

**CANADIAN WESTERN BANK**  
**AND**  
**VALIANT TRUST COMPANY**  
**as Warrant Agent**

**WARRANT INDENTURE**

made as of March 2, 2009

Providing for the creation and issue of  
Common Share Purchase Warrants

**McCarthy Tétrault LLP**

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## WARRANT INDENTURE

THIS INDENTURE is made as of March 2, 2009

BETWEEN

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

- and -

**VALIANT TRUST COMPANY**, a trust company existing under  
the laws of Canada (the “**Warrant Agent**”).

WHEREAS the Bank entered into an underwriting agreement with certain underwriters pursuant to which (i) the underwriters agreed to purchase 2,600,000 preferred units (the “**Public Preferred Units**”) of the Bank where each Public Preferred Unit consists of one Non-Cumulative 5-Year Rate Reset Preferred Share, Series 3 (each a “**Series 3 Preferred Share**”) and 1.78 Warrants and (ii) the underwriters were granted an option to purchase an additional 390,000 Public Preferred Units;

AND WHEREAS the Bank entered into various subscription agreements with certain institutions pursuant to which the institutions have agreement to purchase on a private placement basis 5,400,000 preferred units (the “**Private Preferred Units**”) of the Bank where each Private Preferred Unit consists of one Series 3 Preferred Share and 1.7857 Warrants;

AND WHEREAS the Bank deems it advisable to enter into this Indenture to provide for the issue of up to a total of 14,964,980 Warrants in the manner hereinafter set forth;

AND WHEREAS the Bank is duly authorized to create and issue the Warrants as herein provided and complete the transactions contemplated herein;

AND WHEREAS all things necessary have been done and performed to make the Warrant Certificates, when certified by the Warrant Agent and issued and delivered as herein provided, legal, valid and binding on the Bank with the benefits of and subject to the terms of this Indenture;

AND WHEREAS the Warrant Agent has agreed to enter into this Indenture 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 Warrants issued pursuant to this Indenture;

AND WHEREAS the foregoing statements of fact and recitals are made by the Bank and not the Warrant Agent;

NOW THEREFORE, in consideration of the premises, the covenants and agreements herein contained and other good and valuable consideration now paid by the Warrant

Agent to the Bank (the receipt and sufficiency of which are hereby acknowledged), the Bank hereby appoints the Warrant Agent as Warrant agent, to hold all rights, interests and benefits contained herein for and on behalf of those persons who from time to time become holders of Warrants issued pursuant to this Indenture, and the parties agree as follows:

## **ARTICLE 1 - INTERPRETATION**

### 1.01 **Definitions**

In this Indenture, unless something in the subject matter or context is inconsistent therewith:

“**Affiliate**” means, with respect to any person, any other person that controls or is controlled by or is under common control with the referent person.

“**Applicable Law**” means

- (i) any applicable domestic or foreign law including any statute, regulation or treaty, and
- (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority whether or not having the force of law.

“**Bank**” means Canadian Western Bank and includes any successor to or of such party that has complied with the provisions of Section 9.02.

“**Bank Act**” means the *Bank Act* (Canada).

“**Bank’s auditors**” means KPMG LLP, or such other firm of chartered accountants duly appointed as auditors of the Bank.

“**Business Day**” means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Calgary, Alberta or Toronto, Ontario.

“**Capital Reorganization**” has the meaning attributed thereto in Section 5.01(4).

“**CDS**” means CDS Clearing and Depository Services Inc.

“**Common Share Reorganization**” has the meaning attributed thereto in Section 5.01(1).

“**Common Shares**” means the common shares of the Bank, provided that in the event of any adjustment pursuant to Article 5, Common Shares will thereafter mean the shares or other securities or property resulting from such adjustment.

“**Counsel**” means, in the case of counsel to the Warrant Agent, any lawyer or firm of lawyers retained or employed by the Warrant Agent or by Warrantholders (who may, except as otherwise

expressly provided in this Indenture, also be Counsel to the Bank) and, in the case of Counsel to the Bank, any lawyer or firm lawyers retained or employed by the Bank.

“**Current Market Price**” means, in respect of the Common Shares on any particular date, except as otherwise provided, the VWAP of such shares for the 5 Trading Days immediately preceding such date on the stock exchange on which the greatest aggregate volume of trading in the security occurred during such 5 Trading Day period or, if the Common Shares are not listed and posted for trading on any stock exchange, then on the over-the-counter market.

“**Director**” means a director of the Bank for the time being, and unless specified herein, reference to ‘action by the Directors’ means action by the directors of the Bank as a board or, whenever duly empowered, action by a committee of the board.

“**Dividends Paid in the Ordinary Course**” means dividends paid on the Common Shares in any financial year of the Bank, whether in: (i) cash; (ii) shares of the Bank; or (iii) rights, options or warrants to purchase any shares, property or other assets of the Bank (but excluding rights, options or warrants referred to in Section 5.01(2) or 5.01(3)), in each case to the extent that the amount or value of such dividends in the aggregate does not exceed the greater of 100% of:

- (i) the aggregate amount or value of dividends paid by the Bank on the Common Shares in its immediately preceding financial year, and
- (ii) the consolidated net income of the Bank (before extraordinary items but after dividends payable on all shares ranking prior to or on a parity with the Common Shares with respect to the payment of dividends) for its immediately preceding financial year, determined in accordance with Canadian generally accepted accounting principles,

and for the purpose of the foregoing where any dividend is paid, otherwise than in cash, any securities so distributed by way of dividend will be valued at the Fair Market Value of such securities on the date of declaration.

“**Effective Date**” means March 2, 2009, the date as of which this Indenture is effective.

“**Exercise Date**” means, with respect to any Warrant exercised by the holder thereof, the day on which the Warrant is exercised in accordance with the provisions of Section 4.01.

“**Exercise Price**” means \$14.00 per Common Share, as such price may be adjusted under Article 5.

“**Expiry Time**” means 5:00 p.m. (Toronto time) on March 3, 2014.

“**Extraordinary Resolution**” has the meaning attributed thereto in Sections 8.12 and 8.15.

“**Fair Market Value**”, as at any date, means:

- (i) with respect to a security listed and posted for trading on a stock exchange, the VWAP of such security for the 20 Trading Days immediately preceding such date on the stock

exchange on which the greatest aggregate volume of trading in the security occurred during such 20 Trading Day period;

- (ii) with respect to a security not listed and posted on a stock exchange but traded in an over-the-counter market, the VWAP of such security on such over-the-counter market for the 20 Trading Days immediately preceding such date; or
- (iii) for any other security or property, the fair market value thereof at such date as determined by an independent member of the Investment Industry Regulatory Organization of Canada selected from time to time by the Directors for such purpose.

**“Governmental Authority”** means any domestic or foreign legislative, executive, judicial or administrative body or person having or purporting to have jurisdiction in the relevant circumstances.

**“Indenture”** means this warrant indenture, including its recitals and schedule, as amended from time to time.

**“Ineligible Person”** means any person whose address is in, or whom the Bank or the Warrant Agent has reason to believe is a resident of, any jurisdiction outside Canada to the extent that the issuance or delivery by the Bank to that person upon exercise of the Warrants, would require the Bank to take any action to comply with securities, banking or analogous laws of that jurisdiction or is a person that is Her Majesty in right of Canada or of a province or any agent (as defined in section 370(1) of the Bank Act) or agency of Her Majesty in either of those rights, or to the government of a foreign country or any political subdivision, agent or agency of any of them.

**“person”** is to be broadly interpreted and includes an individual, a corporation, a limited liability company, an unlimited liability company, a limited or general partnership, a trust, an unincorporated organization, a joint venture and any other organization, whether or not a legal entity, a government of a country or any political subdivision of a country or any agency or department of any such government and the executors, administrators or other legal representatives of a person in such capacity.

**“Qualifying Jurisdictions”** means all the provinces and territories of Canada.

**“Recognized Stock Exchange”** means the TSX and any other stock exchange on which the Common Shares are then listed and posted for trading.

**“Rights Offering”** has the meaning attributed thereto in Section 5.01(2).

**“Rights Offering Price”** has the meaning attributed thereto in Section 5.01(5).

**“Rights Period”** has the meaning attributed thereto in Section 5.01(2).

**“Significant Shareholder”** means any person who beneficially owns directly, or indirectly through entities controlled by such person or persons associated with or acting jointly or in

concert with such person, Common Shares of the Bank in excess of 10% of the total number of outstanding Common Shares.

“**Special Distribution**” has the meaning attributed thereto in Section 5.01(3).

“**Trading Day**” means, with respect to any stock exchange or any other market for securities, any day on which such exchange or market is open for trading or quotation.

“**TSX**” means the Toronto Stock Exchange.

“**United States**” means the United States of America, its territories and possessions, and areas under its jurisdiction.

“**U.S. Person**” has the meaning ascribed to that term in Regulation S under the U.S. Securities Act.

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.

“**VWAP**” means, in respect of a security, the volume weighted average trading price of such security for a specified period on the Canadian or United States stock exchange or over-the-counter market where the security has the highest trading volume, calculated including only trades made on such exchange during normal trading hours.

“**Warrant Agent**” means Valiant Trust Company and includes any successor or permitted assign.

“**Warrant Certificate**” means a certificate evidencing one or more Warrants, substantially in the form set out in Schedule A.

“**Warrantholders**” or “**holders**” means the persons entered in a register of holders described in Section 3.01 as holders of Warrants.

“**Warrantholders’ Request**” means an instrument, signed in one or more counterparts by Warrantholders who hold in the aggregate not less than 25% of the total number of Warrants outstanding for the time being, requesting the Warrant Agent to take some action or proceeding specified therein.

“**Warrants**” means the warrants of the Bank created and authorized for issue pursuant to Section 2.01 hereof, each such warrant entitling the holder thereof to acquire one Common Share at the Exercise Price at any time prior to the Expiry Time.

“**written order of the Bank**”, “**written request of the Bank**”, “**written consent of the Bank**”, “**certificate of the Bank**” and any other document required to be signed by the Bank, mean, respectively, a written order, request, consent and certificate (other than a Warrant Certificate) or other document signed in the name of the Bank by any of the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer, an Executive Vice-President,

the Senior Vice President and General Counsel or Senior Vice President and Treasurer, and may consist of one or more instruments so executed.

1.02            **Control**

(1)            For the purposes of this Indenture:

- (a)            a person controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by the person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (b)            a person controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the entity is divided are beneficially owned by that person and the person is able to direct the business and affairs of the entity;
- (c)            the general partner of a limited partnership controls the limited partnership; or
- (d)            a person controls an entity if the person has any direct or indirect influence that, if exercised, would result in control in fact of the entity.

(2)            A person who controls an entity is deemed to control any entity that is controlled, or deemed to be controlled, by the entity.

(3)            A person is deemed to control, within the meaning of Section 1.02(1)(a) or (b), an entity if the aggregate of:

- (a)            any securities of the entity that are beneficially owned by that person; and
- (b)            any securities of the entity that are beneficially owned by any entity controlled by that person

is such that, if that person and all of the entities referred to in Section 1.02(3)(b) that beneficially own securities of the entity were one person, that person would control the entity.

1.03            **Meaning of Outstanding**

Each Warrant certified and delivered by the Warrant Agent under this Indenture will be deemed to be outstanding until it is cancelled or delivered to the Warrant Agent for cancellation, as the case may be, or until the Warrants have been exercised pursuant to the terms of this Indenture, provided that, when a new Warrant Certificate has been issued in substitution for a Warrant Certificate that has been lost, stolen, mutilated or destroyed, only one of such Warrant Certificates will be counted for the purposes of determining the number of Warrants outstanding.

1.04            **Extended Meanings**

In this Indenture words importing the singular number include the plural and *vice versa*, words importing any gender include all genders. The term “including” means “including without limiting the generality of the foregoing”.

1.05            **Headings**

The division of this Indenture into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Indenture. The terms “hereof”, “hereunder” and similar expressions refer to this Indenture and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Indenture.

