a register of transfers in which all transfers of Subscription Receipts and the date and other particulars of each transfer shall be entered.

The register of transfers referred to in clause (iv) shall be closed at 5:00 p.m. (Toronto time) on the date that is the earlier of the Effective Date and the Termination Date, subject to reflecting such transfers as are made prior to that date and settle after such date. Trades settling after the Effective Date will be completed by the delivery of Common Shares.

(b) Alteration of Information on Register: Once an Uncertificated Subscription Receipt has been Authenticated, the information set forth in the register with respect thereto at the time of Authentication may be altered, modified, amended, supplemented or otherwise changed only to reflect the automatic exchange thereof or proper instructions to the Subscription Receipt Agent from the holder as provided herein, except that the Subscription Receipt Agent may act unilaterally to make purely administrative changes internal to the Subscription Receipt Agent and changes to correct errors. Each person who becomes a holder of an Uncertificated Subscription Receipt, by his, her or its acquisition thereof shall be deemed to have irrevocably (i) consented to the foregoing authority of the Subscription Receipt Agent to make such minor error corrections and (ii) agreed to pay to the Subscription Receipt Agent, promptly upon written demand, the full amount of all loss and expense (including without limitation reasonable legal fees of the Company and the Subscription Receipt Agent plus interest, at an appropriate then prevailing rate of interest to the Subscription Receipt Agent), sustained by the Company or the Subscription Receipt Agent as a proximate result of such error if but only if and only to the extent that such present or former holder realized any benefit as a result of such error and could reasonably have prevented, forestalled or minimized such loss and expense by prompt reporting of the error or avoidance of accepting benefits thereof whether or not such error is or should have been timely detected and corrected by the Subscription Receipt Agent; provided, that no person who is a bona fide purchaser shall have any such obligation to the Company or to the Subscription Receipt Agent.

(c) Transfer of Subscription Receipts: Subject to Section 3.01(e), there are no restrictions on the transfer of the Subscription Receipts. However, the Subscription Receipts may only be transferred on the register kept by the Subscription Receipt Agent at the Designated Office by the holder or its legal representatives or its attorney duly appointed by an instrument in writing in form and execution satisfactory to the Subscription Receipt Agent only upon (1) in the case of a Subscription Receipt Certificate, surrendering to the Subscription Receipt Agent at the Designated Office the Subscription Receipt Certificates representing the Subscription Receipts to be transferred together with a duly executed form of transfer (in the form attached to the Subscription Receipt Certificate), (2) in the case of Depository Subscription Receipts, in accordance with procedures prescribed by the Depository under the book entry registration system, and (3) upon compliance with:

(i) the conditions herein;

(ii) such reasonable requirements as the Subscription Receipt Agent may prescribe; and

(iii) all applicable securities legislation and requirements of regulatory authorities;

and such transfer shall be duly noted in such register by the Subscription Receipt Agent. Upon compliance with such requirements, the Subscription Receipt Agent shall issue to the transferee of a Subscription Receipt Certificate, or the Subscription Receipt Agent shall Authenticate and deliver a Subscription Receipt Certificate upon request that part of the CDS Global Subscription Receipt be certificated. Transfers within the Depository system are not the responsibility of the Subscription Receipt Agent and will not be noted on the register maintained by Subscription Receipt Agent.

(d) Partial Transfer: If less than all the Subscription Receipts evidenced by the Subscription Receipt Certificate(s) so surrendered are transferred, the holder shall be entitled to receive, in the same manner, a new Subscription Receipt Certificate registered in its name, evidencing the number of Subscription Receipts not so transferred.

(e) Refusal of Registration: The Subscription Receipt Agent shall promptly advise the Company of any requested transfers of Subscription Receipts. The Company shall be entitled, and may direct the Subscription Receipt Agent, to refuse to recognize any transfer, or enter the name of any transferee, of any Subscription Receipt on the registers referred to in Section 3.01(a) if such transfer would constitute a violation of the laws of any jurisdiction or the instruments, rules, regulations or policies of any regulatory authority (including the TSX) having jurisdiction.

(f) No Notice of Trusts: Subject to applicable law, neither the Company nor the Subscription Receipt Agent will be bound to take notice of or see to the execution of any trust, whether express, implied or constructive, in respect of any Subscription Receipt, and the Company or the Subscription Receipt Agent may transfer any Subscription Receipt on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

(g) Inspection: The registers referred to in Section 3.01(a) will at all reasonable times during regular business hours be open for inspection by the Company and any Subscription Receiptholder. The Subscription Receipt Agent will from time to time when requested to do so in writing by the Company or any Subscription Receiptholder (upon payment of the reasonable charges of the Subscription Receipt Agent) furnish the Company or such Subscription Receiptholder with a list of the names and addresses of holders of Subscription Receipts entered on such registers and showing the number of Subscription Receipts held by each such holder.

(h) Entitlement: Subject to the provisions of this Agreement, and applicable Laws, the Subscription Receiptholder shall be entitled to the rights and privileges attaching to the Subscription Receipts, and the issue of Common Shares by the Company upon the exchange, in accordance with the provisions of Section 4.01 of this Agreement, of Subscription Receipts in accordance with the terms and conditions herein contained shall discharge all responsibilities of the Company and the Subscription Receipt Agent with respect to such Subscription Receipts and neither the Company nor the Subscription Receipt Agent shall be bound to inquire into the title of any such holder.

(i) Designated Office: To facilitate the exchange, transfer or exercise of Subscription Receipts and compliance with such other terms and conditions hereof as may be required, the Company has appointed the Designated Office as the agency at which Subscription Receipts may be surrendered for exchange or transfer and the Subscription Receipt Agent has accepted such appointment. The Company may from time to time designate alternate or additional places as the Designated Office (subject to the Subscription Receipt Agent's prior approval) and will give notice to the Subscription Receipt Agent of any proposed change of the Designated Office. Branch registers shall also be kept at such other place or places, if any, as the Company, with the approval of the Subscription Receipt Agent, may designate.

Section 3.02 Exchange of Subscription Receipt Certificates

(a) Exchange: One or more Subscription Receipt Certificates may at any time prior to the Repayment Time, on compliance with the reasonable requirements of the Subscription Receipt Agent, be exchanged for one or more Subscription Receipt Certificates of different denominations representing in the aggregate the same number and class of

Subscription Receipts as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.

(b) Place of Exchange: Subscription Receipt Certificates may be exchanged only at the Designated Office of the Subscription Receipt Agent or at any other place designated by the Company with the approval of the Subscription Receipt Agent.

(c) Cancellation: Any Subscription Receipt Certificate tendered for exchange pursuant to this Section 3.02 shall be surrendered to the Subscription Receipt Agent and cancelled.

(d) Execution: The Company will sign all Subscription Receipt Certificates in accordance with Section 2.04 necessary to carry out exchanges pursuant to this Section 3.02 and such Subscription Receipt Certificates will be Authenticated by the Subscription Receipt Agent.

(e) Subscription Receipt Certificates: Subscription Receipt Certificates exchanged for Subscription Receipt Certificates that bear the legend set forth in Section 2.13 shall bear the same legend.

Section 3.03 No Charges for Transfer or Exchange

No charge will be levied on a presenter of a Subscription Receipt Certificate pursuant to this Agreement for the transfer of any Subscription Receipt or the exchange of any Subscription Receipt Certificate.

Section 3.04 Ownership of Subscription Receipts

(a) Owner: Subject to applicable Law, the Company and the Subscription Receipt Agent may deem and treat the registered Subscription Receiptholder as the absolute owner of such Subscription Receipt for all purposes, and such person will for all purposes of this Agreement be and be deemed to be the absolute owner thereof, and the Company and the Subscription Receipt Agent will not be affected by any notice or knowledge to the contrary except as required by statute or by order of a court of competent jurisdiction.

(b) Rights of Registered Holder: Subject to applicable Law, the Registered Subscription Receiptholder will be entitled to the rights represented thereby free from all equities and rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof and all persons may act accordingly, and the issue and delivery to any such registered holder of the Common Shares issuable pursuant thereto (or the payment of amounts payable in respect thereof pursuant to Section 2.03(a)) will be a good discharge to the Company and the Subscription Receipt Agent therefor and neither the Company nor the Subscription Receipt Agent will be bound to inquire into the title of any such registered Subscription Receiptholder.

ARTICLE 4
EXCHANGE OF SUBSCRIPTION RECEIPTS

Section 4.01 Exchange of Subscription Receipts

If the Escrow Release Conditions are met prior to the Termination Time:

(i) prior to the Acquisition Time, the Company shall execute and deliver the Acquisition Notice to the Subscription Receipt Agent, receipt of which shall be acknowledged by BMO, on behalf of the Underwriters, confirming that the Acquisition Time will occur on or before the Termination Time and specifying the amounts to be released pursuant to Article 6 and to whom such amounts should be released;

(ii) at or immediately following the Acquisition Time, the Company shall execute and deliver to the Subscription Receipt Agent and the Transfer Agent a written notice that the Acquisition Closing has been completed and a written direction to issue to the Subscription Receiptholders one Common Share for each Subscription Receipt then outstanding (subject to any applicable adjustment provided for herein);

(iii) at the Acquisition Time, the Subscription Receipts shall be deemed to be automatically exchanged for no additional consideration and without further action on the part of the Subscription Receiptholders for Common Shares in accordance with Section 2.02(b);

(iv) the Subscription Receipt Agent shall, as soon as reasonably practicable and in any case within three Business Days after the Acquisition Closing Date, deliver the Common Shares issuable upon exchange of the Subscription Receipts in accordance with the terms of this Agreement; and

(v) upon issuance of the Common Shares, any Subscription Receipt Certificates representing such Subscription Receipts shall become null and void and of no further force or effect.

