

CANADIAN WESTERN BANK

AND

VALIANT TRUST COMPANY

as Warrant Agent

FIRST SUPPLEMENTAL INDENTURE

Supplemental to the Warrant Indenture
made as of March 2, 2009

Providing for the creation and issue of
Common Share Purchase Warrants

August 19, 2011

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FIRST SUPPLEMENTAL INDENTURE

THIS FIRST SUPPLEMENTAL INDENTURE is made as of the 19th day of
August, 2011

BETWEEN:

CANADIAN WESTERN BANK, a Canadian chartered bank (the "**Bank**")

- and -

VALIANT TRUST COMPANY, a trust company continued under the laws of Canada
(the "**Warrant Agent**")

WHEREAS the Bank and the Warrant Agent entered into a Warrant Indenture made as of March 2, 2009 (the "**Original Indenture**") to provide for the issue of up to 14,964,980 Warrants, with each whole Warrant entitling the holder thereof to be issued one Common Share (subject to adjustment and Bank Act limitations, as provided in the Indenture) on the terms and subject to the conditions therein provided.

AND WHEREAS Section 9.01(c) of the Original Indenture provides that, subject to TSX approval, the Bank and the Warrant Agent may, subject to the provisions of the Original Indenture, and they shall, when so directed in accordance with the provisions of the Original Indenture, execute and deliver by their proper officers supplemental indentures to the Original Indenture, which thereafter shall form part of the Original Indenture, to give effect to any Extraordinary Resolution passed as provided in Article 8 of the Original Indenture;

AND WHEREAS the Bank and the Warrant Agent desire to supplement the Original Indenture by adding certain terms and provisions thereto;

AND WHEREAS Section 8.11 of the Original Indenture provides that, subject to TSX approval, the Warrantheolders may by Extraordinary Resolution, subject to the agreement of the Bank, assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Warrantheolders, whether such right arises under the Indenture or otherwise and to authorize the Warrant Agent to concur in and execute any indenture supplemental to the Original Indenture in connection therewith;

AND WHEREAS all necessary acts and proceedings have been performed and taken and all necessary resolutions have been passed including the resolution of the Bank and an Extraordinary Resolution of the Warrantheolders to authorize the execution and delivery of this First Supplemental Indenture and to make this First Supplemental Indenture legal, valid, effective and binding upon each of the Bank and the Warrant Agent for and on behalf of the Warrantheolders in accordance with the terms of the Original Indenture, as amended by this First Supplemental Indenture;

NOW THEREFORE, for good and valuable considerations (the receipt and sufficiency of which are hereby acknowledged), it is hereby agreed and declared as follows:

ARTICLE 1 - INTERPRETATION

1.01 **Definitions**

Except as defined in this First Supplemental Indenture, including in the recitals or description of the parties herein, all capitalized terms used in this First Supplemental Indenture shall have the meanings given to them in the Original Indenture.

1.02 **Indenture Continues to Remain in Effect**

This First Supplemental Indenture is supplemental to the Original Indenture and this First Supplemental Indenture shall hereafter be read together and shall have effect, so far as practicable, with respect to the Warrants as if all the provisions of the Original Indenture and this First Supplemental Indenture were contained in one instrument. The Original Indenture is and shall remain in full force and effect with regards to all matters governing the Warrants, except as the Original Indenture is amended, superceded, modified or supplemented by this First Supplemental Indenture. Any references in the text of this First Supplemental Indenture to section numbers, article numbers, schedules, "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this First Supplemental Indenture unless otherwise qualified.

ARTICLE 2- AMENDMENTS TO THE ORIGINAL INDENTURE

2.01 **Redemption of Warrants**

The Original Indenture is hereby amended to include the addition of the following as Article 12 to the Original Indenture:

"ARTICLE 12 - REDEMPTION OF WARRANTS

12.01 **Applicability of Article**

Subject to compliance with Applicable Laws and the rules and regulations of the TSX, the Bank shall have the right at its option to redeem, on or before September 30, 2011, all, but not less than all, of the Warrants issued hereunder at the redemption price (in this Article, the "**Redemption Price**") of \$17.21 per Warrant in cash, in accordance with such other provisions as shall have been expressed in this Indenture.

12.02 **Notice of Redemption**

Notice of redemption (the "**Redemption Notice**") of the Warrants redeemed pursuant to Section 12.01 shall be given to the holders of the Warrants not more than 10 Business Days nor less than 7 Business Days prior to the date fixed for redemption (the "**Redemption Date**") by the Bank providing the Redemption Notice to the Warrant Agent, and the Warrant Agent shall thereafter promptly deliver the Redemption Notice to all Warrantholders. The Redemption Notice shall specify that all outstanding Warrants are called for redemption, the Redemption Date, the Redemption Price and the places of payment.