1.06            **Statutory References**

In this Indenture, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

1.07            **Day Not a Business Day**

If the day on which any action that would otherwise be required to be taken hereunder is not a Business Day, that action will be required to be taken on the next succeeding day that is a Business Day.

1.08            **Time of the Essence**

Time is of the essence in all respects of this Indenture, the Warrants and the Warrant Certificates.

1.09            **Currency**

Except as otherwise stated, all references to currency herein are to lawful money of Canada.

1.10            **Governing Law**

This Indenture and the Warrant Certificates are governed by and will be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and will be treated in all respects as Alberta contracts. The parties irrevocably attorn and submit to the non-exclusive jurisdiction of the courts of the Province of Alberta with respect to any matter arising under or related to this Indenture.

1.11 **Beneficiaries**

This Indenture is entered into by the Warrant Agent for the benefit of all persons who are issued Warrants and each of them will, upon such issuance, be entered in the register as Warrantholders. The Warrant Agent hereby declares that it holds all rights, interest and benefits to be derived therefrom for and on behalf of all such persons in accordance with the terms and restrictions contained herein.

1.12 **Conflicts**

In the event there is any conflict between this Indenture and any Warrant Certificate, the provisions of this Indenture will govern and prevail.

**ARTICLE 2 - THE WARRANTS**

2.01 **Creation and Authorization of Warrants**

(1) Up to 14,964,980 Warrants, each whole Warrant entitling the holder thereof to be issued one Common Share (subject to adjustment and Bank Act limitations, as provided herein) on the terms and subject to the conditions herein provided, are hereby created and authorized to be issued under this Indenture.

(2) Warrant Certificates will be executed by the Bank and delivered to the Warrant Agent, certified by the Warrant Agent and delivered upon the written order of the Bank by the Warrant Agent to the Bank or to the order of the Bank, without any further act or formality on the part of the Bank.

2.02 **Terms of Warrants**

(1) Subject to Section 2.02(2), each whole Warrant issued hereunder will entitle the holder thereof, upon the exercise thereof and payment of the Exercise Price in accordance with the provisions of Article 4, to be issued one Common Share.

(2) The Exercise Price and the number of Common Shares issuable on exercise of a Warrant pursuant to Section 2.02(1), will be adjusted upon the occurrence of the events and in the manner specified in Article 5.

2.03 **Form of Warrant Certificates**

(1) The Warrant Certificates (including the signature of the Warrant Agent endorsed thereon) will be substantially in the form set out in Schedule A, subject to the provisions of this Indenture, with such additions, variations and changes as may be required or permitted by the terms of this Indenture or by the TSX or the U.S. Securities Act, will be dated as of the date hereof (regardless of the actual dates of their issue), will bear such legends and distinguishing letters and numbers as the Bank, with the approval of the Warrant Agent, may prescribe and will

be issuable in any whole number denomination. No fractional Warrants may be issued hereunder.

(2) Regardless of any adjustments pursuant to Article 5 of this Indenture, Warrant Certificates representing Warrants will continue to be in the form set forth in Schedule A to this Indenture and will continue to express the number of Common Shares that may be acquired upon the exercise of the Warrants evidenced thereby prior to any such adjustments but will, nonetheless, entitle the holder to acquire the number of Common Shares resulting from all adjustments made pursuant to Article 5 hereof.

(3) The Warrant Certificates may be engraved, lithographed or printed (the expression "printed" including for purposes hereof both original typewritten material as well as mimeographed, mechanically, photographically, photostatically or electronically reproduced, typewritten or other written material), or partly in one form and partly in another, as the Bank, with the approval of the Warrant Agent, may determine.

#### 2.04 **Signing of Warrant Certificates**

(1) The Warrant Certificates will be signed by any of the President and Chief Executive Officer, the Executive Vice-President and Chief Financial Officer; an Executive Vice President, of the Bank or by any other individual to whom such signing authority is delegated by the Directors from time to time.

(2) The signatures of any of the officers or individuals referred to in Section 2.04(1) may be manual signatures, engraved, lithographed or printed in facsimile and Warrant Certificates bearing such facsimile signatures will be binding on the Bank as if they had been manually signed by such officers or individuals.

(3) Notwithstanding that any person whose manual or facsimile signature appears on a Warrant Certificate as one of the officers or individuals referred to in Section 2.04(1) no longer holds the same or any other office with the Bank at the date of issuance of any Warrant Certificate or at the date of certification or delivery thereof, such Warrant Certificate will, subject to Section 2.05, be valid and binding on the Bank.

#### 2.05 **Certification by Warrant Agent**

(1) No Warrant Certificate signed in accordance with Section 2.04 will be issued or, if issued, will be valid or entitle the holder to the benefits hereof until it has been certified by manual signature by or on behalf of the Warrant Agent substantially in the form of the certificate set out in Schedule A or in such other form approved by the Warrant Agent. The certification by the Warrant Agent on a Warrant Certificate will be conclusive evidence as against the Bank that such Warrant Certificate has been duly issued hereunder and that the holder thereof is entitled to the benefits hereof.

(2) The certification by the Warrant Agent on any Warrant Certificate issued hereunder will not be construed as a representation or warranty by the Warrant Agent as to the validity of this Indenture (except in respect of its due authorization, execution and delivery by,

and enforceability against, the Warrant Agent) or such Warrant Certificate (except the due certification thereof) or as to performance by the Bank of its obligations hereunder, and the Warrant Agent will in no respect be liable or answerable for the use made of any Warrant Certificate or of the consideration therefor, except as otherwise specified herein.

2.06 **Warrants to Rank *Pari Passu***

All Warrants will rank *pari passu*, whatever may be the actual dates of issue of the Warrant Certificates by which they are evidenced.

2.07 **Reliance by Warrant Agent**

The Warrant Agent will have no obligation to ensure or verify compliance with any Applicable Laws on the issue, exercise or transfer of any Warrants or any Common Shares issued pursuant to the exercise of Warrants. The Warrant Agent will be entitled to process all transfers and exercises of Warrants upon the presumption that such transfers or exercises are permissible pursuant to all Applicable Laws and the terms of this Indenture and the related Warrant Certificates, provided that such transfers and exercises of Warrants may be processed by the Warrant Agent only upon written order of the Bank to the Warrant Agent, including instructions as to legending, which written order of the Bank may be based, in the Bank's discretion, upon certificates, opinions and other documentation of the holders of such Warrants that such transfer or exercise is in accordance with Applicable Laws. The Warrant Agent may assume for the purposes of this Indenture that the address on the register of Warranholders of any Warranholder is the Warranholder's actual address and is also determinative of the Warranholder's residency and that the address of any transferee to whom any Warrants or Common Shares issued pursuant to the exercise of Warrants are to be registered, as shown on the transfer document, is the transferee's actual address and is also determinative of the transferee's residency.

2.08 **Issue in Substitution for Lost Certificates, Etc.**

(1) If any Warrant Certificate becomes mutilated or is lost, destroyed or stolen, the Bank, subject to Applicable Law and Section 2.08(2), will issue, and thereupon the Warrant Agent will certify and deliver, a new Warrant Certificate of like tenor and denomination as the one mutilated, lost, destroyed or stolen in exchange for and in place of and on surrender and cancellation of such mutilated Warrant Certificate or in lieu of and in substitution for such lost, destroyed or stolen Warrant Certificate and the substituted Warrant Certificate will be in a form approved by the Warrant Agent and will entitle the holder to the benefits hereof and rank *pari passu* in accordance with its terms with all other Warrants issued hereunder.

(2) The applicant for the issue of a new Warrant Certificate pursuant to this Section 2.08 will bear the reasonable cost of the issue thereof and in case of loss, destruction or theft will, as a condition precedent to the issue thereof:

- (a) furnish to the Bank and to the Warrant Agent such evidence of ownership and of the loss, destruction or theft of the Warrant Certificate to be replaced as is

satisfactory to the Bank and to the Warrant Agent, each in their discretion, acting reasonably;

- (b) if so required by the Bank or the Warrant Agent, furnish an indemnity or other security in amount and form satisfactory to the Bank and to the Warrant Agent, each in their discretion, acting reasonably; and
- (c) pay the reasonable charges of the Bank and the Warrant Agent in connection therewith.

2.09 **Purchase of Warrants for Cancellation**

The Bank may, at any time and from time to time, purchase Warrants by invitation for tender, by private contract, on any stock exchange, in the open market or otherwise (which will include a purchase through an investment dealer or firm holding membership on a Canadian stock exchange) on such terms as the Bank may determine. All Warrants purchased pursuant to the provisions of this Section 2.09 will forthwith be cancelled and will not be reissued and the Warrant Certificates evidencing such cancelled Warrants will be delivered to and destroyed by the Warrant Agent. If required by the Bank, the Warrant Agent will furnish the Bank with a certificate as to such destruction.

2.10 **Cancellation of Surrendered Warrants**

All Warrant Certificates surrendered to the Warrant Agent pursuant to Section 2.08, 2.09, 3.01, 3.02 or 4.01 will be cancelled by the Warrant Agent and, if requested by the Bank in writing, the Warrant Agent will furnish to the Bank a cancellation certificate identifying each Warrant Certificate so cancelled, the number of Warrants evidenced thereby and the number of Common Shares, if any, issued pursuant to such Warrants.

2.11 **Warrantholder not a Shareholder**

Nothing in this Indenture or in the holding of a Warrant evidenced by a Warrant Certificate, or otherwise, is intended or will be construed as conferring on any Warrantholder any right or interest whatsoever as a shareholder of the Bank, including any right to vote at, to receive notice of, or to attend any meeting of shareholders or any other proceeding of the Bank or any right to receive any dividend or other distribution to which the shareholders of the Bank may be entitled.

**ARTICLE 3 - REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP OF WARRANTS**

3.01 **Registration and Transfer of Warrants**

(1) The Bank hereby appoints the Warrant Agent as registrar and transfer agent of the Warrants.

- (2) The Warrant Agent will cause to be kept:
  - (a) by and at the offices in Calgary, Alberta and Toronto, Ontario of the Warrant Agent, a register of holders in which will be entered in alphabetical order the names and addresses of the holders of Warrants and particulars of the Warrants held by them; and
  - (b) by and at the offices in Calgary, Alberta and Toronto, Ontario, of the Warrant Agent, a register of transfers in which will be entered all transfers of Warrants and the date and other particulars of each transfer.
- (3) No transfer of any Warrant will be valid unless duly entered on the appropriate register of transfers referred to in Section 3.01(2), or on any branch registers maintained pursuant to Section 3.01(8), upon surrender to the Warrant Agent of the Warrant Certificate evidencing such Warrant, duly endorsed by, or accompanied by a written instrument of transfer substantially in the form of Appendix 2 to the Warrant Certificate or otherwise in form satisfactory to the Warrant Agent executed by the registered holder or, in the case of an individual, its executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, and, subject to compliance with Section 2.07 and such other reasonable requirements as the Warrant Agent may prescribe, such transfer will be duly noted on one of such registers of transfers by the Warrant Agent within three Business Days of the satisfaction of all such requirements.
- (4) The transferee of any Warrant will, after surrender to the Warrant Agent of the Warrant Certificate evidencing such Warrant as required by Section 3.01(3) and upon compliance with all other conditions in respect thereof required by this Indenture or by Applicable Law, be entitled to be entered on the register of holders referred to in Section 3.01(2), or on any branch registers of holders maintained pursuant to Section 3.01(8), as the owner of such Warrant free from all equities or rights of set-off or counterclaim between the Bank and the transferor or any previous holder of such Warrant, except in respect of equities of which the Bank is required to take notice by statute or by order of a court of competent jurisdiction.
- (5) The Bank will be entitled, and may direct the Warrant Agent by written order of the Bank, to refuse to recognize any transfer, or enter the name of any transferee, of any Warrant on the registers referred to in Section 3.01(2), or on any branch registers maintained pursuant to Section 3.01(8), if such transfer would require the Bank to qualify the Warrants or the Common Shares issuable on exercise of the Warrants for distribution in any jurisdiction other than the Qualifying Jurisdictions.
- (6) Neither the Bank nor the Warrant 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 Warrant, and may transfer any Warrant on the written direction of the person registered as the holder thereof and delivered in accordance with Section 3.01(3), whether named as trustee or otherwise, as though that person were the beneficial owner thereof.
- (7) The registers referred to in Section 3.01(2), and any branch registers maintained pursuant to Section 3.01(8), will at all reasonable times during the regular business hours of the

Warrant Agent be open for inspection by the Bank and any Warrantholder. The Warrant Agent will from time to time upon written request of the Bank or when requested so to do in writing by any Warrantholder (upon payment of the Warrant Agent's reasonable charges), furnish the Bank or such Warrantholder with a list of the names and addresses of holders of Warrants entered on such registers and showing the number of Warrants held by each such holder.