Section 4.02 Effect of Deemed Exchange of Subscription Receipts

(a) **Entered onto Registrar of Holders:** Upon the deemed exchange of the Subscription Receipts in accordance with Section 4.01, the Persons to whom Common Shares are to be issued will be deemed to have become the holder or holders of record thereof (without any action on the part of such Person, including the surrender of any Subscription Receipt Certificate), on the Effective Date, unless the transfer registers for the Common Shares are closed on that date, in which case such Common Shares will be deemed to have been issued and such person or persons will be deemed to have become the holder or holders of record thereof on the date on which such transfer registers are reopened, but such Common Shares will be issued on the basis of the number of Common Shares to which such Persons were entitled on the Effective Date, notwithstanding that definitive certificates or an uncertificated electronic position of the Depository may not yet have been issued or entered, as the case may be. Unless otherwise directed by the Company, in its sole discretion, the Common Shares which are issued to holders of Subscription Receipts upon the deemed exchange of Subscription Receipts by the Subscription Receipt Agent pursuant to subsection 4.01 hereof will be issued only in uncertificated form and shall be issued in the name of such holder or as directed by Company.

(b) **Written Notice of Deemed Exchange:** The Company will give written notice of the issue of the Common Shares issuable upon deemed exchange of the Subscription Receipts in such detail as may be required, to each securities regulatory agency or government authority in Canada in each jurisdiction in which there is legislation requiring the giving of any such notice.

Section 4.03 No Fractional Common Shares

The Company will not under any other circumstance be obligated to issue any fraction of a Common Share on the exchange of Subscription Receipts, and any such fraction shall be rounded down to the next whole number of Common Shares. A holder of Subscription Receipts shall not be entitled to receive a cash payment or any other compensation in respect of any such fraction of Common Shares.

Section 4.04 Securities Restrictions

No Common Shares will be issued pursuant to the exchange of any Subscription Receipt if the issue of such Common Shares would constitute a violation of the Laws of any jurisdiction and, without limiting the generality of the foregoing, the certificates representing the Common Shares thereby issued will bear such legend or legends as may, in the opinion of counsel to the Company, be necessary or advisable in order to avoid a violation of any Laws of any jurisdiction or to comply with the requirements of any stock exchange on which the Common Shares are then listed, provided that if, at any time, in the opinion of counsel to the Company, such legend or legends are no longer necessary or advisable in order to avoid a violation of any such laws or requirements, or the holder of any such legended certificate, at the expense thereof, provides the Company and the registrar and transfer agent for the Common Shares, with evidence satisfactory in form and substance to the Company and to the registrar and transfer agent for the Common Shares to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legend or legends are not required, such legended certificate may thereafter be surrendered to the Company in exchange for a certificate which does not bear such legend or legends.

ARTICLE 5
COVENANTS

Section 5.01 General Covenants

(a) The Company covenants with the Subscription Receipt Agent that so long as any Subscription Receipts remain outstanding:

(i) Maintenance: The Company will use its reasonable commercial best efforts to at all times maintain its corporate existence, and will use its commercial best efforts to carry on and conduct its business, and that each material Subsidiary of the Company, in a proper, efficient and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting principles.

(ii) Reservation of Common Shares: The Company will reserve and conditionally allot for the purpose and keep available sufficient unissued Common Shares to enable it to satisfy its obligations on the automatic exchange of the Subscription Receipts pursuant to this Agreement.

(iii) Issue of Common Shares: The Company will cause the Common Shares issued pursuant to the exchange of the Subscription Receipts to be validly issued and delivered in accordance with the provisions of this Agreement and the terms hereof as fully paid and non-assessable Common Shares.

(iv) Open Registers: The Company will use its best efforts to cause the Subscription Receipt Agent to keep open, and the Subscription Receipt Agent agrees to keep open, the registers of holders and registers of transfers referred to in Section 3.01 as required by such section and will not take any action or omit to take any action which would have the effect of preventing the Subscription Receiptholders from exchanging any of the Subscription Receipts or receiving any of the Common Shares issued upon such exchange.

(v) Filings: The Company will make all requisite filings, including filings with appropriate securities commissions and stock exchanges, including: (i) those necessary to remain a reporting issuer (or the equivalent) not in default in each of the provinces of Canada in which it is presently a reporting issuer (or the equivalent); and (ii) in connection with the exchange of the Subscription Receipts and the issue of the Common Shares in connection therewith.

(vi) Notice of Termination Event: In the event a Termination Event occurs, the Company will forthwith provide written notice to the Subscription Receipt Agent of the occurrence of such Termination Event.

(vii) Notice of Termination Date: If the Acquisition Notice shall not have been provided in accordance with the provisions hereof on or prior to the Termination Date, then, within two Business Days following the Termination Date, the Company shall send or cause to be sent to each holder of Subscription Receipts written notice advising of the occurrence of the Termination Date and that all Subscription Receipts held by each holder will be cancelled and the Repayment Amount (less any withholding Tax required to be withheld under applicable Laws) will be remitted to each holder, as contemplated by Section 6.03(c).

(viii) Press Release: As soon as practicable following the sending of the Acquisition Notice to the Subscription Receipt Agent and BMO, on behalf of the

Underwriters, the Company shall issue a press release with respect to the completion of the Acquisition Closing, the automatic exchange of the Subscription Receipts and the issuance of the Common Shares.

(ix) General Performance: Generally, the Company will well and truly perform and carry out all acts and things to be done by it as provided in this Agreement or in order to complete the Acquisition Closing as contemplated hereby.

(x) Listing: The Company will use its commercially reasonable efforts to ensure that (until the earlier of the Acquisition Closing Date and the Termination Date) the Subscription Receipts and the Common Shares continue to be or are listed and posted for trading on the TSX.

(b) The Company covenants with the Subscription Receipt Agent and BMO that, from the date hereof to the earlier of the Acquisition Closing Date or the Termination Date, it will not do, other than in connection with the Acquisition Closing or the Eligible Transaction, any of the following:

(i) Share Reorganization: (A) subdivide or redivide the outstanding Common Shares into a greater number of Common Shares; (B) consolidate, reduce or combine the outstanding Common Shares into a lesser number of Common Shares; or (C) reclassify the outstanding Common Shares, change the Common Shares into other shares or otherwise reorganize the shares of the Company;

(ii) Distribution: issue or distribute to all or substantially of the holders of Common Shares (A) shares of any class, rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares; (B) evidence of the Company's indebtedness; or (C) any property or other assets;

(iii) Reorganization: other than in compliance with Section 9.02, undertake (A) any reorganization of the Company or any consolidation, amalgamation, arrangement, merger or other form of business combination of the Company with or into any other Person or other entity other than a direct or indirect wholly-owned Subsidiary of the Company, unless such reorganization, consolidation, amalgamation, arrangement, merger or business combination is, or is in connection with, the Eligible Transaction or the Acquisition Closing; or (B) any sale, lease, exchange or transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to any other Person or entity other than a direct or indirect wholly-owned Subsidiary of the Company or a liquidation, dissolution or winding-up of the Company, unless such sale, lease, exchange or transfer is, or is in connection with, the Eligible Transaction or the Acquisition Closing. Nothing shall prevent the Company from undertaking any reorganization of its corporate structure, business, operations or assets which may include the transfer of assets to, and the assumption of liabilities by, a wholly-owned Subsidiary of the Company or a wholly-owned partnership, corporate continuance of any Subsidiary of the Company, corporate amalgamations of which all the amalgamating corporations are any of the wholly-owned

Subsidiaries of the Company or the Company, dissolution of a wholly-owned Subsidiary of the Company or a wholly-owned partnership, redemption of shares by a Subsidiary of the Company, capitalization of a wholly-owned Subsidiary of the Company either by way of a loan or equity investment by the Company, a wholly-owned partnership of the Company, or a wholly-owned Subsidiary of the Company and such other transactions to which the parties are limited to the Company, wholly-owned partnerships of the Company and wholly-owned Subsidiaries of the Company as the Company or any Subsidiary of the Company may consider to be necessary or in its best interests; provided that, in each case, any such reorganization (i) is not inconsistent with any other provision of this Agreement; (ii) would not require the Company to obtain the prior approval, consent, order or authorization of any securityholder of the Company; (iii) does not result in any adverse Tax or other consequences, and is not otherwise prejudicial, in each case, to Subscription Receiptholders or other securityholders of the Company; and (iv) would not prevent or materially impede or delay the completion of the Eligible Transaction.

(c) In addition, the Company covenants with the Subscription Receipt Agent and BMO that, forthwith following the Acquisition Time, if any, the Company shall provide written notice to the Subscription Receipt Agent and BMO that the Acquisition Closing has been completed.

Section 5.02 Remuneration and Expenses of Subscription Receipt Agent

The Company will pay to the Subscription Receipt Agent from time to time reasonable remuneration for the services thereof hereunder and will, on the written request of the Subscription Receipt Agent, pay to or reimburse the Subscription Receipt Agent for all reasonable expenses, disbursements and advances made or incurred by the Subscription Receipt Agent in the administration or execution of the duties and obligations hereof (including reasonable compensation and disbursements of its counsel and other advisers and assistants not regularly in the employment thereof), both before any default hereunder and thereafter until all duties of the Subscription Receipt Agent hereunder have been finally and fully performed, except any such expense, disbursement or advance that arises out of or results from gross negligence, wilful misconduct or bad faith of the Subscription Receipt Agent, in either case, or in respect of persons for whom the Subscription Receipt Agent is responsible, or breach by the Subscription Receipt Agent of any of its duties and obligations hereunder. In no event shall any amount payable to the Subscription Receipt Agent hereunder be paid out of the Escrowed Funds unless the Escrowed Funds are, at the time of payment, payable to the Company. The Subscription Receipt Agent shall have no obligation to take any action under this Agreement so long as any payment remains due to the Subscription Receipt Agent for any reasonable fees, expenses and disbursements. Any amount owing under this Section 5.02 and unpaid 30 days after request for such payment will bear interest from the expiration of such 30 days at a rate per annum equal to the then current rate charged by the Subscription Receipt Agent against unpaid invoices payable on demand.