12.03 **Warrant Certificates Due on Redemption Dates**

Notice having been given as aforesaid, all the Warrants so called for redemption shall thereupon be void and of no further force and effect as of 7:00 a.m. (Mountain Daylight Time) on the Redemption Date specified in the Redemption Notice, in the same manner and with the same effect as if the Expiry Time had occurred, anything therein or herein to the contrary notwithstanding, and from and after such time on the Redemption Date, if the monies necessary to redeem such Warrants shall have been deposited as provided in Section 12.04, all of the Warrants so called for redemption shall be void and of no further force and effect. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Warrant Agent, relying on the advice of Counsel, whose decision shall be final and binding upon all parties in interest.

12.04 **Deposit of Redemption Monies**

Redemption of Warrants shall be provided for by the Bank depositing with the Warrant Agent, on or before 7:00 a.m. (Mountain Daylight Time) on the Redemption Date specified in the Redemption Notice, such sums of money as may be sufficient to pay the Redemption Price of the Warrants so called for redemption.

The Bank shall also deposit with the Warrant Agent a sum of money sufficient to pay any charges or expenses which may be incurred by the Warrant Agent in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Warrant Agent shall pay or cause to be paid to the holders of the Warrants so called for redemption, upon surrender of the Warrant Certificates representing such Warrants, the aggregate Redemption Price to which they are respectively entitled on redemption.

12.05 **Failure to Surrender Warrants Called for Redemption**

In case the holder of any Warrants so called for redemption shall fail on or before the Redemption Date to surrender such holder's Warrants, or shall not within such time accept payment of the redemption monies payable or give such receipt therefor, if any, as the Warrant Agent may require, such redemption monies may be set aside in trust without interest either in the deposit department of the Warrant Agent or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Warrantholder of the sum so set aside and, to that extent, the Warrants shall thereafter not be considered as outstanding hereunder and shall be considered void and of no further force and effect and the Warrantholder shall have no other right except to receive payment out of the monies so paid and deposited, upon surrender and delivery of such holder's Warrants. In the event that any money required to be deposited hereunder with the Warrant Agent on account of the Redemption Price on Warrants issued hereunder shall remain so deposited for a period of six years from the Redemption Date, then such monies shall at the end of such period be paid over or delivered over by the Warrant Agent to the Bank on its demand, and thereupon the Warrant Agent shall not be responsible to Warrantholders for any amounts owing to them and subject to applicable law, thereafter the holder of a Warrant in respect of

which such money was so repaid to the Bank shall have no rights in respect thereof except to obtain payment of the money due from the Bank, subject to any limitation period provided by the laws of the Province of Alberta.

12.06 **Cancellation of Warrants Redeemed**

All Warrants redeemed and paid under this Article 12 shall forthwith be delivered to the Warrant Agent and cancelled and no Warrants or Warrant Certificates shall be issued in substitution therefor.

12.07 **No Conflict**

The redemption of the Warrants in accordance with this Article 12 shall not result or be deemed to result in a breach by the Bank of any provision or requirement of the Original Indenture, including for greater certainty section 6.01(i) of the Original Indenture."

2.02 **Other Amendments and Supplements**

The Original Indenture is amended as provided herein, and any changes necessary to implement the amendments intended hereby are hereby made to any other provisions of the Original Indenture where necessary, *mutatis mutandis*.

ARTICLE 3- ADDITIONAL MATTERS

3.01 **Counterparts and Formal Date**

This First Supplemental Indenture may be executed by facsimile or other electronic means and in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument and notwithstanding the date of their execution shall be deemed to be dated as of August 19, 2011.

3.02 **Further Assurances**

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this First Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of the First Supplemental Indenture and carry out its provisions.

3.03 **Acceptance of Trusts**

The Warrant Agent hereby accepts the trusts in this First Supplemental Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and subject to the terms and conditions set forth in the Original Indenture.

IN WITNESS whereof the parties hereto have executed these presents under their respective corporate seals and the hands of their proper officers in that behalf.

CANADIAN WESTERN BANK

Per: (signed) "Tracey Ball"
Name: Tracey C. Ball
Title: Executive Vice President and Chief Financial Officer

VALIANT TRUST COMPANY

Per: (signed) "Janet M. Brown"
Name: Janet M. Brown
Title: Managing Director, Client Services

Per: (signed) "Ramie Lousa"
Name: Ramie Lousa
Title: Senior Manager, Client Services