(8) The Warrant Agent, with the approval of the Bank, may at any time and from time to time change the place at which the registers referred to in Section 3.01(2) are kept, cause branch registers of holders or transfers to be kept at other places and close such branch registers or change the place at which such branch registers are kept. Notice of any such change or closure will be given by the Warrant Agent to the Bank and the holders of Warrants.

(9) The Warrant Agent will retain until the sixth anniversary of the Expiry Time all instruments of transfer of Warrants that are tendered for registration including the details shown thereon of the persons by or through whom they were lodged, all cancelled Warrants and other related documents.

### 3.02 **Exchange of Warrant Certificates**

(1) One or more Warrant Certificates may, on compliance by the holder with the reasonable requirements of the Warrant Agent, be exchanged for one or more Warrant Certificates of different denomination evidencing in the aggregate the same number of Warrants as the Warrant Certificate or Warrant Certificates being exchanged; provided that no fractional Warrants may be issued hereunder.

(2) Warrant Certificates may be exchanged only at the offices in Calgary, Alberta and Toronto, Ontario of the Warrant Agent or at any other place designated by the Bank with the approval of the Warrant Agent.

(3) Any Warrant Certificate tendered for exchange will be surrendered to the Warrant Agent and cancelled.

(4) The Bank will sign and the Warrant Agent will countersign all Warrant Certificates necessary to carry out exchanges pursuant to this Section 3.02 and the Warrant Agent will certify such Warrant Certificates.

### 3.03 **Reasonable Charges for Transfer or Exchange**

A presenter of a Warrant Certificate pursuant to this Indenture will be charged the reasonable costs of the Warrant Agent for the transfer of any Warrant or the exchange of any Warrant Certificate.

### 3.04 **Ownership of Warrants**

(1) The Bank and the Warrant Agent may deem and treat the person in whose name any Warrant is registered as the absolute owner of such Warrant for all purposes, and such person will for all purposes of this Indenture be and be deemed to be the absolute owner thereof,

and the Bank and the Warrant 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.

(2) The registered holder of any Warrant will be entitled to the rights evidenced thereby free from all equities and rights of set-off or counterclaim between the Bank and the original or any intermediate holder thereof and all persons may act accordingly, and the delivery to any such registered holder of the Common Shares issued on exercise of such Warrant will be a good discharge to the Bank and the Warrant Agent therefor and, unless the Bank or the Warrant Agent is required by statute or by an order of a court of competent jurisdiction, neither the Bank nor the Warrant Agent will be bound to inquire into the title of any such registered holder.

3.05 **Assumption by Transferee**

Upon becoming a Warrantholder in accordance with the provisions of this Indenture, the transferee of any Warrant will be deemed to have acknowledged and agreed to be bound by this Indenture. Upon the registration by the Warrant Agent of such transferee as the holder of a Warrant, the transferor thereof will cease to have any further rights under this Indenture with respect to such Warrant or any Common Shares to be issued upon exercise of the Warrants.

3.06 **Restrictions on Transfer**

The Warrants may only be offered, sold, pledged or otherwise transferred in a transaction outside the United States in accordance with Regulation S under the U.S. Securities Act.

**ARTICLE 4 - EXERCISE OF WARRANTS**

4.01 **Exercise**

(1) Subject to the limitations set forth in Sections 4.01(2) and 4.05, holders of Warrants may at any time and from time to time after the Effective Date and prior to the Expiry Time exercise the Warrants, in whole or in part, by surrendering to the Warrant Agent at its offices in Calgary, Alberta and Toronto Ontario or to any other person or at any other place designated by written order of the Bank with the approval of the Warrant Agent, during normal business hours on a Business Day at such place:

- (a) a wire transfer, certified cheque, bank draft or money order payable at par (without deduction for bank service charges or otherwise) to the Bank, in the amount of the Exercise Price in respect of each Common Share to be issued;
- (b) the Warrant Certificate evidencing such Warrants; and
- (c) a duly completed and executed Notice of Exercise substantially in the form set out in Appendix 1 to such Warrant Certificate;

provided that participants in the book-based system of CDS who hold Warrants will follow the exercise procedures applicable to the book-based system of CDS.

(2) Any wire transfer, certified cheque, money order or bank draft, Warrant Certificate or Notice of Exercise referred to in Section 4.01(1) will be deemed to have been surrendered only on personal delivery thereof to, or, if sent by mail or other means of transmission, on actual receipt thereof by, the Warrant Agent or one of the other persons at the office or one of the other places designated pursuant to Section 4.01(1).

(3) Any Notice of Exercise referred to in Section 4.01(1) must be signed by the Warrantholder, or such Warrantholder's executors, administrators or other legal representatives or its or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, acting reasonably, and, if any Common Shares thereby issuable are to be issued to a person or persons other than the Warrantholder such issuance must be in accordance with Applicable Laws (as determined by the Bank) and must specify the name and the address of each such person and the number of Common Shares to be issued to each such person if more than one is so specified.

(4) A Holder of a Warrant Certificate who wishes to exercise the Warrants evidenced by such Warrant Certificate may exercise less than all of such Warrants and in the case of any such partial exercise will be entitled to receive, without charge therefor, a Warrant Certificate, in form, signed and certified in accordance with the provisions of Article 2 evidencing the number of Warrants held by the Warrantholder that remain unexercised unless the holder is a participant in the book-based system of CDS, in which case registration of their interest shall be made through CDS, evidencing the number of Warrants held by the Warrantholder which remain unexercised; provided that no fractional Warrants will be issued under the terms of the Warrant Indenture. Such Warrant Certificate will be delivered by the Warrant Agent to the holder concurrently with the delivery of the certificate representing the Common Shares issued on partial exercise of such holder's Warrants.

#### 4.02 **Effect of Exercise**

(1) Upon the exercise of any Warrant in accordance with Section 4.01, the Common Shares thereby issuable will be deemed to have been issued, and the person to whom such Common Shares are to be issued will be deemed to have become the holder of record thereof on the Exercise Date.

(2) As soon as practicable and in any event not later than the third Business Day on which the transfer registers for the Common Shares have been open after such exercise, the Bank will cause the Warrant Agent to mail to the person in whose name the Common Shares thereby issued have been issued, at its address, or, if so specified, cause to be delivered to such person at the place where the Warrant Certificate evidencing such Warrant was surrendered, a certificate representing the Common Shares so issued. Participants in the book-based system of CDS will not receive physical share certificates representing the Common Shares so issued but will have their interests registered in the book-based system of CDS.

(3) If any Common Shares issuable pursuant to any Warrant are to be issued to a person other than the Warrantholder, the Warrantholder must pay to the Bank or to the Warrant Agent on its behalf an amount equal to all exigible transfer taxes or other government charges, and the Bank will not be required to issue or deliver any certificates representing any such Common Shares unless or until such amount has been so paid or the Warrantholder has established to the satisfaction of the Bank that such taxes and charges have been paid or that no such taxes or charges are owing.

4.03 **No Fractional Common Shares**

The Bank will not be required to issue fractional Common Shares upon the exercise of Warrants. To the extent that a holder of Warrants would otherwise have been entitled to receive, on the exercise of Warrants, a fraction of a Common Share, such right may only be exercised in respect of such fraction in connection with the simultaneous exercise of other Warrants that in the aggregate entitle the holder to receive a whole number of Common Shares. If a Warrantholder is not able to combine Warrants so as to be entitled to acquire a whole number of Common Shares, the number of Common Shares that such holder is entitled to receive will be rounded down to the prior whole number and the holder will not be entitled to any compensation with respect to such rounding down.

4.04 **Recording**

The Warrant Agent will record particulars of each Warrant exercised which will include the name and address of each person to whom Common Shares are thereby issued, the number of Common Shares so issued and the Exercise Date in respect thereof. Within five Business Days after each Exercise Date the Warrant Agent will provide such particulars in writing to the Bank.

4.05 **Restrictions**

(1) No Common Shares will be issued on exercise of any Warrant if in the opinion of Counsel to the Bank (delivered to the Warrant Agent prior to issue) the issuance of such Common Shares would constitute a violation of the securities laws of any applicable jurisdiction or require the Bank to qualify the Common Shares issuable upon exercise of the Warrants for distribution in, or make any notice or other filing in, any jurisdiction other than the Qualifying Jurisdictions. The Warrants may not be exercised in the United States or by, or for the account or benefit of a U.S. Person except if the Common Shares issuable upon exercise of the Warrants have been registered or qualified under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from the registration and qualification requirements. Further, in order to ensure compliance with applicable U.S. federal or state securities laws, at the time of exercise of a Warrant, the Bank may require certificates, legal opinions, and any other documentation satisfactory to the Bank, to the effect that such an exemption is available. Without limiting the generality of the preceding sentences, certificates representing Common Shares thereby issued will bear such legends as may, in the opinion of Counsel to the Bank, be necessary or advisable in order to avoid a violation of any applicable securities laws of the United States or any other jurisdiction or to comply with the requirements of the Recognized

Stock Exchange, provided that no legend will be placed on the certificate if the person exercising the Warrant provides the first certification (relating, among other things, to the Warrant not being exercised in the United States) set forth on Appendix 1 to the Warrant Certificate and further provided that if, at any time, in the opinion of Counsel to the Bank, such 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 its expense, provides the Bank with evidence satisfactory in form and substance to the Bank (which may include an opinion of counsel satisfactory to the Bank) to the effect that such holder is entitled to sell or otherwise transfer such Common Shares in a transaction in which such legends are not required, such legended certificate may thereafter be surrendered to the Bank in exchange for a certificate that does not bear such legends.

(2) The Bank reserves the right not to issue Common Shares upon exercise of the Warrants to any person who would as a result of such delivery become a Significant Shareholder; unless such person delivers to the Bank evidence that it has obtained the necessary consent from the Minister of Finance under the Bank Act. Without such evidence, the Warrant Agent will hold all Common Shares that would otherwise be delivered to any Significant Shareholder, as agent for Significant Shareholders, and the Warrant Agent will attempt to sell such Common Shares (to parties other than the Bank and its Affiliates) on behalf of such Significant Shareholders. Such sales, if any, may be made at any time and any price. Neither the Bank nor the Warrant Agent will be subject to any liability for failing to sell Common Shares on behalf of any such Significant Shareholders at any particular price on any particular day. The net proceeds received by the Warrant Agent from the sale of any Common Shares will be delivered to the applicable Significant Shareholders, after deducting the costs of sale and any applicable withholding taxes.

(3) The Bank may require any Warranholder to provide a declaration, in form and substance satisfactory to the Bank, confirming compliance with applicable regulatory requirements, including the Bank Act, and to establish that such Warranholder is not, and does not represent, an Ineligible Person and that no such persons would, by virtue of the exercise of the Warrants or the issue or delivery of Common Shares in connection therewith, become a Significant Shareholder. The Warrant Agent will be entitled to rely exclusively on the declaration of the Warranholder.