Section 5.03 <u>Securities Qualification Requirements</u>

If, in the opinion of counsel to the Subscription Receipt Agent, any instrument is required to be filed with, or any permission is required to be obtained from any Governmental Entity in Canada or any other step is required under any federal or provincial law of Canada before any Common Shares which a Subscription Receiptholder is entitled to acquire pursuant to the exchange of any Subscription Receipt may properly and legally be issued upon due exchange thereof, the Company covenants that it will promptly take such required action.

Section 5.04 <u>Performance of Covenants by Subscription Receipt Agent</u>

If the Company fails to perform any of the obligations thereof under this Agreement, the Subscription Receipt Agent may notify the Subscription Receiptholders of such failure or may itself perform any of such obligations capable of being performed by the Subscription Receipt Agent, but will not be bound to do so or to notify the Subscription Receiptholders that it is so doing. All amounts expended or advanced by the Subscription Receipt Agent in so doing will be repayable as provided in Section 5.02. No such performance, expenditure or advance by the Subscription Receipt Agent will relieve the Company of any default or of its continuing obligations hereunder.

ARTICLE 6
ESCROWED FUNDS

Section 6.01 <u>Investment of Escrowed Funds</u>

The Escrowed Funds deposited with the Subscription Receipt Agent hereunder, pending any release or application thereof as required in accordance with the provisions of this Article 6, shall be held, invested and reinvested by the Subscription Receipt Agent as agent and bailee on behalf of the Subscription Receiptholders in Permitted Investments for which it shall have been given written instructions jointly by the Company and BMO (on behalf of itself and the other Underwriters) and, upon written instructions given jointly by the Company and BMO in their reasonable anticipation of the Escrow Release Conditions being satisfied, at a financial institution designated in such written instructions which, for greater certainty, shall include Bank of Montreal. If at any time the Escrowed Funds include cash that is not invested and the Company and BMO (on behalf of itself and the other Underwriters) have not provided directions to the Subscription Receipt Agent to invest such cash, the Escrowed Funds shall remain in the Subscription Receipt Agent's non-interest bearing trust account acceptable to the Company and BMO.

Any direction from the Company to the Subscription Receipt Agent shall be in writing and shall be provided to the Subscription Receipt Agent no later than 11:00 a.m. (Toronto time) on the day on which the investment is to be made. Any direction received by the Subscription Receipt Agent after 11:00 a.m. (Toronto time) or received on a non-Business Day shall be deemed to have been given on the next Business Day.

All Earnings received from the investment of the Escrowed Funds shall be credited to, and shall become a part of, the Escrowed Funds (and any bank charges and similar fees as well as losses, if any, on such investments shall be debited to the Escrowed Funds). The Subscription Receipt Agent shall have no responsibility or liability for any diminution of the Escrowed Funds which results from any Permitted Investments made pursuant to this Article, including any losses on any investment required to be liquidated prior to maturity in order to make a payment required hereunder.

Section 6.02 <u>Segregation of Proceeds</u>

The Escrowed Funds received by the Subscription Receipt Agent and any securities or other instruments received by the Subscription Receipt Agent upon the investment or reinvestment of such Escrowed Funds, shall be received as agent for, and shall be segregated and kept apart by the Subscription Receipt Agent as agent for, the Subscription Receiptholders, the Underwriters and the Company.

Section 6.03 <u>Release of Escrowed Funds</u>

Any direction from the Company for the release of any Escrowed Funds in accordance with this Agreement, including the Acquisition Notice, must be received in writing prior to 11:00 a.m. (Toronto time) on the Business Day prior to the day on which the release of such Escrowed Funds is to be made. Any such direction for the release of any Escrowed Funds received after 11:00 a.m. (Toronto time) or on a non-Business Day, will be handled on a commercially reasonable efforts basis and may result in such Escrowed Funds being released on the next Business Day. The Subscription Receipt Agent, subject to Section 6.05(b) shall:

(a) immediately after receipt of the Acquisition Notice, dispose of all investments constituting Escrowed Funds and shall remit the following amounts by wire transfer:

  (i) an amount equal to the aggregate amount, if any, required to be withheld in respect of Taxes in accordance with in Section 12.04(d) shall be remitted to the relevant Governmental Entity in accordance with Section 12.04(d);

  (ii) the balance of the Escrowed Funds, including all Earnings, if any, after release of all amounts referred to in Section 6.03(a)(i) and net of the amount to be released to BMO (on behalf of the Underwriters) subsequently pursuant to Section 6.03(b) shall be paid by the Subscription Receipt Agent to or at the direction of the Company;

(b) following the Acquisition Time and upon receiving written notice from the Company that the Acquisition Closing has been completed, which the Company shall send forthwith following the Acquisition Time, the remaining amount equal to the aggregate of 50% of the Underwriters' Fee shall be forthwith paid by the Subscription Receipt Agent on behalf of the Company to or at the direction of BMO (on behalf of the Underwriters); and

(c) in the event that the Acquisition Notice has not been received by the Subscription Receipt Agent prior to the Termination Time, on the Repayment Date the Subscription Receipt Agent shall dispose of all investments constituting Escrowed Funds and the Subscription Receipt Agent shall remit by certified cheque, bank draft or wire transfer, as follows:

(i) an amount equal to the aggregate amount, if any, required to be withheld in respect of Taxes in accordance with Section 12.04(d) shall be remitted to the relevant Governmental Entity in accordance with Section 12.04(d); and

(ii) the Repayment Amount (less any withholding Tax required to be withheld under applicable Laws) to the Subscription Receiptholders.

Section 6.04 <u>Additional Payments by the Company</u>

The amount paid under Section 6.03(c) shall be satisfied by the Subscription Receipt Agent out of the Escrowed Funds. If the amount of the Escrowed Funds would not otherwise be sufficient to satisfy any such payment, then the Company shall satisfy the shortfall by depositing an additional amount, sufficient to satisfy the shortfall, with the Subscription Receipt Agent prior to the time on which the payment is required to be paid pursuant to Section 6.03(c).

Section 6.05 <u>Ownership of Escrowed Funds</u>

(a) The Subscription Receiptholders shall be the beneficial owners of the Escrowed Funds, which ownership shall subsist until such time as the Common Shares are issued or the Repayment Amount is paid to the holders in full (less any withholding Tax required to be withheld under applicable Laws) in accordance herewith. The Company acknowledges and confirms that it has no right, title or interest in or to the Escrowed Funds until the Release Time, at which time the Company shall become the beneficial owner of the Escrowed Funds, including the Earnings (which Escrowed Funds and Earnings shall be remitted in accordance with Section 6.03(a).

(b) Notwithstanding any other provision of this Agreement, in the event that, prior to the earlier of the Repayment Time or the Effective Date (i) the Company makes a general assignment for the benefit of creditors or any proceeding is instituted by the Company, other than as provided by the Eligible Transaction or the Acquisition Closing, seeking relief on behalf thereof as a debtor, or to adjudicate the Company a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of the Company or the debts of the Company under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, receiver and manager, trustee, custodian or similar official for the Company or any substantial part of the property and assets the Company or the Company takes any corporate action to authorize any of the actions set forth above, or (ii) the Company shall be declared bankrupt, or a receiver, receiver and manager, trustee, custodian or similar official is appointed for the Company or any substantial part of its property and assets, or an encumbrancer shall legally take possession of any substantial part of the property or assets of the Company or a distress or execution or any similar process is levied or enforced against such property and assets and remains unsatisfied for such period as would permit such property or such part thereof to be sold thereunder, the rights and obligations of each holder of Subscription Receipts to exchange such Subscription Receipts for Common Shares in accordance with the terms hereof will terminate and such holder will be entitled to have remitted to it the Escrowed Funds in accordance with Section 6.03(c).

Section 6.06 Role as Subscription Receipt Agent

The Subscription Receipt Agent accepts its duties and responsibilities under this Agreement solely as a custodian, bailee and agent, and no trust is intended to be, or is or will be, created hereby and the Subscription Receipt Agent shall owe no duty hereunder as a trustee.

ARTICLE 7
ENFORCEMENT

Section 7.01 Suits by Subscription Receiptholders

All or any of the rights conferred on the holder of any Subscription Receipt by the terms of the Subscription Receipt Certificate representing such Subscription Receipt or of this Agreement may be enforced by such holder by appropriate legal proceedings but without prejudice to the right which is hereby conferred on the Subscription Receipt Agent to proceed in the name thereof or on behalf of the holders of Subscription Receipts to enforce each and every provision herein contained for the benefit of the Subscription Receiptholders.

Section 7.02 Limitation of Liability

The Subscription Receipt Agent and, by the acceptance of the Subscription Receipt Certificates and as part of the consideration for the issue of the Subscription Receipts, the Subscription Receiptholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future holder of Common Shares, director, officer, employee, representative or agent of the Company or any successor entity for the issue of the Common Shares pursuant to any Subscription Receipt or on any covenant, agreement, representation or warranty by the Company contained herein or in the Subscription Receipt Certificate(s).

ARTICLE 8
MEETINGS OF SUBSCRIPTION RECEIPTHOLDERS

Section 8.01 Right to Convene Meetings

(a) Convening of Meeting: The Subscription Receipt Agent may at any time and from time to time convene a meeting of the Subscription Receiptholders, and will do so on receipt of a Written Request of the Company or a Subscription Receiptholders' Request and on being funded and indemnified to its reasonable satisfaction by the Company or by one or more of the Subscription Receiptholders signing such Subscription Receiptholders' Request against the costs which it may incur in connection with calling and holding such meeting.

(b) Failure to Convene: If the Subscription Receipt Agent fails, within five Business Days after receipt of such Written Request of the Company or Subscription Receiptholders' Request and funding and indemnification referred to in Section 8.01(a), to give notice convening a meeting of the Subscription Receiptholders, the Company or any of such Subscription Receiptholders, as the case may be, may convene such meeting.

(c) Place of Meeting: Every such meeting of the Subscription Receiptholders will be held in Toronto, Ontario, or such other place as may be determined by the Subscription Receipt Agent and approved by the Company.