## **ARTICLE 5 - ADJUSTMENTS**

### **5.01 Adjustment of Exercise Price and Number of Common Shares**

- (1) If and whenever at any time after the date hereof and prior to the Expiry Time, the Bank:
- (a) issues Common Shares or securities convertible into or exchangeable for Common Shares to the holders of all or substantially all of the outstanding Common Shares as a stock dividend or similar distribution (other than Dividends Paid in the Ordinary Course or a distribution of its outstanding Common Shares

upon the exercise of the Warrants or pursuant to the exercise of Directors', officers' or employee stock options granted under the Bank's stock option plan);

- (b) subdivides, redivides or changes its outstanding Common Shares into a greater number of Common Shares;
- (c) reduces, combines or consolidates its outstanding Common Shares into a smaller number of Common Shares;

(any of such events in Sections 5.01(1)(a) to (c), being called a "**Common Share Reorganization**"), then the Exercise Price then in effect will be adjusted effective immediately on the effective date or record date for the happening of a Common Share Reorganization, as the case may be, at which the holders of Common Shares are determined for the purpose of the Common Share Reorganization, so that it will equal the price determined by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which will be the total number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which will be the total number of Common Shares outstanding immediately after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number, without duplication, of Common Shares that would have been outstanding had all such securities been exchanged for or converted into Common Shares on such effective date or record date).

(2) If and whenever at any time after the date hereof and prior to the Expiry Time, the Bank fixes a record date for the issue of rights, options or warrants to the holders of all or substantially all of the outstanding Common Shares under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable for or convertible into Common Shares at a price per share to the holder (or at an exchange price or conversion price per share during the Rights Period to the holder in the case of securities exchangeable for or convertible into Common Shares) that is less than 95% of the Current Market Price for the Common Shares on such record date (any of such events being called a "**Rights Offering**"), then the Exercise Price will be adjusted effective immediately after the end of the Rights Period so that it will equal the price determined by multiplying the Exercise Price in effect immediately prior to the end of the Rights Period by a fraction:

- (a) the numerator of which will be the aggregate of:
  - (i) the total number of Common Shares outstanding as of the record date for the commencement of the Rights Offering; and
  - (ii) a number determined by dividing: (A) either: (x) the product of the number of Common Shares issued or subscribed for during the Rights Period upon the exercise of the rights, warrants or options under the Rights Offering and the price at which such Common Shares are offered for such issue or subscription; or, as the case may be, (y) the product of the exchange price or conversion price of such securities exchangeable for

or convertible into Common Shares and the number of Common Shares for or into which the securities so offered pursuant to the Rights Offering could have been exchanged or converted during the Rights Period (whether or not they were then exchangeable or convertible); by (B) the Current Market Price of the Common Shares as of the record date for the commencement of the Rights Offering; and

- (b) the denominator of which will be the number of Common Shares outstanding, or the number of Common Shares that would be outstanding if all the exchangeable or convertible securities were exchanged for or converted into Common Shares during the Rights Period (whether or not they were then exchangeable or convertible), after giving effect to the Rights Offering and including the number of Common Shares actually issued or subscribed for during the Rights Period upon exercise of the rights, warrants or options under the Rights Offering.

To the extent that any such rights, options or warrants are not so exercised on or before the expiry thereof, the Exercise Price will be readjusted to the Exercise Price that would then be in effect based on the number of Common Shares (or the securities convertible into or exchangeable for Common Shares) actually delivered on the exercise of such rights, options or warrants.

(3) If and whenever at any time after the date hereof and prior to the Expiry Time, the Bank fixes a record date for the issue or the distribution to the holders of all or substantially all of the outstanding Common Shares of: (A) shares of the Bank other than the Common Shares, rights, options or warrants to acquire Common Shares at 95% or less of the Current Market Price of the Common Shares on such record date, securities exchangeable or convertible at 95% or less of the Current Market Price of the Common Shares on such record date; or (B) any property or other assets of the Bank, including cash, evidences of indebtedness or marketable securities, and if such issuance or distribution does not constitute a Dividend Paid in the Ordinary Course, a Common Share Reorganization, a Rights Offering (any of such non-excluded events being called a “**Special Distribution**”), then the Exercise Price will be adjusted effective immediately after such record date so that it will equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction:

- (a) the numerator of which will be:
  - (i) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, less
  - (ii) the Fair Market Value, as determined by action by the Directors (whose determination, subject to the consent of a Recognized Stock Exchange, if required, will be conclusive), to the holders of Common Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and

- (b) the denominator of which will be the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date.

To the extent that any Special Distribution is not so made, the Exercise Price will be readjusted effective immediately to the Exercise Price that would then be in effect based upon such securities or property or other assets as actually distributed.

(4) If and whenever at any time after the date hereof and prior to the Expiry Time, there is a reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares or into other securities (other than a Common Share Reorganization), or a consolidation, amalgamation, arrangement or merger of the Bank with or into any other corporation or other entity (other than any other consolidation, amalgamation, arrangement or merger which does not result in any reclassification of the Common Shares or a change of the Common Shares into other shares), or a transfer of the undertaking or assets of the Bank as an entirety or substantially as an entirety to another corporation or other entity in which the holders of Common Shares are entitled to receive shares, other securities or other property (any of such events being called a “**Capital Reorganization**”), any Warrantholder who exercises the right to acquire Common Shares pursuant to Warrants then held after the effective date of such Capital Reorganization will be entitled to receive, and will accept for the same aggregate consideration in lieu of the number of Common Shares to which such Holder was previously entitled upon such conversion, the aggregate number of shares, other securities or other property that such holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the holder had been the registered holder of the number of Common Shares to which such holder was previously entitled upon exercise of its Warrants. The Bank will take all steps necessary to ensure that, on a Capital Reorganization, the Warrantholders will receive the aggregate number of shares, other securities or other property to which they are entitled as a result of the Capital Reorganization. Appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Article 5 with respect to the rights and interests thereafter of Warrantholders to the end that the provisions set forth in this Article 5 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise of any Warrant. Prior to or concurrent with effecting a Capital Reorganization, the Bank will enter into an indenture supplemental hereto approved by action of the Directors and by the Warrant Agent, which will set forth an appropriate adjustment to give effect to this Section 5.01(4), in which event such adjustment will for all purposes be conclusively deemed to be an appropriate adjustment, subject to the prior written consent of a Recognized Stock Exchange, if required.

(5) If the purchase price provided for in any rights, options or warrants (the “**Rights Offering Price**”) referred to in Section 5.01(2) or (3) is decreased, the Exercise Price will forthwith be changed so as to decrease the Exercise Price to the Exercise Price that would have been obtained if the adjustment to the Exercise Price made under Section 5.01(2) or (3), as the case may be, with respect to such rights, options or warrants had been made on the basis of the Rights Offering Price as so decreased, provided that the terms of this Section 5.01(5) will not apply to any decrease in the Rights Offering Price resulting from terms in any such rights,

options or warrants designed to prevent dilution except to the extent that the resulting decrease in the Exercise Price under this Section 5.01(5) would be greater than the decrease, if any, in the Exercise Price to be made under the terms of this Section 5.01 by virtue of the occurrence of the event giving rise to such decrease in the Rights Offering Price.

(6) If and whenever at any time after the date hereof and prior to the Expiry Time, any of the events set out in Section 5.01(1), (2) or (3) occur and the occurrence of such event results in an adjustment of the Exercise Price pursuant to the provisions of this Article 5, then the number of Common Shares purchasable pursuant to the Warrants upon exercise thereof will be adjusted contemporaneously with the adjustment of the Exercise Price by multiplying the number of Common Shares then otherwise purchasable on the exercise thereof by a fraction, the numerator of which will be the then applicable Exercise Price in effect immediately prior to the adjustment and the denominator of which will be the Exercise Price resulting from such adjustment.

(7) In any case in which this Section 5.01 requires that an adjustment will become effective immediately after a record date for an event referred to herein, the Bank may defer, until the occurrence of such event, issuing to the holder of any Warrant exercised after such record date and before the occurrence of such event the additional Common Shares issuable upon such exercise by reason of the adjustment required by such event, provided, however, that the Bank will deliver to such holder evidence of such holder's right to receive such additional Common Shares upon the occurrence of such event and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the date of conversion or such later date on which such holder would, but for the provisions of this Section 5.01(7), have become the holder of record of such additional Common Shares.

#### 5.02 **Rules Regarding Calculation of Adjustment of Exercise Price**

- (1) For the purposes of Section 5.01:
  - (a) the adjustments provided for in Section 5.01 are cumulative and will be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following provisions of this Section 5.02;
  - (b) no adjustment in the Exercise Price will be required unless the cumulative effect of such adjustment would result in a change of at least 1% in the prevailing Exercise Price and no adjustment in the number of Common Shares purchasable upon exercise of a Warrant will be required unless the cumulative effect of such adjustment would result in a change of at least one-hundredth of a Common Share; provided, however, that any adjustments which, except for the provisions of this Section 5.02(1)(b) would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustment;
  - (c) no adjustment in the Exercise Price will be required upon the issuance from time to time of Common Shares pursuant to any stock option plan, share purchase plan

or dividend reinvestment plan of the Bank, as such plans may be replaced, supplemented or further amended from time to time;

- (d) no adjustment in the Exercise Price will be made in respect of any of the events referred to in Section 5.01(1)(a), (2) or (3), if Warrantholders are entitled to participate in such event on the same terms, *mutatis mutandis*, as if they had exercised their Warrants prior to or on the effective date or record date of such event. Any such participation will be subject to any required prior consent of a Recognized Stock Exchange;
- (e) if at any time a dispute arises with respect to adjustments provided for in Section 5.01, such dispute will be conclusively determined, subject to the consent of a Recognized Stock Exchange, if required, by the Bank's auditors, or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the Directors and any such determination will be binding upon the Bank, the Warrant Agent, the Warrantholders and shareholders of the Bank; such auditors or accountants will be given access to all necessary records of the Bank. If any such determination is made, the Bank will deliver a certificate of the Bank to the Warrant Agent describing such determination, and the Warrant Agent will be entitled to act and rely upon such certificate of the Bank;
- (f) if the Bank sets a record date to determine the holders of Common Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, legally abandons its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the Exercise Price will be made; and
- (g) in the absence of a resolution of the Directors fixing a record date for a Special Distribution or Rights Offering, the Bank will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

### 5.03 **Certificate as to Adjustment**

The Bank will from time to time, immediately after the occurrence of any event that requires an adjustment or readjustment as provided in Section 5.01, deliver a certificate of the Bank to the Warrant Agent specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, and the Warrant Agent will be entitled to act and rely upon such certificate of the Bank. Such certificate of the Bank and the amount of the adjustment specified therein will be conclusive and binding on all parties in interest. Until such certificate of the Bank is received by the Warrant Agent, the Warrant Agent may act and be protected in acting on the presumption that no adjustment has been made or is required. Except in respect of any subdivision, redivision, change, reduction,

combination or consolidation of the Common Shares contemplated by Section 5.01(1)(b) and 5.01(1)(c), the Bank will forthwith give notice to the Warrantholders specifying the event requiring such adjustment or readjustment and the amount thereof, including the resulting Exercise Price; provided that if the Bank has given notice under Section 5.04 covering all the relevant facts in respect of such event, no such notice need be given under this Section 5.03.

5.04            **Notice of Special Matters**

The Bank covenants that, so long as any Warrants remain outstanding, it will give notice to the Warrant Agent and to the Warrantholders of its intention to fix a record date for any event referred to in Section 5.01(1), (2), (3) or (4) (other than the subdivision, reduction, combination or consolidation of Common Shares contemplated by Sections 5.01(1)(b) and (c)) which may give rise to an adjustment in the Exercise Price, or other adjustment, and such notice will specify the particulars of such event and the record date and the effective date for such event; provided that the Bank will only be required to specify in such notice such particulars of such event as will have been fixed and determined on the date on which such notice is given. Such notice will be given not less than 14 days prior to the applicable record date in the case of an event referred to in Section 5.01(1), (2), (3) or (4).