Section 8.02 Notice

(a) Notice: At least ten Business Days' notice of any meeting of the Subscription Receiptholders must be given to the Subscription Receiptholders, to the Subscription Receipt Agent (unless the meeting has been called by it) and to the Company (unless the meeting has been called by it) in the manner described in Article 13.

(b) Contents: The notice of a meeting of the Subscription Receiptholders must state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and shall contain such information as is reasonably necessary to enable the Subscription Receiptholders to make a reasoned decision on the matter, but it will not be necessary for the notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 8.

Section 8.03 Chairman

The Subscription Receipt Agent shall designate in writing an individual (who need not be a Subscription Receiptholder) to be chairman of a meeting of the Subscription Receiptholders or, if no individual is so designated or the individual so designated is not present within 15 minutes after the time fixed for the holding of the meeting, the Subscription Receiptholders present in person or by proxy may choose some individual present to be chairman.

Section 8.04 Quorum

(a) Quorum: Subject to the provisions of Section 8.12, at any meeting of the Subscription Receiptholders a quorum will consist of two or more Subscription Receiptholders present in person or by proxy at the commencement of the meeting holding in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding.

(b) No Quorum: If a quorum of Subscription Receiptholders is not present within 30 minutes after the time fixed for holding a meeting of the Subscription Receiptholders, the meeting, if summoned by Subscription Receiptholders or on a Subscription Receiptholders' Request, will be dissolved, but, subject to Section 8.12, in any other case will be adjourned to the third following Business Day at the same time and place and no notice of the adjournment need be given.

(c) Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened notwithstanding the number of Subscription Receipts that they hold.

Section 8.05 Power to Adjourn

The chairman of a meeting of the Subscription Receiptholders at which a quorum of the Subscription Receiptholders is present may, with the consent of the meeting, adjourn the meeting, and no notice of such adjournment need be given except as the meeting prescribes.

Section 8.06 Show of Hands

Every question submitted to a meeting of the Subscription Receiptholders, other than an Extraordinary Resolution, will be decided in the first place by a majority of the votes given on a show of hands and, unless a poll is duly demanded as herein provided, a declaration by the chairman of such meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority will be conclusive evidence of the fact.

Section 8.07 Poll

(a) Extraordinary Resolution: On every Extraordinary Resolution, and on every other question submitted to a meeting of the Subscription Receiptholders on which a poll is directed by the chairman of such meeting or requested by one or more Subscription Receiptholders acting in person or by proxy and holding in the aggregate not less than 10% of the total number of Subscription Receipts then outstanding, a poll will be taken in such manner as the chairman directs.

(b) Other: Questions other than those required to be determined by Extraordinary Resolution will be decided by a majority of the votes cast on the poll.

Section 8.08 Voting

On a show of hands each person present and entitled to vote, whether as a Subscription Receiptholder or as proxy for one or more absent Subscription Receiptholders, or both, will have one vote, and on a poll each Subscription Receiptholder present in person or represented by a proxy duly appointed by instrument in writing will be entitled to one vote in respect of each Subscription Receipt held by such holder. A proxy need not be a Subscription Receiptholder. In the case of joint holders, any of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them shall be present in person or by proxy, they shall vote together in respect of Subscription Receipts of which they are joint registered holders. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Subscription Receipts, if any, held or represented by him.

Section 8.09 Regulations

(a) Ability to Make: The Subscription Receipt Agent, or the Company with the approval of the Subscription Receipt Agent, may from time to time make or vary such regulations as it thinks fit:

(i) for the form of instrument appointing a proxy, the manner in which it must be executed, and verification of the authority of a person who executes it on behalf of a Subscription Receiptholder;

(ii) governing the places at which and the times by which voting certificates or instruments appointing proxies must be deposited;

(iii) generally for the calling of meetings of Subscription Receiptholders and the conduct of business thereof; and

(iv) for the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be sent by mail, facsimile or other means of prepaid, transmitted, recorded communication before the meeting to the Company or to the Subscription Receipt Agent at the place where the meeting is to be held and for voting pursuant to instruments appointing proxies so deposited as though the instruments themselves were produced at the meeting.

Any regulations so made will be binding and effective and the votes given in accordance therewith will be valid and will be counted.

(b) Recognition: Except as such regulations provide, the only persons who will be recognized at a meeting as the holders of any Subscription Receipts, or as entitled to vote or, subject to Section 8.10, to be present at the meeting in respect thereof, will be the registered holders of such Subscription Receipts or persons holding proxies on their behalf.

Section 8.10 The Company and Subscription Receipt Agent may be Represented

The Company and the Subscription Receipt Agent by their respective employees, officers or directors, and the counsel of the Company and of the Subscription Receipt Agent, may attend any meeting of Subscription Receiptholders, but will have no vote unless attending in, and to the extent of, their capacity as Subscription Receiptholder or proxyholder.

Section 8.11 Powers Exercisable by Extraordinary Resolution

In addition to all other powers conferred on them by the other provisions of this Agreement or by law, the Subscription Receiptholders at a meeting will have the power, exercisable from time to time by Extraordinary Resolution:

(a) to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Subscription Receiptholders or, with the reasonable consent of the Subscription Receipt Agent, of the Subscription Receipt Agent in its capacity as custodian, agent and bailee hereunder or on behalf of the Subscription Receiptholders against the Company, whether such right arises under this Agreement or otherwise, which shall be agreed to by the Company, and to authorize the Subscription Receipt Agent to concur in and execute any supplement hereto in connection therewith;

(b) to amend, alter or repeal any Extraordinary Resolution previously passed;

(c) subject to arrangements as to financing and indemnity satisfactory to the Subscription Receipt Agent, to direct or authorize the Subscription Receipt Agent to enforce any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders in any manner specified in the Extraordinary Resolution;

(d) to direct or authorize the Subscription Receipt Agent to refrain from enforcing any obligation or right referred to in this Section 8.11;

(e) to waive and direct the Subscription Receipt Agent to waive any default by the Company in complying with any provision of this Agreement or the Subscription Receipt Certificates, either unconditionally or on any condition specified in the Extraordinary Resolution;

(f) to appoint a committee with power and authority to exercise, and to direct the Subscription Receipt Agent to exercise, on behalf of the Subscription Receiptholders, such of the powers of the Subscription Receiptholders as are exercisable by Extraordinary Resolution;

(g) to restrain any Subscription Receiptholder from taking or instituting any suit, action or proceeding against the Company for the enforcement of any obligation of the Company under this Agreement or to enforce any right of the Subscription Receiptholders;

(h) to direct any Subscription Receiptholder who, as such, has brought any suit, action or proceeding, to stay or discontinue or otherwise deal therewith on payment of the costs, charges and expenses reasonably and properly incurred by it in connection therewith;

(i) to assent to any change in or omission from the provisions contained in the Subscription Receipt Certificates and this Agreement or any ancillary or supplemental instrument which may be agreed to by the Company, and to authorize the Subscription Receiptholders to concur in and execute any ancillary or supplemental agreement embodying the change or omission provided that such change or omission will not prejudice the rights of the Subscription Receiptholders or the Subscription Receipt Agent;

(j) to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Company;

(k) from time to time and at any time, with the consent of the Company which shall not be unreasonably withheld, to remove the Subscription Receipt Agent and appoint a successor agent or trustee; and

(l) in the event the Escrow Release Conditions have not been satisfied or waived, or will not be satisfied or waived, on or prior to the Outside Date, to extend the Outside Date and to authorize the Subscription Receipt Agent to concur in and execute any indenture supplemental hereto in connection therewith.

Section 8.12 Meaning of “Extraordinary Resolution”

(a) Meaning: The expression “Extraordinary Resolution” when used in this Agreement means, subject to the provisions of this Section 8.12 and of Sections 8.15 and 8.16, a motion proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the provisions of this Article 8 at which there are present in person or by proxy two or more Subscription Receiptholders holding in the aggregate not less than 25% of the total number of Subscription Receipts then outstanding and passed by the affirmative votes of Subscription Receiptholders voting as a single class who hold in the aggregate not less than 66 2/3% of the total number of Subscription Receipts represented at the meeting and voted on the motion.

(b) Quorum: If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 8.12(a) is not present within 30 minutes after the time appointed for the meeting, the meeting, if convened by Subscription Receiptholders or on a Subscription Receiptholders’ Request, will be dissolved, but in any other case will stand adjourned to such day, being not less than five Business Days or more than ten Business Days later, and to such place and time, as is appointed by the chairman of such meeting.

(c) Notice: Not less than five Business Days’ notice must be given to the Subscription Receiptholders of the time and place of such adjourned meeting in the manner provided for in Article 13.

(d) Form of Notice: The notice must state that at the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum but it will not be necessary to set forth the purposes for which the meeting was originally called or any other particulars.

(e) Quorum at Adjourned Meeting: At the adjourned meeting the Subscription Receiptholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a motion proposed at such adjourned meeting and passed by the requisite vote as provided in Section 8.12(a) will be an Extraordinary Resolution within the meaning of this Agreement notwithstanding that Subscription Receiptholders holding in the aggregate 25% of the total number of Subscription Receipts outstanding may not be present.

(f) Poll: Votes on an Extraordinary Resolution must always be given on a poll and no demand for a poll on an Extraordinary Resolution will be necessary.

Section 8.13 Powers Cumulative

Any one or more of the powers, and any combination of the powers, in this Agreement stated to be exercisable by the Subscription Receiptholders by Extraordinary Resolution or otherwise, may be exercised from time to time, and the exercise of any one or more of such powers or any combination of such powers from time to time will not prevent the Subscription Receiptholders from exercising such power or powers or combination of powers thereafter from time to time.

Section 8.14 Minutes

Minutes of all resolutions passed and proceedings taken at every meeting of the Subscription Receiptholders will be made and duly entered in books from time to time provided for such purpose by the Subscription Receipt Agent at the expense of the Company, and any such minutes, if signed by the chairman of the meeting at which such resolutions were passed or such proceedings were taken, will be *prima facie* evidence of the matters therein stated, and, until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been so made, entered and signed will be deemed to have been duly convened and held, and all resolutions passed and proceedings taken thereat to have been duly passed and taken.