5.05            **Protection of Warrant Agent**

The Warrant Agent will not at any time be under any duty or responsibility to any Warrantholder to determine whether any facts exist which may require any adjustment in the Exercise Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same; and will not be accountable with respect to the validity or value (or the kind or amount) of any Common Shares or of any shares or other securities or other property that may at any time be issued or delivered upon the exercise of any Warrant; and the Warrant Agent, except to the extent that there has been a failure by the Warrant Agent or its employees or agents to act honestly and in good faith or where the Warrant Agent or its employees or agents have acted negligently or in wilful disregard or bad faith of their obligations hereunder or not have complied with Article 10, will not be responsible for any failure of the Bank to issue, transfer or deliver Common Shares or share certificates upon the surrender of any Warrant for the purpose of exercise, or to comply with any of the covenants contained in this Article 5. The Warrant Agent shall be entitled to act and rely on any adjustment calculation of the Bank.

**ARTICLE 6 - COVENANTS**

6.01            **General Covenants**

The Bank covenants with the Warrant Agent that so long as any Warrant remains outstanding and may be exercised:

- (a) the Warrant Certificates, when issued and countersigned as herein provided, will be valid and enforceable against the Bank;

- (b) subject to the provisions of Sections 5.01(4) and 9.02, the Bank will at all times maintain its corporate existence, carry on and conduct its business in a proper and business-like manner and keep or cause to be kept proper books of account in accordance with generally accepted accounting practises;
- (c) the Bank will reserve for the purpose and keep available sufficient unissued Common Shares to enable it to satisfy its obligations on the exercise of the Warrants;
- (d) the Bank will cause the Common Shares from time to time issued pursuant to the exercise of the Warrants, and the certificates representing such Common Shares, to be duly issued and delivered in accordance with the Warrants and the terms hereof;
- (e) all Common Shares that are issued or created on exercise of the Warrants will be fully paid and non-assessable;
- (f) the Bank will use its best efforts to ensure that all Common Shares issuable pursuant to the exercise of Warrants are listed and posted for trading on the TSX; For greater certainty, using best efforts to maintain the listing of the Common Shares will not preclude the directors from approving or recommending a transaction that may result in the acquisition of all or substantially all the Common Shares which transaction may result in the de-listing of the Common Shares;
- (g) the Bank will make all requisite filings under applicable securities legislation in the Qualifying Jurisdictions including those necessary to remain a reporting issuer (or its equivalent) not in default in the Qualifying Jurisdictions;
- (h) the Bank will cause the Warrant Agent to keep open on Business Days the registers of holders and registers of transfers referred to in Section 3.01 and, subject to Section 4.05, will not take any action or omit to take any action that would have the effect of preventing the Warranholders from exercising any of the Warrants or receiving any of the Common Shares upon such exercise;
- (i) generally, the Bank will well and truly perform and carry out all acts and things to be done by it as provided in this Indenture and, subject to Section 4.05, will not take any action that might reasonably be expected to deprive the Warranholders of their rights to acquire Common Shares upon the exercise of the Warrants; and
- (j) subject to Section 4.05, the Bank will make all requisite filings in connection with the exercise of the Warrants and issue of the Common Shares.

#### 6.02 **Warrant Agent's Remuneration and Expenses**

The Bank will pay to the Warrant Agent from time to time reasonable remuneration for its services hereunder and will, on the Warrant Agent's request, pay to or

reimburse the Warrant Agent for all reasonable documented expenses, disbursements and advances made or incurred by the Warrant Agent in the administration or execution of its duties hereof (including reasonable documented compensation and disbursements of its Counsel and other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Warrant Agent hereunder have been finally and fully performed, except any such expense, disbursement or advance that arises out of or results from negligence, wilful misconduct or bad faith of the Warrant Agent or of persons for whom the Warrant Agent is responsible. This Section 6.02 will survive the termination of this Indenture and the removal or resignation of the Warrant Agent.

6.03            **Performance of Covenants by Warrant Agent**

If the Warrant Agent is made aware of the failure of the Bank to perform any of its obligations under this Indenture, the Warrant Agent may notify the Warrantholders of such failure or may itself perform any of such obligations capable of being performed by it, but will not be bound to do so or to notify the Warrantholders that it is so doing. All sums expended or advanced by the Warrant Agent in so doing will be repayable as provided in Section 6.02. No such performance, expenditure or advance by the Warrant Agent will relieve the Bank of any default or of its continuing obligations hereunder.

**ARTICLE 7 - ENFORCEMENT**

7.01            **Warrantholders May Not Sue**

(1)        Subject to Section 7.01(2), no holder of any Warrant will have any right to institute any action or proceeding against the Bank in relation to its rights under this Indenture, unless:

- (a)        such holder has previously given to the Warrant Agent written notice of the nature of such action or proceeding;
- (b)        the holders of at least 25% of the Warrants have made a written request to the Warrant Agent and have afforded to it reasonable opportunities either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its own name for such purpose;
- (c)        no Extraordinary Resolution has been signed restraining such action;
- (d)        such Warrantholders have provided to the Warrant Agent, when so requested by the Warrant Agent, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and
- (e)        the Warrant Agent has failed to act within a reasonable time after such notification, request and provision of indemnity;

and such notification, request and provision of indemnity are hereby declared in every such case, at the option of the Warrant Agent, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Warrants.

(2) Notwithstanding Section 7.01(1), a holder is not required to comply with Section 7.01(1)(d) and Section 7.01(1)(e), if the Warrant Agent, notwithstanding compliance by the Warrantholders with Sections 7.01(1)(a) and (b), has advised the Warrantholders in writing that it will not take any of the actions requested in Section 7.01(1)(b) even if the Warrant Agent were to be provided with sufficient funds and security and indemnity satisfactory to it as contemplated by Section 7.01(1)(d).

7.02 **Suits by Warrantholders**

Subject to Sections 7.01 and 8.11, any of the rights conferred upon a Warrantholder by the terms of the Warrants held by it and/or the terms of this Indenture may be enforced by such Warrantholder by appropriate legal proceedings but without prejudice to the right that is hereby conferred upon the Warrant Agent to proceed in its own name to enforce each and all of the provisions herein contained for the benefit of the holders of the Warrants from time to time outstanding.

7.03 **Warrant Agent May Institute All Proceedings**

(1) The Warrant Agent will also have the power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised will be necessary or advisable to preserve and protect its interests and the interests of the Warrantholders.

(2) Any such suit or proceeding instituted by the Warrant Agent may be brought in the name of the Warrant Agent as trustee of an express trust, and any recovery of judgment will be for the rateable benefit of the holders of the Warrants subject to the provisions of this Indenture. In any proceeding brought by the Warrant Agent (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Warrant Agent will be a party) the Warrant Agent will be held to represent all the holders of the Warrants, and it will not be necessary to make any holders of the Warrants parties to any such proceeding.

7.04 **Immunity of Shareholders, etc.**

Subject to the rights available at law or in express provisions of any contract or other instrument the Warrant Agent and, by the acceptance of the Warrant Certificates and as part of the consideration for the issue of the Warrants, the Warrantholders hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any person in its capacity as an incorporator or any past, present or future shareholder or securityholder, Director, officer, employee or agent of the Bank for the creation and issue of the Common Shares pursuant to any Warrant or on any covenant, agreement, representation or warranty by the Bank herein or in the Warrant Certificates.

7.05            **Limitation of Liability**

The obligations hereunder are not personally binding upon, nor will resort hereunder be had to, the Directors or shareholders of the Bank or any of the past, present or future Directors or shareholders of the Bank or any of the past, present or future officers, employees or agents of the Bank, but only the property of the Bank or any successor corporation will be bound in respect hereof.

**ARTICLE 8 - MEETINGS OF WARRANTHOLDERS**

8.01            **Right to Convene Meetings**

(1)        The Warrant Agent may, at any time and from time to time, convene a meeting of the Warrantholders and will do so on receipt of a written request of the Bank or a Warrantholders' Request and on being funded and indemnified to its reasonable satisfaction by the Bank or by one or more of the Warrantholders signing such Warrantholders' Request against the costs that it may incur in connection with calling and holding the meeting.

(2)        If the Warrant Agent fails, within five Business Days after receipt of such written request of the Bank or Warrantholders' Request and indemnity, to give notice convening a meeting, the Bank or any of such Warrantholders, as the case may be, may convene such meeting.

(3)        Every meeting convened by the Bank, the Warrant Agent, or a Warrantholder as a result of the Warrant Agent's failure or refusal to convene such a meeting, will be held in Edmonton, Alberta.

8.02            **Notice**

(1)        At least 21 days' notice of any meeting must be given to the Warrantholders, to the Warrant Agent (unless the meeting has been called by it) and to the Bank (unless the meeting has been called by it).

(2)        The notice must be delivered in accordance with Section 11.02 and state the time when and the place where the meeting is to be held and describe (with sufficient detail to permit a Warrantholder to make a reasoned decision with respect to the matters for consideration) the general nature of the business to be transacted thereat, 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.

8.03            **Chair**

Some individual (who need not be a Warrantholder) designated in writing by the Warrant Agent will be chair of the meeting or, if no individual is so designated or the person so designated is not present within 15 minutes after the time fixed for the holding of the meeting, the Warrantholders present in person or by proxy may choose some individual present to be chair.

8.04 **Quorum**

(1) Subject to the provisions of Section 8.12, at any meeting of Warrantholders a quorum will consist of one or more Warrantholders present in person or by proxy at the commencement of business holding in the aggregate not less than 25% of the total number of Warrants then outstanding.

(2) If a quorum of Warrantholders is not present within 30 minutes after the time fixed for holding a meeting, the meeting, if convened by Warrantholders or on a Warrantholders' Request, will be dissolved, but, subject to Section 8.12, in any other case will be adjourned to the seventh calendar day following the meeting, at the same time of day and place and no notice of the adjournment need be given.

(3) At the adjourned meeting the Warrantholders 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 Warrants that they hold.

8.05 **Power to Adjourn**

The chair of a meeting at which a quorum of the Warrantholders 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.

8.06 **Show of Hands**

Every question submitted to a meeting, 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 chair 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.

8.07 **Poll**

(1) On every Extraordinary Resolution, and on every other question submitted to a meeting on which a poll is directed by the chair or requested by one or more Warrantholders acting in person or by proxy, a poll will be taken in such manner as the chair directs.

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

8.08 **Voting**

(1) On a show of hands each person present and entitled to vote, whether as a Warrantholder or as proxy for one or more absent Warrantholders, or both, will have one vote, and on a poll each Warrantholder present in person or represented by a proxy duly appointed by instrument in writing will be entitled to one vote in respect of each Warrant held by such holder.

- (2) A proxy need not be a Warrantholder.

8.09 **Regulations**

(1) The Warrant Agent, or the Bank with the approval of the Warrant Agent, may from time to time make or vary such regulations as it thinks fit:

- (a) for the issue of voting certificates by any bank, trust company or other depository satisfactory to the Warrant Agent stating that the Warrants specified therein have been deposited with it by a named person and will remain on deposit until a specified date, which voting certificates will entitle the persons named therein to be present and vote at any meeting of Warrantholders and at any adjournment thereof held before that date or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof held before that date in the same manner and with the same effect as though the persons so named in such voting certificates were the actual holders of the Warrants specified therein;
- (b) 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 Warrantholder;
- (c) governing the places at which and the times by which voting certificates or instruments appointing proxies must be deposited;
- (d) for the deposit of voting certificates or instruments appointing proxies at some approved place other than the place at which the meeting is to be held and enabling particulars of such voting certificates or instruments appointing proxies to be sent by mail, facsimile or other means of prepaid, transmitted, recorded communication before the meeting to the Bank or to the Warrant 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; and
- (e) generally for the calling of meetings of Warrantholders and the conduct of business thereof.

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

(3) Except as such regulations provide, the only persons who will be recognized at a meeting as the holders of any Warrants, or as entitled to vote or, subject to Section 8.10, be present at the meeting in respect thereof, will be the registered holders of such Warrants or their duly appointed proxies.

8.10 **The Bank and Warrant Agent may be Represented**

The Bank and the Warrant Agent by their respective employees, officers or directors, and the Counsel of the Bank and of the Warrant Agent may attend any meeting of Warrantholders, but will have no vote as such.

8.11 **Powers Exercisable by Extraordinary Resolution**

Subject to TSX approval, in addition to all other powers conferred on them by the other provisions of this Indenture, by the Warrants or by Applicable Law, the Warrantholders at a meeting will have the power, exercisable from time to time by Extraordinary Resolution (as defined herein):

- (a) subject to the agreement of the Bank, to assent to or sanction any amendment, modification, abrogation, alteration, compromise or arrangement of any right of the Warrantholders or of the Warrant Agent in its capacity as Warrant agent hereunder, subject to the Warrant Agent's approval, on behalf of the Warrantholders against the Bank, whether such right arises under this Indenture or otherwise and to authorize the Warrant Agent to concur in and execute any indenture supplemental hereto in connection therewith unless such amendment, modification, abrogation, alteration, compromise or arrangement is otherwise authorized to be made pursuant to the terms of this Indenture;
- (b) to amend, alter or repeal any Extraordinary Resolution previously passed;
- (c) to direct or authorize the Warrant Agent to enforce any obligation of the Bank under this Indenture or to enforce any right of the Warrantholders in any manner specified in the Extraordinary Resolution;
- (d) to refrain from enforcing any obligation or right referred to in Section 8.11(c);
- (e) to waive and direct the Warrant Agent to waive any default by the Bank in complying with any provision of this Indenture, 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 Warrant Agent to exercise, on behalf of the Warrantholders, such of the powers of the Warrantholders as are exercisable by Extraordinary Resolution;
- (g) to restrain any Warrantholder from taking or instituting any suit, action or proceeding against the Bank for the enforcement of any obligation of the Bank under this Indenture or to enforce any right of the Warrantholders;
- (h) to direct any Warrantholder 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 such Warrantholder in connection therewith;

- (i) from time to time and at any time to remove the Warrant Agent and appoint a successor; and
- (j) to assent to any compromise or arrangement with any creditor or any class of creditors, whether secured or otherwise, and with holders of any shares or other securities of the Bank.

#### 8.12 **Meaning of “Extraordinary Resolution”**

(1) The expression “**Extraordinary Resolution**” when used in this Indenture means, subject to the provisions of this Section 8.12 and of Sections 8.15 and 8.16, a resolution passed at a meeting of Warrantholders duly convened for that purpose and held in accordance with the provisions of this Article at which there are present in person or by proxy Warrantholders holding in the aggregate not less than 50% of the aggregate number of Warrants then outstanding and passed by the affirmative votes of Warrantholders who hold in the aggregate not less than 66 $\frac{2}{3}$ % of the aggregate number of Warrants then outstanding represented at the meeting and voted on the poll on the resolution.

(2) If, at a meeting called for the purpose of passing an Extraordinary Resolution, the quorum required by Section 8.12(1) is not present within 30 minutes after the time appointed for the meeting, the meeting, if convened by Warrantholders or on a Warrantholders’ Request, will be dissolved, but in any other case will stand adjourned to such day, being not less than seven calendar days or more than 30 calendar days later, and to such place and time, as is appointed by the chair.

(3) Not less than seven calendar days’ notice must be given to the Warrantholders of the time and place of such adjourned meeting.

(4) The notice must state that at the adjourned meeting the Warrantholders 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.

(5) At the adjourned meeting, the Warrantholders present in person or by proxy will form a quorum and may transact any business for which the meeting was originally convened, and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Section 8.12(1) will be an Extraordinary Resolution within the meaning of this Indenture notwithstanding that Warrantholders holding in the aggregate less than 50% of the total number of Warrants outstanding may be present.

(6) 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.

#### 8.13 **Powers Cumulative**

Any one or more of the powers, and any combination of the powers, in this Indenture stated to be exercisable by the Warrantholders 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 Warranholders from exercising such powers or combination of powers thereafter from time to time.

8.14            **Minutes**

Minutes of all resolutions passed and proceedings taken at every meeting of the Warranholders will be made and duly entered in books from time to time provided for such purpose by the Warrant Agent at the expense of the Bank, and any such minutes, if signed by the chair 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.

The Bank will be provided with, in a timely manner and at its own expense, copies of any and all resolutions passed at any meeting of the Warranholders.

8.15            **Instruments in Writing**

Any action that may be taken and any power that may be exercised by Warranholders at a meeting held as provided in this Article 8 may also be taken and exercised:

- (a) by Warranholders who hold in the aggregate not less than 50% of the aggregate number of Warrants then outstanding with respect to resolutions that are not Extraordinary Resolutions; and
- (b) by Warranholders who hold in the aggregate not less than 66 2/3% of the aggregate number of Warrants then outstanding with respect to Extraordinary Resolutions, by their signing, each in person or by attorney duly appointed in writing, an instrument in writing in one or more counterparts. The expression “**Extraordinary Resolution**” when used in this Indenture includes a resolution embodied in an instrument so signed.

The Bank will be provided with, in a timely manner and at its own expense, copies of any and all instruments in writing signed by the Warranholders pursuant to this Section 8.15.

8.16            **Binding Effect of Resolutions**

Every resolution, including every Extraordinary Resolution, passed in accordance with the provisions of this Article 8 at a meeting of Warranholders will be binding on all Warranholders, 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 Warranholders in accordance with Section 8.15 will be binding on all Warranholders, whether signatories thereto or not, and every Warranholder, the Warrant Agent (subject to the provisions for its indemnity

herein contained) and the Bank will be bound to give effect accordingly to every such resolution and instrument in writing.

8.17 **Holdings by the Bank and Subsidiaries Disregarded**

In determining whether Warrantholders holding the required total number of Warrants 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, Warrantholders' Request or other action under this Indenture, a Warrant held by the Bank or by any Affiliate of the Bank will be deemed not to be outstanding. Upon a request in writing by the Warrant Agent, the Bank will provide a certificate of the Bank detailing the registration and denomination of any Warrants held by the Bank or by any Affiliate of the Bank.

**ARTICLE 9 - SUPPLEMENTAL INDENTURES AND SUCCESSOR CORPORATIONS**

9.01 **Provision for Supplemental Indentures for Certain Purposes**

Subject to TSX approval, from time to time the Bank (when authorized by its Directors) and the Warrant Agent may, without the consent of the Warrantholders, subject to the provisions hereof, and will when so directed hereby, execute and deliver by their proper officers indentures or instruments supplemental hereto, which thereafter will form part hereof, for any or all of the following purposes:

- (a) setting forth any adjustments resulting from the application of the provisions of Article 5;
- (b) adding hereto such additional covenants and enforcement provisions for the benefit of Warrantholders as in the opinion of Counsel are necessary or advisable;
- (c) giving effect to any Extraordinary Resolution passed as provided in Article 8;
- (d) making such provisions not inconsistent with this Indenture as are necessary or desirable with respect to matters or questions arising hereunder, and are not, in the opinion of the Warrant Agent, relying on the opinion of Counsel, adverse to the rights or interests of the Warrantholders as a group;
- (e) adding to, deleting or altering the provisions hereof in respect of the transfer of Warrants or the exchange of Warrant Certificates, and making any modification in the form of the Warrant Certificates provided that any such action in the opinion of Counsel acceptable to the Warrant Agent does not adversely affect the rights of the Warrantholder;
- (f) modifying or amending any provision of this Indenture or relieving the Bank 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 the Warrant Agent, relying on the opinion of Counsel, it would impair any of the

rights or interests of the Warrantholders or of the Warrant Agent, and the Warrant Agent may in its uncontrolled discretion decline to enter into any such supplemental indenture that in its opinion will not afford adequate protection to the Warrant Agent when it becomes operative; and

- (g) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguity, defective or inconsistent provision, error or omission herein, if in the opinion of the Warrant Agent, relying on the opinion of Counsel, the rights of the Warrant Agent and of the Warrantholders, as a group, are not prejudiced thereby.

#### 9.02 **Successor Corporations**

In the case of the reorganization, reconstruction, consolidation, amalgamation, arrangement, business combination or merger of the Bank or transfer, sale or lease of the undertaking or assets of the Bank as an entirety, or substantially as an entirety, to another corporation or other person, the successor corporation or other person resulting from such reorganization, reconstruction, consolidation, amalgamation, arrangement, business combination, merger or transfer, sale or lease (if not the Bank) will be bound by the provisions hereof and for the due and punctual performance and observance of each and every covenant and obligation contained in this Indenture to be performed by the Bank and the Bank will not proceed with any such transaction unless, as a condition precedent to any such transaction, such successor corporation or other person agrees to succeed to and be substituted for the Bank by supplemental indenture in form satisfactory to the Warrant Agent and executed and delivered to the Warrant Agent with the same effect as closely as may be possible as if it had been named herein.

### **ARTICLE 10 - CONCERNING THE WARRANT AGENT**

#### 10.01 **Legislation**

(1) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Law, the mandatory requirement will prevail.

(2) Each of the Bank and the Warrant Agent will at all times in relation to this Indenture and any action to be taken hereunder observe and comply with and be entitled to the benefits of Applicable Law.

#### 10.02 **Warrant Agent's Authority to Carry on Business**

The Warrant Agent represents and warrants to the Bank that at the date hereof it is authorized to carry on the business of a trust company in Alberta and Ontario. If, notwithstanding the provisions of this Section 10.02, it ceases to be authorized to carry on such business, the validity and enforceability of this Indenture and the Warrants issued hereunder will not be affected in any manner whatsoever by reason only of such event. The Warrant Agent

will, within 30 days after ceasing to be authorized to carry on such business, either become so authorized or resign in the manner and with the effects specified in Section 10.09.

10.03        **Rights and Duties of Warrant Agent**

(1)        In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Warrant Agent will act honestly and in good faith with a view to the best interests of the Warranholders, and will exercise that degree of care, diligence and skill that a reasonably prudent Warrant agent would exercise in comparable circumstances. Subject to the foregoing, the Warrant Agent will 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 and until it will have been required so to do under the terms hereof; nor will the Warrant Agent be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice will distinctly specify the default desired to be brought to the attention of the Warrant Agent and in the absence of any such notice the Warrant Agent may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained therein. Any such notice will in no way limit any discretion herein given to the Warrant Agent to determine whether or not the Warrant Agent will take action with respect to any default.

(2)        No provision of this Indenture will be construed to relieve the Warrant Agent from liability for its own dishonesty, bad faith, wilful misconduct or negligence.

(3)        The obligation of the Warrant Agent to commence or continue any act, action or proceeding for the purpose of enforcing any right of the Warrant Agent or the Warranholders hereunder is on the condition that, when required by notice to the Warranholders by the Warrant Agent, the Warrant Agent is furnished by one or more Warranholders with sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Warrant Agent to protect and hold it harmless against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

(4)        No provision of this Indenture will require the Warrant 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 funded and indemnified as aforesaid.

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

(6)        Every provision of this Indenture that relieves the Warrant Agent of liability or entitles it to rely on any evidence submitted to it is subject to the provisions of Applicable Law, of this Section 10.03 and of Section 10.04.

10.04 **Evidence, Experts and Advisers**

(1) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Bank will furnish to the Warrant Agent such additional evidence of compliance with any provision hereof, and in such form, as is prescribed by Applicable Law or as the Warrant Agent reasonably requires by written notice to the Bank.

(2) In the exercise of any right or duty hereunder the Warrant Agent, if it is acting in good faith, may act and rely, as to the truth of any statement or the accuracy of any opinion expressed therein, on any statutory declaration, opinion, report, certificate or other evidence furnished to the Warrant Agent pursuant to a provision hereof or of Applicable Law or pursuant to a request of the Warrant Agent, if such evidence complies with Applicable Law and the Warrant Agent examines such evidence and determines that it complies with the applicable requirements of this Indenture.