Section 8.15 Instruments in Writing

Any action that may be taken and any power that may be exercised by Subscription Receiptholders at a meeting held as provided in this Article 8 may also be taken and exercised by Subscription Receiptholders, as a single class, who hold in the aggregate not less than 50% of the total number of Subscription Receipts at the time outstanding or, in the case of an Extraordinary Resolution, Subscription Receiptholders who hold in the aggregate not less than 66 2/3% of the total number of Subscription Receipts at the time outstanding, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts, and the expressions "Extraordinary Resolution" when used in this Agreement includes a resolution embodied in an instrument so signed.

Section 8.16 Binding Effect of Resolutions

Every resolution and Extraordinary Resolution passed in accordance with the provisions of this Article 8 at a meeting of Subscription Receiptholders will be binding on all Subscription Receiptholders, whether present at or absent from the meeting and whether voting for or against the resolution or abstaining, and every instrument in writing signed by Subscription Receiptholders in accordance with Section 8.15 will be binding on all Subscription Receiptholders, whether signatories thereto or not, and every Subscription Receiptholder and the Subscription Receipt Agent (subject to the provisions for its indemnity herein contained) will be bound to give effect accordingly to every such resolution and instrument in writing.

Section 8.17 Holdings by the Company and Subsidiaries Disregarded

In determining whether Subscription Receiptholders holding the required total number of Subscription Receipts are present in person or by proxy for the purpose of constituting a quorum, or have voted or consented to a resolution, Extraordinary Resolution, consent, waiver, Subscription Receiptholders' Request or other action under this Agreement, a Subscription Receipt held by the Company or by a Subsidiary of the Company will be deemed to be not outstanding. The Company shall provide the Subscription Receipt Agent with a certificate of the Company providing details of any Subscription Receipts held by the Company or by a Subsidiary of the Company upon the written request of the Subscription Receipt Agent.

ARTICLE 9
SUPPLEMENTAL AGREEMENT AND SUCCESSOR CORPORATIONS

Section 9.01 Provision for Supplemental Agreement for Certain Purposes

From time to time the Company and the Subscription Receipt Agent may, subject to the provisions hereof, and will when so directed hereby, execute and deliver by their proper officers agreements or instruments supplemental hereto, which thereafter will form part hereof, for any or all of the following purposes:

(a) providing for any consequential amendments hereto as counsel advises;

(b) adding hereto such additional covenants and enforcement provisions as, in the opinion of counsel to the Subscription Receipt Agent, are necessary or advisable and are not prejudicial to the interest of the Subscription Receiptholders;

(c) giving effect to any Extraordinary Resolution passed as provided in Article 8;

(d) making such provisions not inconsistent with this Agreement as are necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Subscription Receipts or the Common Shares on a stock exchange or over-the-counter market, provided that such provisions are not in the opinion of counsel to the Subscription Receipt Agent prejudicial to the interests of the Subscription Receiptholders;

(e) adding to, deleting or altering the provisions hereof in respect of the transfer of Subscription Receipts or the exchange of Subscription Receipt Certificates, and making any modification in the form of the Subscription Receipt Certificates that does not affect the substance thereof;

(f) modifying any provision of this Agreement or relieving the Company from any obligation, condition or restriction herein contained, except that no such modification or relief will be or become operative or effective if in the opinion of counsel to the Subscription Receipt Agent it would impair any right of the Subscription Receiptholders or of the Subscription Receipt Agent, and the Subscription Receipt Agent may decline to enter into any such supplemental agreement which in its opinion will not afford adequate protection to the Subscription Receipt Agent when it becomes operative; and

(g) for any other purpose not inconsistent with the terms of this Agreement, including the correction or rectification of any ambiguity, defective or inconsistent provision, error or omission herein, if in the opinion of counsel to the Subscription Receipt Agent, the rights of the Subscription Receipt Agent and of the Subscription Receiptholders are not prejudiced thereby.

Section 9.02 Successor Corporations

Nothing in this Agreement shall prevent any consolidation, amalgamation, plan of arrangement, or merger of the Company with or into any other trust, partnership, corporation or other entity ("**Successor Entity**"), body corporate, or a conveyance or transfer directly or indirectly of all or substantially all the properties and assets of the Company as an entirety to any Successor Entity lawfully entitled to acquire and operate the same; provided, however, that the Successor Entity formed by such consolidation, amalgamation or plan of arrangement or into which such merger shall have been made or which acquires by conveyance or transfer all or substantially all the properties and assets of the Company as an entirety shall execute and deliver to the Subscription Receipt Agent prior to or contemporaneously with such consolidation, amalgamation, plan of arrangement, merger, conveyance or transfer, an agreement supplemental hereto wherein the due and punctual performance and observance of all the covenants and conditions of this Agreement to be performed or observed by the Company shall, as a condition precedent to completion of such transaction, expressly be assumed by such Successor Entity and the Successor Entity shall succeed to and be substituted for the Company hereunder with the same effect as nearly as may be possible as if it had been a party hereto. Such changes shall be made in the Subscription Receipts as the board of directors of the Company, acting in good faith, consider appropriate in the circumstances in view of such consolidation, amalgamation, plan of arrangement, merger, conveyance or transfer. The Subscription Receipt Agent shall be entitled to receive and shall be fully protected in relying upon an opinion of counsel that any such consolidation, amalgamation, plan of arrangement, merger, conveyance or transfer, and any supplemental agreement executed in connection therewith, comply with the provisions of this Section 9.02.

ARTICLE 10
ANTI-MONEY LAUNDERING

Section 10.01 Use of Accounts

Each party to this Agreement (other than the Subscription Receipt Agent) hereby represents to the Subscription Receipt Agent that any account to be opened by, or interest to be held by, the Subscription Receipt Agent in connection with this Agreement, for or to the credit of such party, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case such party hereto agrees to complete and execute forthwith a declaration in the Subscription Receipt Agent's prescribed form as to the particulars of such third party.

Section 10.02 Right of Subscription Receipt Agent to Resign

The Subscription Receipt Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Subscription Receipt Agent, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Subscription Receipt Agent, in its sole judgment, determine at any time that its acting under this Agreement has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten days written notice to the other parties to this Agreement, provided (i) that the Subscription Receipt Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Subscription Receipt Agent's satisfaction within such ten-day period, then such resignation shall not be effective.

Section 10.03 Force Majeure

No party shall be liable to any other, or held in breach of this Agreement, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental or regulatory action, earthquakes, or any other similar extreme causes in each case affecting the general population (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures which in each case affect the general population). Performance times under this Agreement shall be extended for a period of time equivalent to the time lost because of any delay that is properly excusable under this Section 10.03, but such extension is not cumulative and shall not apply in circumstances where performance was not due at the relevant time.

ARTICLE 11
PRIVACY

Section 11.01 Privacy

The parties to this Agreement acknowledge that the Subscription Receipt Agent may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

(i) to provide the services required under this Agreement and other services that may be requested from time to time;

(ii) to help the Subscription Receipt Agent manage its servicing relationships with such individuals;

(iii) to meet the Subscription Receipt Agent's legal and regulatory requirements; and

(iv) if social insurance numbers are collected by the Subscription Receipt Agent, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Each party to this Agreement acknowledges and agrees that the Subscription Receipt Agent may receive, collect, use and disclose personal information provided to it or acquired by it in the course of this Agreement for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Subscription Receipt Agent shall make available on its website or upon request, including revisions thereto. Further, each party to this Agreement agrees that it shall not provide or cause to be provided to the Subscription Receipt Agent any personal information relating to an individual who is not a party to this Agreement unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 12
CONCERNING SUBSCRIPTION RECEIPT AGENT

Section 12.01 Applicable Laws

If and to the extent that any provision of this Agreement limits, qualifies or conflicts with a mandatory requirement of applicable Laws, the mandatory requirement will prevail. The Company and the Subscription Receipt Agent each will at all times in relation to this Agreement and any action to be taken hereunder observe and comply with and be entitled to the benefits of applicable Laws.

Section 12.02 Rights and Duties of Subscription Receipt Agent

(a) Duty of Subscription Receipt Agent: In the exercise of the rights and duties prescribed or conferred by the terms of this Agreement, the Subscription Receipt Agent will act honestly and in good faith and will exercise that degree of care, diligence and skill that a reasonably prudent subscription receipt agent would exercise in comparable circumstances. The Subscription Receipt Agent shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless expressly set forth herein, or unless notice in writing is formally given and unless it is indemnified and funded in a manner satisfactory to it against such expenses or liability; nor shall the Subscription Receipt Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Subscription Receipt Agent and in such case, the Subscription Receipt Agent shall promptly notify the registered holders of Subscription Receipts of such default, and in the absence of any such notice the Subscription Receipt Agent may for all purposes of this Agreement conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given to the Subscription Receipt Agent to determine whether or not the Subscription Receipt Agent shall take action with respect to any default. The Subscription Receipt Agent shall retain the right not to act and shall not be held liable for refusing to act unless it has received clear and reasonable documentation which complies with the terms of this Agreement. Such documentation must not require the exercise of any discretion or independent judgment. The Subscription Receipt Agent shall have no duties except those which are expressly set forth herein and it shall not be bound by any notice of a claim or demand with respect to, or any waiver, modification, amendment, termination or rescission of this Agreement, unless received by it in writing, and signed by the parties hereto and if its duties herein are affected, unless it shall have given its prior written consent thereto.

(b) [INTENTIONALLY DELETED.]

(c) Actions: The obligation of the Subscription Receipt Agent to commence or continue any act, action or proceeding in connection herewith, including, for the purpose of enforcing any right of the Subscription Receipt Agent or the Subscription Receiptholders hereunder is on the condition that the Subscription Receipt Agent shall have received a Subscription Receiptholders' Request specifying the act, action or proceeding which the Subscription Receipt Agent is requested to take and, when required by notice to the Subscription Receiptholders by the Subscription Receipt Agent, the Subscription Receipt Agent is furnished by one or more Subscription Receiptholders with sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Subscription Receipt Agent to protect and hold it harmless against the costs, charges, expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(d) Funding: No provision of this Agreement will require the Subscription Receipt Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless it is so indemnified.

(e) Deposit of Subscription Receipts: The Subscription Receipt Agent may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Subscription Receiptholders at whose instance it is acting to deposit with the Subscription Receipt Agent the Subscription Receipt Certificates held by them, for which certificates the Subscription Receipt Agent will issue receipts.

(f) Restriction: Every provision of this Agreement that relieves the Subscription Receipt Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of applicable Laws, of this Section 12.02 and of Section 12.03.

Section 12.03 Evidence, Experts and Advisers

(a) Evidence: In addition to the reports, certificates, opinions, notices and other evidence required by this Agreement, the Company will furnish to the Subscription Receipt Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by applicable Laws or as the Subscription Receipt Agent reasonably requires by written notice to the Company.

(b) Reliance by Subscription Receipt Agent: In the exercise of any right or duty hereunder, the Subscription Receipt Agent may, if it is acting in good faith, act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declarations, opinions, reports, orders or certificates of the Company or other evidence furnished to the Subscription Receipt Agent pursuant to a provisions hereof or of applicable Laws or pursuant to a request of the Subscription Receipt Agent, if such evidence complies with applicable Laws and the Subscription Receipt Agent examines such evidence and determines that it complies with the applicable requirements of this Agreement.

(c) Statutory Declaration: Whenever applicable Law requires that evidence referred to in Section 12.03(a) be in the form of a statutory declaration, the Subscription Receipt Agent may accept such statutory declaration in lieu of a Certificate of the Company required by any provision hereof. Any such statutory declaration may be made by any one or more of the Chairman, Chief Executive Officer, Chief Financial Officer, Corporate Secretary or General Counsel of the Company or by any other officer(s) or director(s) of the Company to whom such authority is delegated by the directors from time to time. In addition, the Subscription Receipt Agent may act and rely and shall be protected in acting and relying upon any resolution, certificate, direction, instruction, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram or other paper or document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

(d) Proof of Execution: Proof of the execution of any document or instrument in writing, including a Subscription Receiptholders' Request, by a Subscription Receiptholder may be made by the certificate of a notary public, or other officer with similar powers, that the person signing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Subscription Receipt Agent considers adequate. The Subscription Receipt Agent shall not be responsible or liable in any manner whatsoever for the sufficiency, correctness, genuineness or validity of any instrument deposited with it, for the form or execution of such instruments, for the identity, authority or right of any Person executing or depositing such instruments or for determining or compelling compliance therewith, and shall not otherwise be bound thereby.

(e) Experts: The Subscription Receipt Agent may employ or retain such counsel, accountants, appraisers, or other experts or advisers as it reasonably requires for the purpose of determining and discharging its rights and duties hereunder and may pay the reasonable remuneration and disbursements for all services so performed by any of them and the reasonable costs of such services shall be added to and be part of the Subscription Receipt Agent's fees, and the Subscription Receipt Agent will not be responsible for any misconduct or gross negligence on the part of any of them who has been selected with due care by the Subscription Receipt Agent. The Subscription Receipt Agent may act and rely and shall be protected in acting or not acting and relying in good faith on the opinion or advice of or information obtained from any counsel, accountant or other expert or advisor, whether retained or employed by the Company or by the Subscription Receipt

Agent, in relation to any matter arising in the administration of the duties and obligations hereof.

Section 12.04 Documents, Money, Etc. held by Subscription Receipt Agent

(a) Safekeeping: Any security, document of title or other instrument that may at any time be held by the Subscription Receipt Agent subject to the provisions of this Agreement shall be placed in the deposit vaults of the Subscription Receipt Agent or of any Schedule I Canadian bank or deposited for safekeeping with any such bank.

(b) Holding of Funds: Unless herein otherwise expressly provided, any money held by the Subscription Receipt Agent pending the application or withdrawal thereof under any provision of this Agreement shall be held in a segregated Canadian dollar account in any Scheduled I Canadian bank or any other loan or trust company authorized to accept deposits under the laws of Canada or a province thereof, earning the prescribed rate of interest (if any) then in effect on similar deposits.

(c) Earnings: If the Acquisition Notice has been received by the Subscription Receipt Agent prior to the Termination Time, all Earnings, including any interest or other income received by the Subscription Receipt Agent in respect of such deposits and investments referred to in Section 12.04(b), will belong to the Company and shall be included and reported in the Company's income for Tax purposes. If the Acquisition Notice has not been received by the Subscription Receipt Agent prior to the Termination Time, such amounts and the Deemed Earnings shall belong to the Subscription Receiptholders to the extent of their pro rata portions thereof and shall be included and reported in the Subscription Receiptholders' income for Tax purposes.

(d) Withholdings: If the Subscription Receipt Agent is required to withhold or deduct any amount in respect of Taxes in accordance with this Agreement, the Subscription Receipt Agent will make such withholding or deduction and will remit the full amount withheld or deducted to the relevant Governmental Entity as and when required by applicable Laws.

Section 12.05 Action by Subscription Receipt Agent to Protect Interests

The Subscription Receipt Agent will have power to institute and to maintain such actions and proceedings as it considers necessary or expedient to protect or enforce its interests and the interests of the Subscription Receiptholders.

Section 12.06 Subscription Receipt Agent not Required to Give Security

The Subscription Receipt Agent will not be required to give any bond or security in respect of the execution of the duties and obligations and powers of this Agreement.

Section 12.07 Protection of Subscription Receipt Agent

(a) Protection: By way of supplement to the provisions of any law for the time being relating to custodians, agents or bailees, it is expressly declared and agreed that:

(i) the Subscription Receipt Agent will not be liable for or by reason of, or required to substantiate, any statement of fact, representation or recital in this Agreement or in the Subscription Receipt Certificates (except the representation contained in Section 12.09 hereof or in the certificate of the Subscription Receipt Agent on the Subscription Receipt Certificates or other representation of the Subscription Receipt Agent made herein or therein), but all such statements or recitals are and will be deemed to be made by the Company;

(ii) nothing herein contained will impose on the Subscription Receipt Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Agreement or any instrument ancillary or supplemental hereto;

(iii) the Subscription Receipt Agent will not be bound to give notice to any person of the execution hereof;

(iv) the Subscription Receipt Agent will not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach by the Company of any obligation or warranty herein contained or of any act of any director, officer, employee or agent of the Company;

(v) the Subscription Receipt Agent shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith, or for any mistake of fact or law, or for anything which it may do or refrain from doing in connection herewith, except for its own negligence, wilful misconduct or bad faith;

(vi) the Subscription Receipt Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Company and in the Subscription Receipts and generally may contract and enter into financial transactions with the Company or any related corporation without being liable to account for any profit made thereby;

(vii) the Subscription Receipt Agent shall incur no liability with respect to the delivery or non-delivery of any certificate or certificates whether delivered by hand, mail or any other means provided that they are sent in accordance with the provisions hereof;

(viii) if the Subscription Receipt Agent delivers any cheque as required hereunder, the Subscription Receipt Agent shall have no further obligation or liability for the amount represented thereby, unless any such cheque is not honoured on presentation, provided that in the event of the non-receipt of such cheque by the payee, or the loss or destruction thereof, the Subscription Receipt Agent, upon being furnished with reasonable evidence of such non-receipt, loss or destruction and, if required by the Subscription Receipt Agent, an indemnity reasonably satisfactory to it, shall issue to such payee a replacement cheque for the amount of such cheque; and

(ix) the Subscription Receipt Agent will disburse funds in accordance with the provisions hereof only to the extent that funds have been deposited with it.

(b) Indemnity: In addition to and without limiting any protection of the Subscription Receipt Agent hereunder or otherwise by law, the Company agrees to indemnify the Subscription Receipt Agent, its agents, employees, directors and officers (each an "**Indemnified Person**"), and save each Indemnified Person harmless from all liabilities, suits, damages, costs, expenses and actions which may be brought against or suffered by it arising out of or connected with the performance by the Subscription Receipt Agent of its duties hereunder, except to the extent that such liabilities, suits, damages, costs and actions are attributable to the gross negligence, wilful misconduct or bad faith of the Subscription Receipt Agent or an Indemnified Person. Notwithstanding any other provision hereof, this indemnity shall survive any removal or resignation of the Subscription Receipt Agent, discharge of this Agreement and termination of any duties and obligations hereunder.

Section 12.08 Replacement of Subscription Receipt Agent

(a) Resignation: The Subscription Receipt Agent may resign and be discharged from all further duties and liabilities hereunder, except as provided in this Section 12.08, by giving to the Company and the Subscription Receiptholders not less than 60 Business Days' notice in writing or such shorter notice as the Company accepts as sufficient provided that such resignation and discharge shall be subject to the appointment of a successor thereto in accordance with the provisions hereof.

(b) Removal: The Subscription Receiptholders, with the consent of the Company which may not be unreasonably withheld, by Extraordinary Resolution may at any time remove the Subscription Receipt Agent and appoint a new Subscription Receipt Agent, provided that the previous Subscription Receipt Agent shall have received payment in full of all fees and expenses owing to it.

(c) Appointment of New Subscription Receipt Agent: If the Subscription Receipt Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Company will forthwith appoint a new Subscription Receipt Agent unless a new Subscription Receipt Agent has already been appointed by the Subscription Receiptholders.

(d) Failure to Appoint: Failing such appointment by the Company, the retiring Subscription Receipt Agent or any Subscription Receiptholder may apply at the expense of the Company to the Ontario Superior Court of Justice, on such notice as the Court directs, for the appointment of a new Subscription Receipt Agent.