(3) Whenever Applicable Law requires that evidence referred to in Section 10.04(1) be in the form of a statutory declaration, the Warrant Agent may accept such statutory declaration in lieu of a certificate of the Bank required by any provision hereof.

(4) Any such statutory declaration may be made by any director or officer of the Bank.

(5) The Warrant Agent may act and rely and will be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter 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.

(6) Proof of the execution of any document or instrument in writing, including a Warrantholders' Request, by a Warrantholder 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/her the execution thereof, or by an affidavit of a witness to such execution, or in any other manner that the Warrant Agent considers adequate.

(7) The Warrant 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 duties hereunder and may pay reasonable remuneration for all services so performed by any of them, without taxation of costs of any Counsel to the Warrant Agent, and will not be responsible for any misconduct or negligence on the part of any of them who has been selected with due care by the Warrant Agent. Any remuneration so paid by the Warrant Agent will be repaid to the Warrant Agent in accordance with Section 6.02.

(8) The Warrant Agent may act and rely and will be protected in 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 Bank or by the Warrant Agent, in relation to any matter arising in the administration of this Indenture.

10.05 **Money, etc. Held by Warrant Agent**

The Warrant Agent may retain any cash balance held in connection with this Indenture and may, but need not, hold the same in its deposit department or the deposit department of one of its Affiliates, but the Warrant Agent and its Affiliates will not be liable to account for any profit to the Bank or any other person or entity including a Warrantholder.

10.06 **Action by Warrant Agent to Protect Interests**

The Warrant 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 Warrantholders.

10.07 **Warrant Agent not Required to Give Security**

The Warrant Agent will not be required to give any bond or security in respect of the performance of the agency created hereby or otherwise in respect of this Indenture.

10.08 **Protection of Warrant Agent**

(1) By way of supplement to the provisions of any Applicable Law for the time being relating to agents, it is expressly declared and agreed that:

- (a) the Warrant Agent will not be liable for or by reason of, or required to substantiate, any statement of fact or recital in this Indenture or in the Warrant Certificates (except the representation contained in Section 10.10 or in the certificate of the Warrant Agent on the Warrant Certificates), but all such statements or recitals are and will be deemed to be made by the Bank;
- (b) nothing herein contained will impose on the Warrant Agent any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (c) the Warrant Agent will not be bound to give notice to any person of the execution hereof;
- (d) the Warrant Agent will not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach by the Bank of any obligation herein contained or of any act of any Director, officer, employee or agent of the Bank; and
- (e) the Warrant Agent will not be liable or accountable for any loss or damage whatsoever to any person caused by the performance or failure by it to perform its responsibilities under this Indenture save only to the extent that such loss or damage is attributable to the dishonesty, bad faith, wilful misconduct or negligence of the Warrant Agent.

(2) The Bank agrees to indemnify the Warrant Agent and its directors, officers and employees and save them harmless from all liabilities, losses, claims, demands, suits, damages, costs and actions that may be brought against or suffered by them arising out of or connected with the performance by the Warrant Agent of its duties hereunder except to the extent that such liabilities, suits, damages, costs and actions are attributable to dishonesty, bad faith, wilful misconduct or negligence of the Warrant Agent. In the absence of dishonesty, bad faith, wilful misconduct or negligence on its part, the Warrant Agent will not be liable for any action taken, suffered, or omitted by it or for any error of judgment made by it in the performance of its duties under this Indenture. In no event will the Warrant Agent be liable for special, indirect, consequential or punitive loss or damages of any kind whatsoever (including but not limited to lost profits), even if the Warrant Agent has been advised of the possibility of such damages. In the event any question or dispute arises with respect to the Warrant Agent's duties hereunder, the Warrant Agent will not be required to act or be held liable or responsible for its failure or refusal to act until the question or dispute has been: (a) judicially settled (and, if appropriate the Warrant Agent may file a suit in interpleader or for a declaratory judgment for such purpose) by final judgment by a court of competent jurisdiction that is binding on all parties in the matter and is no longer subject to review or appeal; or (b) settled by written document in form and substance satisfactory to the Warrant Agent and executed by the Warrant Agent. In addition, the Warrant Agent may require for such purpose, but will not be obligated to require, the execution of such written settlement by parties that may have an interest in the settlement. This provision will survive the resignation or termination of the Warrant Agent or the termination of this Indenture.

#### 10.09 **Replacement of Warrant Agent**

(1) The Warrant Agent may resign hereunder and be discharged from all further duties and liabilities hereunder, except as provided in this Section 10.09, by giving to the Bank and the Warranholders not less than 30 Business Days notice in writing or, if a new Warrant Agent has been appointed, such shorter notice as the Bank accepts as sufficient.

(2) The Warranholders by Extraordinary Resolution may at any time remove the Warrant Agent and appoint a new Warrant Agent.

(3) If the Warrant Agent so resigns or is so removed or is dissolved, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting hereunder, the Bank will forthwith appoint a new Warrant Agent unless a new Warrant Agent has already been appointed by the Warranholders.

(4) Failing such appointment by the Bank, the retiring Warrant Agent at the expense of the Bank or any Warranholder may apply to the Alberta Court of Queen's Bench, on such notice as such court directs, for the appointment of a new Warrant Agent, at the expense of the Bank.

(5) Any new Warrant Agent so appointed by the Bank or by the Court will be subject to removal as aforesaid by the Warranholders.

(6) Any new Warrant Agent appointed under any provision of this Section must be a corporation authorized to carry on the business of a trust company in Alberta and Ontario and, if required by the Applicable Law of any other province, in such other province.

(7) On any such appointment, the new Warrant Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Warrant Agent without any further assurance, conveyance, act or deed, but there will be immediately executed, at the expense of the Bank, all such conveyances or other instruments as, in the opinion of Counsel to the Bank, are necessary or advisable for the purpose of assuring such powers, rights, duties and responsibilities to the new Warrant Agent, provided that, on any resignation or termination of the Warrant Agent and appointment of a successor Warrant Agent, the successor Warrant Agent will have executed an appropriate instrument accepting such appointment and, at the written request of the Bank, the predecessor Warrant Agent, upon payment of its outstanding remuneration and expenses, will execute and deliver to the successor Warrant Agent an appropriate instrument transferring to such successor Warrant Agent all rights and powers of the Warrant Agent hereunder.

(8) On the appointment of a new Warrant Agent, the Bank will promptly give notice thereof to the Warrantholders.

(9) A corporation into or with which the Warrant Agent is merged or consolidated or amalgamated, or a corporation succeeding to the trust business of the Warrant Agent, will be the successor to the Warrant 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 Warrant Agent under Section 10.09(6).

(10) A Warrant Certificate certified but not delivered by a predecessor Warrant Agent may be delivered by the new or successor Warrant Agent in the name of the predecessor Warrant Agent or successor Warrant Agent.

#### 10.10 **Conflict of Interest**

The Warrant Agent represents to the Bank that at the time of the execution and delivery hereof no material conflict of interest exists between its role as an 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 hereunder.

If any such material conflict of interest exists or hereafter will exist, the validity and enforceability of this Indenture and of the Warrants will not be affected in any manner whatsoever by reason thereof.

The Warrant Agent, in its personal or any other capacity, may buy, lend upon and deal in securities of the Bank and generally may contract and enter into financial transactions with the Bank without being liable to account for any profit made thereby.

**ARTICLE 11 - GENERAL**

11.01 **Notice to the Bank and Warrant Agent**

Unless herein otherwise expressly provided, any demand, notice or other communication to be given hereunder to the Bank or the Warrant Agent must be given in writing and will be given by personal delivery or by first class mail, postage prepaid, or by electronic means of communication addressed to the recipient as follows:

(a) To the Bank:

Canadian Western Bank  
Suite 2300, 10303 Jasper Avenue  
Edmonton, Alberta  
T5J 3X6

Attention: Executive Vice-President and Chief Financial Officer

Fax: (780) 423-8897

With a copy to:

McCarthy Tétrault LLP  
Suite 5300  
Toronto Dominion Bank Tower  
Toronto-Dominion Centre  
Toronto, Ontario  
M5K 1E6

Attention: Andrew Parker

Fax: (416) 868-0673

(b) To the Warrant Agent:

Valiant Trust Company  
#310, 606 - 4th Street S.W.  
Calgary, Alberta  
T2P 1T1

Attention: General Manager

Fax: (403) 233-2857

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either the Bank or the Warrant Agent to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by mail, on the fifth

Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system that might affect the delivery of mail, any such demand, notice or other communication may not be mailed but must be given by personal delivery or by electronic communication.

11.02            **Notice to Warrantholders**

(1)        Unless herein otherwise expressly provided, a notice to be given hereunder to Warrantholders will be deemed to be validly given if the notice is sent by mail, postage prepaid, addressed to the Warrantholders or delivered (or so mailed to certain Warrantholders and so delivered to the other Warrantholders) at their respective addresses appearing on any of the registers of holders described in Section 3.01 or any other method agreed to by the Warrantholder; or, at the option of the party giving notice, such notice may be given by such other method designed to give reasonable general notice thereof, which may include public dissemination of the notice by way of press release, publication in the Report on Business section in the national edition of The Globe and Mail newspaper or filing of the notice or a press release with respect thereto on the Canadian System for Electronic Document Analysis and Retrieval.

(2)        A notice so given by mail or so delivered will be deemed to have been given on the fifth Business Day after it has been mailed or on the day which it has been delivered, as the case may be, and a notice so given by publication or filing will be deemed to have been given on the day on which it has been published or filed 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 Warrantholder will not invalidate any action or proceeding founded thereon.

11.03            **Satisfaction and Discharge of Indenture**

On the earlier of:

- (a)        the date by which there has been delivered to the Warrant Agent for exercise or surrender for cancellation all Warrant Certificates theretofore certified hereunder; and
- (b)        the Expiry Time

and if all certificates representing Common Shares required to be issued in compliance with the provisions hereof have been issued and delivered hereunder or to the Warrant Agent in accordance with such provisions, this Indenture will cease to be of further effect and, on demand of and at the cost and expense of the Bank and on delivery to the Warrant Agent of a certificate of the Bank stating that all conditions precedent to the satisfaction and discharge of this Indenture have been complied with and on payment to the Warrant Agent of the fees and other

remuneration payable to the Warrant Agent, the Warrant Agent will execute proper instruments acknowledging satisfaction of and discharging this Indenture.

11.04            **Sole Benefit of Parties and Warrantholders**

Nothing in this Indenture or the Warrant Certificates, expressed or implied, will give or be construed to give to any person other than the parties hereto and the Warrantholders, as the case may be, any legal or equitable right, remedy or claim under this Indenture or the Warrant 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 Warrantholders.

11.05            **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.

11.06            **Counterparts and Formal Date**

This Indenture may be executed in any number of counterparts, each of which when so executed will 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 will be deemed to be dated as of the Effective Date.

11.07            **Language**

The parties hereby request that this Indenture and any related documents be drawn up and executed only in the English language. Les parties demandent par les présentes que la présente convention ainsi que tous les documents y afférents soient rédigés et exécutés en langue anglaise seulement.

11.08            **Assignment**

Subject to Sections 9.02 and 10.09, neither this Indenture nor any right, interest or obligation hereunder may be assigned by either party without the prior written consent of the other party and any purported assignment of this Indenture that does not comply with this Section 11.08 will be considered null and void.

11.09            **Benefit of the Agreement**

This Indenture will enure to the benefit of and be binding upon the respective successors and permitted assigns of the parties hereto.

11.10            **Severability**

In the event that any provision hereof will be determined to be invalid or unenforceable in any respect such determination will not affect such provision in any other respect or any other provision hereof, all of which will remain in full force and effect.

IN WITNESS WHEREOF the parties hereto have duly executed this Indenture.