(e) New Subscription Receipt Agent: Any new Subscription Receipt Agent appointed under this section must be a corporation authorized to carry on the business of a transfer agent or trust company in Ontario and, if required by the applicable Laws of any other province, in such other province. On any such appointment the new Subscription Receipt Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Subscription Receipt Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Company, all such conveyances or other instruments as, in the opinion of counsel to the Subscription Receipt Agent, are necessary or advisable for the purpose of assuring the transfer of such powers, rights, duties and responsibilities to the new Subscription Receipt Agent. Any new Subscription Receipt Agent so appointed by the Company or by the Court will be subject to removal as aforesaid by the Subscription Receiptholders and by the Company. At the request of the Company or the new Subscription Receipt Agent, the retiring Subscription Receipt Agent, upon payment of the amounts, if any, due to it pursuant to this Agreement, shall duly assign, transfer and deliver to the new Subscription Receipt Agent all property and money held and all records kept by hereunder or in connection hereunder.

(f) Notice of New Subscription Receipt Agent: On the appointment of a new Subscription Receipt Agent, the Company will promptly give notice thereof to the Subscription Receiptholders in accordance with Section 13.02(a).

(g) Successor Subscription Receipt Agent: A corporation into or with which the Subscription Receipt Agent is merged or consolidated or amalgamated, or a corporation succeeding to the business of the Subscription Receipt Agent, will be the successor to the Subscription Receipt Agent hereunder without any further act on its part or on the part of any party hereto if such corporation would be eligible for appointment as a new Subscription Receipt Agent under Section 12.08(e).

(h) Certificates: A Subscription Receipt Certificate Authenticated but not delivered by a predecessor Subscription Receipt Agent may be delivered by the new or successor Subscription Receipt Agent in the name of the predecessor Subscription Receipt Agent or successor Subscription Receipt Agent.

Section 12.09 Conflict of Interest

The Subscription Receipt Agent represents to the Company that to the best of its knowledge at the time of the execution and delivery hereof no material conflict of interest exists between its role as a fiduciary and as a custodian, bailee and agent hereunder and its role in any other capacity and if a material conflict of interest arises hereafter it will, within 90 days after ascertaining that it has such material conflict of interest, either eliminate the conflict of interest or resign its duties and obligations hereunder.

Section 12.10 Currently Not Filing

The Company confirms that as at the date of execution of this agreement it does not have a class of securities registered pursuant to Section 12 of the US Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the US Securities Exchange Act. The Company covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the US Securities Exchange Act or the Company shall incur a reporting obligation pursuant to Section 15(d) of the US Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Company in accordance with the US Securities Exchange Act, the Company shall promptly deliver to the Subscription Receipt Agent an Officers' Certificate (in a form provided by the Subscription Receipt Agent) notifying the Subscription Receipt Agent of such registration or termination and such other information as the Subscription Receipt Agent may require at the time. The Company acknowledges that Computershare is relying upon the foregoing representation and covenants in order to meet certain U.S. Securities and Exchange Commission obligations with respect to those clients who are filing with the U.S. Securities and Exchange Commission.

Section 12.11 Acceptance of Duties and Obligations

The Subscription Receipt Agent hereby accepts the duties and obligations in this Agreement declared and provided for and agrees to perform them on the terms and conditions herein set forth. The Subscription Receipt Agent accepts the duties and responsibilities under this Agreement solely as custodian, bailee and agent. No trust is intended to be or will be created hereby and the Subscription Receipt Agent shall owe no duties hereunder as a trustee.

ARTICLE 13
GENERAL

Section 13.01 Notice to the Company and Subscription Receipt Agent

(a) Company: Unless herein otherwise expressly provided, a notice to be given hereunder to the Company or the Subscription Receipt Agent will be validly given if delivered or if sent by registered letter, postage prepaid, or if sent by facsimile transmission (if receipt of such transmission is confirmed):

(i) if to the Company:

Element Financial Corporation
161 Bay Street
Suite 4600
PO Box 621
Toronto, Ontario M5J 2S1
Canada

Attention: Chief Executive Officer

Facsimile: 888.772.8129

with a copy to:

Blake, Cassels & Graydon LLP
199 Bay Street
Suite 4000, Commerce Court West
Toronto ON M5L 1A9
Canada

Attention: David J. Toswell

Facsimile: 416.863.2653

(ii) if to BMO:

BMO Nesbitt Burns Inc.
1 First Canadian Place
Toronto, Ontario M5X 1A1

Attention: John Coke

Facsimile: 416.359.6585

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
First Canadian Place
Suite 6200, P.O. Box 50
Toronto, Ontario M5H 2V1

Attention: Mark DesLauriers

Facsimile: 416.862.6666

(iii) if to the Subscription Receipt Agent:

Computershare Trust Company of Canada
11th Floor 100 University Ave.,
Toronto, ON M5J 2Y1

Attention: General Manager, Corporate Trust Department

Facsimile: 416 981-9777

and any such notice delivered or sent in accordance with the foregoing will be deemed to have been received on the date of delivery or facsimile transmission or, if mailed, on the third Business Day following the day of the mailing of the notice. The original of any document sent by facsimile transmission to the Subscription Receipt Agent shall be subsequently mailed to the Subscription Receipt Agent.

(b) Change of Address: The Company or the Subscription Receipt Agent, as the case may be, may from time to time notify the other in the manner provided in Section 13.01(a) of a change of address which, from the effective date of such notice and until changed by like notice, will be the address of the Company or the Subscription Receipt Agent, as the case may be, for all purposes of this Agreement.

(c) Postal Interruption: If, by reason of a strike, lockout or other work stoppage, actual or threatened, involving Canadian postal employees, a notice to be given to the Subscription Receipt Agent or to the Company hereunder could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is delivered by hand or via courier to an officer of the party to which it is addressed. Any notice delivered in accordance with the foregoing will be deemed to have been received on the date of delivery to such officer.

Section 13.02 Notice to Subscription Receiptholders

(a) Notice: Unless herein otherwise expressly provided, a notice to be given hereunder to Subscription Receiptholders will be deemed to be validly given if the notice is sent by courier, postage prepaid, addressed to the Subscription Receiptholders or delivered (or so couriered to certain Subscription Receiptholders and so delivered to the other Subscription Receiptholders) at their respective addresses appearing on the registers of holders described in Section 3.01, provided, however, that if, by reason of a strike, lockout or other work stoppage, actual or threatened, the notice could reasonably be considered unlikely to reach or likely to be delayed in reaching its destination, the notice will be valid and effective only if it is so delivered or is given by publication in the Report on Business section in the national edition of *The Globe and Mail*.

(b) Date of Notice: A notice so given by courier or so delivered will be deemed to have been given on the first Business Day after it has been couriered or on the day on which it has been delivered, as the case may be. A notice given by ordinary post addressed to such holders at their post office addresses appearing on the register hereinbefore mentioned shall be deemed to have been effectively given three Business Days following actual posting of the notice. A notice so given by publication will be deemed to have been given on the day on which it has been published as required. In determining under any provision hereof the date when notice of a meeting or other event must be given, the date of giving notice will be included and the date of the meeting or other event will be excluded. Accidental error or omission in giving notice or accidental failure to mail notice to any Subscription Receiptholder will not invalidate any action or proceeding founded thereon.

Section 13.03 Satisfaction and Discharge of Agreement

If all Common Shares required to be issued in compliance with the provisions hereof have been issued hereunder in accordance with such provisions, if all payments required to be made in compliance with the provisions of this Agreement have been made in accordance with such provisions and payment to the Subscription Receipt Agent of the fees and other remuneration payable to the Subscription Receipt Agent have been made, this Agreement will cease to be of further effect and, on demand of and at the cost and expense of the Company and on delivery to the Subscription Receipt Agent of a Certificate of the Company stating that all conditions precedent to the satisfaction and discharge of this Agreement have been complied with and on payment to the Subscription Receipt Agent of the fees and other remuneration payable to the Subscription Receipt Agent, the Subscription Receipt Agent will execute proper instruments acknowledging the satisfaction of and discharging this Agreement.

Section 13.04 Sole Benefit of Parties and Subscription Receiptholders

Subject to the provisions of Section 12.07(b), nothing in this Agreement or the Subscription Receipt Certificates, expressed or implied, will give or be construed to give to any person other than the parties hereto and the Subscription Receiptholders, as the case may be, any legal or equitable right, remedy or claim under this Agreement or the Subscription Receipt Certificates, or under any covenant or provision herein or therein contained, all such covenants and provisions being for the sole benefit of the parties hereto and the Subscription Receiptholders.

Section 13.05 Discretion of Directors

Any matter provided herein to be determined by the directors will be determined by the directors in their sole discretion, acting reasonably, and a determination so made will be conclusive.

Section 13.06 Counterparts and Formal Date

This Agreement may be executed in several counterparts, each of which when so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument and notwithstanding the date of their execution will be deemed to be dated as of the date of this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have executed this Subscription Receipt Agreement as of the day and year first above written.

ELEMENT FINANCIAL CORPORATION

By: *(signed) Michel Béland*
Name: Michel Béland
Title: Chief Financial Officer & Chief Administrative Officer

BMO NESBITT BURNS INC.

By: *(signed) John Coke*
Name: John Coke
Title: Managing Director

COMPUTERSHARE TRUST COMPANY OF CANADA

By: *(signed) Danny Snider*
Authorized Signatory

By: *(signed) Charles Cuschieri*
Authorized Signatory

SCHEDULE A – FORM OF SUBSCRIPTION RECEIPT CERTIFICATE

TO THE SUBSCRIPTION RECEIPT AGREEMENT DATED
MAY 29, 2015 AMONG ELEMENT FINANCIAL CORPORATION,
BMO NESBITT BURNS INC. AND
COMPUTERSHARE TRUST COMPANY OF CANADA

SUBSCRIPTION RECEIPT CERTIFICATE

SUBSCRIPTION RECEIPTS

exchangeable for Common Shares of

ELEMENT FINANCIAL CORPORATION

Subscription Receipt Certificate No. _____________ CUSIP: 286181169

Certificate for _____________ Subscription Receipts. ISIN: CA2861811693

THIS IS TO CERTIFY THAT, ____________________ (the "holder") is the registered holder of the number of the Subscription Receipts ("Subscription Receipts") specified above of Element Financial Corporation (the "Company").

Unless otherwise defined herein, all capitalized terms used in this Subscription Receipt Certificate shall have the meaning attributed to them in the subscription receipt agreement (which agreement, together with all instruments supplemental or ancillary thereto, is herein referred to as the "Subscription Receipt Agreement") dated as of May 29, 2015 among the Company, BMO Nesbitt Burns Inc. ("BMO") and Computershare Trust Company of Canada (the "Subscription Receipt Agent").

The Subscription Receipts evidence (A) the holder's right to receive, without additional consideration or further action, automatically on the Effective Date, one (1) Common Share for each one (1) Subscription Receipt, or (B) the Repayment Amount.

The Company and BMO shall, upon meeting the Escrow Release Conditions, deliver the Acquisition Notice to the Subscription Receipt Agent. Evidence of the Common Shares will be provided to the holders thereof as soon as practicable after the Effective Date.

If (i) prior to the Repayment Date or the Effective Date the Company makes a general assignment for the benefit of creditors or is declared bankrupt, or (ii) if the Acquisition Notice has not been received by the Subscription Receipt Agent prior to the Termination Time, then the Subscription Receipts represented by this Subscription Receipt Certificate will be cancelled by the Company at the Repayment Time. In such event, the holder will be entitled to receive, and the Subscription Receipt Agent shall remit to the holder, the Repayment Amount per Subscription Receipt (less any withholding Tax required to be withheld under applicable Laws), all as more particularly set out in the Subscription Receipt Agreement.

This Subscription Receipt Certificate represents Subscription Receipts of the Company issued under the provisions of the Subscription Receipt Agreement. Reference is hereby made to the Subscription Receipt Agreement for particulars of the rights of the holders of the Subscription Receipts, the Company and the Subscription Receipt Agent in respect thereof and of the terms and conditions upon which the Subscription Receipts are issued and held, all to the same effect as if the provisions of the Subscription Receipt Agreement were herein set forth in full, to all of which the holder, by acceptance hereof, assents. In the event of a conflict between the provisions of this Subscription Receipt Certificate and the Subscription Receipt Agreement, the terms of the Subscription Receipt Agreement shall govern. The Company will furnish to the holder, on request, a copy of the Subscription Receipt Agreement.

The holder of this Subscription Receipt and any transferee hereof are cautioned that in the event that the Subscription Receipts are exchanged or cancelled, the Common Shares, in either certificated or uncertificated form, or cheques, as the case may be, will be mailed or delivered to the latest address of record of the registered holder or to the direction of the registered holder, and the Company and the Subscription Receipt Agent are not bound to take notice of any transfers or assignments unless the transferee is a duly registered holder of the Subscription Receipt prior to such mailing or delivery.

On and after the Effective Date, the holder will have no rights hereunder except to receive the Common Shares issued upon the exchange thereof to such holder.

No Common Shares will be issued pursuant to any exchange of a Subscription Receipt if the issue of such security would constitute a violation of the securities laws of any applicable jurisdiction.

The Subscription Receipt Agreement contains provisions making binding on all holders of Subscription Receipts outstanding thereunder resolutions passed at meetings of all Subscription Receiptholders held in accordance with such provisions and instruments in writing signed by holders of a specified majority of all outstanding Subscription Receipts.

On presentation at the Designated Office of the Subscription Receipt Agent subject to the provisions of the Subscription Receipt Agreement and on compliance with the reasonable requirements of the Subscription Receipt Agent, one or more Subscription Receipt Certificates may be exchanged at no cost to the holder for one or more Subscription Receipt Certificates of different denominations representing in the aggregate the same number of Subscription Receipts as the Subscription Receipt Certificate or Subscription Receipt Certificates being exchanged.

The Subscription Receipts represented by this Subscription Receipt Certificate may only be transferred on the register of transfers to be kept at the Designated Office of the Subscription Receipt Agent upon compliance with the conditions prescribed in the Subscription Receipt Agreement by the holder of such Subscription Receipts or the executors, administrators or other legal representatives thereof or the attorney thereof appointed by an instrument in writing in form and executed in a manner satisfactory to the Subscription Receipt Agent, including the requirement to complete the Form of Transfer forming part of this Subscription Receipt Certificate, and, upon compliance with such requirements and such other reasonable requirements as the Subscription Receipt Agent may prescribe, such transfer will be duly recorded on such register of transfers by the Subscription Receipt Agent.

Notwithstanding the foregoing, the Company will be entitled, and may direct the Subscription Receipt Agent, to refuse to record any transfer of any Subscription Receipt on such register if such transfer would constitute a violation of the securities laws of any jurisdiction.

The holding of this Subscription Receipt Certificate will not constitute the holder a shareholder of the Company or entitle such holder to any right or interest in respect thereof except as otherwise provided in the Subscription Receipt Agreement.

This Subscription Receipt Certificate will not be valid for any purpose until it has been Authenticated by or on behalf of the Subscription Receipt Agent for the time being under the Subscription Receipt Agreement.

Time is of the essence hereof.

IN WITNESS WHEREOF THE COMPANY has caused this Subscription Receipt Certificate to be signed by its duly authorized representative in that behalf as of ___________________________, 2015.

ELEMENT FINANCIAL CORPORATION

By: ________________________________
Authorized Signatory

This Subscription Receipt Certificate is one of the Subscription Receipt Certificates referred to in the Subscription Receipt Agreement.

COMPUTERSHARE TRUST COMPANY OF CANADA

By: ________________________________
Authorized Signatory
Date:

FORM OF TRANSFER

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to ____ (print name and address) the Subscription Receipts represented by this Subscription Receipt Certificate and hereby appoints the Secretary of the Company as its attorney with full power of substitution to transfer the Subscription Receipts on the appropriate register of the Subscription Receipt Agent.

DATED this ____ day of __________, 20__.

	)	
	)	________________________________
	)	Signature of Transferor
	)	
________________________________	)	________________________________
Signature of Guarantor	)	Name of Transferor
	)	

____
Authorized Officer

____
Name of Institution

CERTAIN REQUIREMENTS RELATING TO TRANSFERS

1. The signature(s) to this transfer must correspond with the name(s) as written upon the face of this Subscription Receipt Certificate in every particular without alteration or any change whatsoever. The signature(s) on this form must be guaranteed by one of the following methods:

(a) Canada and the USA:

(i) a Medallion Signature Guarantee obtained from a member of an acceptable medallion Signature Guarantee Program (STAMP, SEMP, MSP). Many commercial banks, savings banks, credit unions, and all broker dealers participate in a Medallion Signature Guarantee Program. The Guarantor must affix a stamp bearing the actual words "**Medallion Guaranteed**"; or

(ii) a Signature Guarantee obtained from a major Schedule I Canadian bank. The Guarantor must affix a stamp bearing the actual words "**Signature Guaranteed**". Signature Guarantees are not accepted from Treasury Branches, Credit Unions or Caisses Populaires unless they are members of a Medallion Signature Guarantee Program.

(b) Outside North America: For holders located outside North America, present the certificate(s) and/or document(s) that require a guarantee to a local financial institution that has a corresponding Canadian or American affiliate which is a member of an acceptable Medallion Signature Guarantee program. The corresponding affiliate will arrange for the signature to be over-guaranteed.

SCHEDULE B – FORM OF ACQUISITION NOTICE

TO: COMPUTERSHARE TRUST COMPANY OF CANADA

TO THE SUBSCRIPTION RECEIPT AGREEMENT DATED
MAY 29, 2015 AMONG ELEMENT FINANCIAL CORPORATION,
BMO NESBITT BURNS INC. AND COMPUTERSHARE TRUST COMPANY OF CANADA

ACQUISITION NOTICE

Reference is made to the subscription receipt agreement dated as of May 29, 2015 (the "Subscription Receipt Agreement") among Element Financial Corporation (the "Company"), BMO Nesbitt Burns Inc. ("BMO") and Computershare Trust Company of Canada (the "Subscription Receipt Agent"). Unless otherwise defined herein, words and terms with the initial letter or letters thereof capitalized shall have the meanings given to such words and terms in the Subscription Receipt Agreement.

The Company represents, warrants and confirms to the Subscription Receipt Agent that the Escrow Release Conditions have been satisfied and that the Acquisition Time will occur on or before the Termination Time.

BMO acknowledges receipt of this Acquisition Notice prior to its delivery to the Subscription Receipt Agent.

Accordingly, in accordance with Article 6 of the Subscription Receipt Agreement, the Company hereby irrevocably directs the Subscription Receipt Agent in accordance with the Subscription Receipt Agreement to remit:

(i) $__________________, being the Escrowed Funds, including all Earnings, if any, net of the amounts released pursuant to Section 6.03 Section 6.03(a) Section 6.03(a)(i) of the Subscription Receipt Agreement and the amount to be released subsequently pursuant to Section 6.03(a)(ii) of the Subscription Receipt Agreement, to or at the direction of the Company by means of a wire transfer to:

Beneficiary Name	______________________
Beneficiary Address	______________________
Beneficiary Bank Name	______________________
Street Address of Beneficiary Bank	______________________
BIC code	______________________
SWIFT Code	______________________
Transit #	______________________

and

(i) following the Acquisition Time and upon receiving written notice from the Company that the Acquisition Closing has been completed, $_________________ of the Escrowed Funds, being an amount equal to the balance of the Underwriters' Fee, to BMO (on behalf of the Underwriters) by means of a wire transfer to:

Beneficiary Name	______________________
Beneficiary Address	______________________
Beneficiary Bank Name	______________________
Street Address of Beneficiary Bank	______________________
BIC code	______________________
SWIFT Code	______________________
Transit #	______________________

This Acquisition Notice, which may be signed in counterparts and delivered by facsimile, is irrevocable and shall constitute your good and sufficient authority for taking the actions described herein.

DATED this _____ day of __________, 2015.

ELEMENT FINANCIAL CORPORATION

By: ____

Acknowledged as of this _____ day of __________, 2015:

BMO NESBITT BURNS INC., on behalf of the Underwriters

By: ____