**CANADIAN WESTERN BANK**

By: “Tracey C. Ball”  
Name: Tracey C. Ball  
Title: Executive Vice-President and Chief  
Financial Officer

**VALIANT TRUST COMPANY**

By: “Amanda de Freitas”  
Name: Amanda de Freitas  
Title: Director, Client Services

By: “Linda Arhin”  
Name: Linda Arhin  
Title: Account Manager

**The Warrants evidenced hereby and the Common Shares issuable upon exercise hereof have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), and the Warrants may not be exercised in the United States or by or on behalf of a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless the Common Shares issuable upon exercise hereof have been registered or qualified under the U.S. Securities Act and applicable state securities laws or an exemption from registration or qualification is available. The Warrants may only be offered, sold, pledged or otherwise transferred in a transaction outside the United States in accordance with Regulation S under the U.S. Securities Act.**

## **SCHEDULE A**

### **FORM OF WARRANT CERTIFICATE**

CUSIP No. 136765112

ISIN No. CA 1367651124

Certificate No.: \_\_\_\_\_

No. of Warrants: \_\_\_\_\_

**Warrants  
Exercisable to Acquire  
Common Shares  
of  
CANADIAN WESTERN BANK**

(a Canadian chartered bank)

THIS IS TO CERTIFY THAT, for value received, \_\_\_\_\_  
\_\_\_\_\_ (the “**holder**”) is the registered holder of the number of Warrants (“**Warrants**”) of Canadian Western Bank (the “**Bank**”) specified above and for each Warrant held is thereby entitled to be issued fully paid and non-assessable Common Shares (“**Common Shares**”) of the Bank on the basis of one Common Share for each such Warrant, subject to the limitation referred to below, by surrendering to Valiant Trust Company (the “**Warrant Agent**”) at its office in Calgary, Alberta or Toronto, Ontario during the exercise period hereinafter referred to, a wire transfer, certified cheque, bank draft or money order made payable at par to the Bank in the amount of \$14.00 per Common Share, as such price may be adjusted under Article 5 of the Warrant Indenture (as defined below) (the “**Exercise Price**”), in respect of each Common Share to be issued, this Warrant Certificate and a Notice of Exercise substantially in the form set out in Appendix 1 hereof duly completed and executed.

Capitalized terms that are not otherwise defined herein have the same meaning as in the Warrant Indenture (which indenture, together with all instruments supplemental or ancillary thereto, is herein referred to as the “**Warrant Indenture**”) made as of March 2, 2009 between the Bank and the Warrant Agent, as warrant agent.

Surrender of this Warrant Certificate will be deemed to have been effected only on personal delivery thereof to, or, if sent by mail or other means of transmission, on actual receipt thereof by, the Warrant Agent at the office specified above.

This Warrant Certificate evidences Warrants of the Bank issued or issuable under the provisions of the Warrant Indenture. **Reference is made to the Warrant Indenture for particulars of the rights of the holders of the Warrants and of the Bank and of the Warrant Agent in respect thereof and of the terms and conditions upon which the Warrants are issued and held and may be exercised, all to the same effect as if the provisions of the Warrant Indenture were herein set forth, to all of which the holder, by acceptance hereof, assents. To the extent of any inconsistency between the terms of the Warrant Indenture and the terms of this Warrant Certificate, the terms of the Warrant Indenture will prevail.** The Bank will furnish to the holder, on request and upon payment of a reasonable charge for photocopying and postage, a copy of the Warrant Indenture or a holder may obtain a copy thereof from [www.sedar.com](http://www.sedar.com).

**The Warrants evidenced by this Warrant Certificate may be exercised by the holder until 5:00 p.m. (Toronto time) on March 3, 2014 (“Expiry Time”).**

On and after the date of any exercise of the Warrants evidenced by this Warrant Certificate, the holder will have no rights hereunder except to receive certificates representing the Common Shares thereby issued to the holder upon delivery of a wire transfer, certified cheque, bank draft or money order payable to the Bank in the amount of the Exercise Price in respect of each Common Share to be issued, this Warrant Certificate and a duly completed Notice of Exercise as set out in Appendix 1 hereof to the Warrant Agent at its offices in Calgary, Alberta or Toronto, Ontario. After the Expiry Time, all rights under any unexercised Warrant evidenced hereby will wholly cease and terminate and this Warrant Certificate will be void.

The Bank will not be obligated to issue any fraction of a Common Share on the exercise of any Warrant. To the extent that a holder of Warrants would otherwise have been entitled to receive, on the exercise of Warrants, a fraction of a Common Share, such right may only be exercised in respect of such fraction in connection with the simultaneous exercise of other Warrants that in the aggregate entitle the holder to receive a whole number of Common Shares. If a Warrantholder is not able to combine Warrants so as to be entitled to acquire a whole number of Common Shares, the number of Common Shares that such holder is entitled to receive will be rounded down to the prior whole number.

The Warrant Indenture provides for adjustments to the number of Common Shares issuable and to the Exercise Price upon the occurrence of certain events set forth therein.

No Common Share will be issued pursuant to any Warrant if the issuance of such security would constitute a violation of the securities laws of any applicable jurisdiction or require the Bank to qualify or register such Common Shares, or make any notice or other filing, in any jurisdiction other than the Qualifying Jurisdictions.

The Bank reserves the right not to issue Common Shares upon exercise of any Warrant to any person who would as a result of such delivery become a Significant Shareholder, unless such person delivers to the Bank evidence that it has obtained the necessary consent from the Minister of Finance

under the Bank Act. Without such evidence, the Warrant Agent will hold all Common Shares that would otherwise be delivered to any Significant Shareholder, as agent for Significant Shareholders, and the Warrant Agent will attempt to sell such Common Shares (to parties other than the Bank and its Affiliates) on behalf of such Significant Shareholders. Such sales, if any, may be made at any time and any price. Neither the Bank nor the Warrant Agent will be subject to any liability for failing to sell Common Shares on behalf of any such Significant Shareholders at any particular price on any particular day. The net proceeds received by the Warrant Agent from the sale of any Common Shares will be delivered to the applicable Significant Shareholders, after deducting the costs of sale and any applicable withholding taxes.

The Bank may require any Warrantholder to provide a declaration, in form and substance satisfactory to the Bank, confirming compliance with applicable regulatory requirements, including the Bank Act, and to establish that such Warrantholder is not, and does not represent, an Ineligible Person and that no such persons would, by virtue of the exercise of the Warrants or the issue or delivery of Common Shares in connection therewith, become a Significant Shareholder.

The Warrant Indenture contains provisions making binding on all holders of Warrants outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by holders of a specified majority of all outstanding Warrants.

On presentation at the offices of the Warrant Agent in Calgary, Alberta or Toronto, Ontario, subject to the provisions of the Warrant Indenture and on compliance with the reasonable requirements of the Warrant Agent, one or more Warrant Certificates may be exchanged for one or more Warrant Certificates of different denominations evidencing in the aggregate the same number of Warrants as the Warrant Certificate or Warrant Certificates being exchanged, and such holder will pay the reasonable cost thereof; provided that no fractional Warrants may be issued under the terms of the Warrant Indenture.

The Warrants evidenced by this Warrant Certificate may only be transferred, upon compliance with the conditions prescribed in the Warrant Indenture, on the register of transfers to be kept at the offices of the Warrant Agent in Calgary, Alberta and Toronto, Ontario by the holder or, in the case of an individual, its executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Warrant Agent, and, upon compliance with such requirements and such other reasonable requirements as the Warrant Agent may prescribe, such transfer will be duly noted on such register of transfers by the Warrant Agent. Notwithstanding the foregoing, the Bank will be entitled, and may direct the Warrant Agent, to refuse to record any transfer of any Warrant on such register if such transfer would constitute a violation of the securities laws of any jurisdiction or require the Bank to qualify the Common Shares for distribution in any jurisdiction other than the Qualifying Jurisdictions.

The holding of this Warrant Certificate will not constitute the holder a shareholder of the Bank or entitle the holder to any right or interest in respect thereof except as otherwise provided in the Warrant Indenture.

This Warrant Certificate will not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent for the time being under the Warrant Indenture. Time will be of the essence hereof.

IN WITNESS WHEREOF the Bank has caused this Warrant Certificate to be signed by its officers duly authorized in that behalf as of • , 20•.

**CANADIAN WESTERN BANK**

By: \_\_\_\_\_  
Name:  
Title:

This Warrant Certificate is one of the Warrant Certificates referred to in the Warrant Indenture within mentioned.

**VALIANT TRUST COMPANY**, as Warrant  
Agent

By:

\_\_\_\_\_  
Authorized Signing Officer

**APPENDIX 1**

**NOTICE OF EXERCISE**

To: Canadian Western Bank (the “**Bank**”)

And To: Valiant Trust Company (the “**Warrant Agent**”)

The undersigned holder exercises \_\_\_\_\_ Warrants evidenced by this Warrant Certificate for the purchase of Common Shares of the Bank (or such other securities or property to which such exercise entitles the holder in lieu thereof or in addition thereto under the provisions of the Warrant Indenture mentioned in this Warrant Certificate) on the terms specified in this Warrant Certificate and Warrant Indenture and in connection therewith has conducted a wire transfer or encloses a certified cheque, bank draft or money order payable to the Bank in an amount equal to the Exercise Price in respect of each Common Share to be issued.

The undersigned hereby irrevocably directs that such Common Shares be issued, registered and delivered as follows:

Name(s) in Full	Address(es)	Number(s) of Common Shares
_____	_____	_____
_____	_____	_____

(Please print the full name in which certificates for Common Shares are to be issued. If any securities are to be issued to a person other than the holder, the holder must pay to the Warrant Agent all exigible transfer taxes or other government charges and sign the Form of Transfer.)

**Check the appropriate box:**

- The undersigned certifies that the Warrants are not being exercised in the United States, its territories or possessions (the “United States”), that the undersigned is not a U.S. person (as defined in Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”)) and that the Warrants are not being exercised by or on behalf of a U.S. person.**
  
- The Warrants are being exercised in the United States or by or on behalf of a U.S. Person. The undersigned by execution of this notice of exercise hereby certifies that: (a) it is either (i) a director “accredited investor” within the meaning of Rule 501(a)(4) of Regulation D under the U.S. Securities Act; or (ii) both (A) an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act (an “IAI”) and (B) a “qualified institutional buyer” as such term is defined in Rule 144A under the U.S. Securities Act (a “QIB”, collectively a “IAI/QIB”). Further, if the undersigned is exercising the Warrants as a fiduciary or**

agent for one or more investor accounts, the undersigned hereby certifies that: (i) each such account is a IAI/QIB; (ii) it has investment discretion with respect to each such account; and (iii) it has full power and authority to make the representations, warranties, agreements and acknowledgements herein on behalf of each such account; (b) it is a sophisticated investor which: (a) invests in or purchases securities similar to the Common Shares in the normal course of business; (b) has such knowledge and experience in financial and business matters to be capable of evaluating the merits and risks of an investment in the Common Shares; and (c) the investor, and any accounts for which it is acting, is able to bear the economic risk, and sustain a complete loss, of such investment in the Common Shares;

(c) such exercise is in compliance with the federal laws of the United States and applicable state securities laws and the undersigned acknowledges that the Common Shares issued upon such exercise will not be registered under the U.S. Securities Act or any state securities laws and such Common Shares will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act; and (d) it is tendering herewith to the Bank evidence to such effect, including an opinion of counsel to the undersigned, which opinion and counsel must be satisfactory to the Bank, to the effect that such Common Shares will be issued pursuant to an exemption from the registration or qualification requirements of the U.S. Securities Act and applicable state securities laws.

The undersigned understands that the Bank may refuse to honour such exercise if the Bank is not satisfied that the Common Shares to be issued upon such exercise will be issued pursuant to an exemption from the registration or qualification requirements of the U.S. Securities Act and applicable state securities laws.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

	)	_____
	)	Signature of Registered Holder
_____	)	
[Signature Guaranteed]	)	_____
	)	Name of Registered Holder

**Note:** The name of the registered holder of this Notice of Exercise must be the same as the name appearing on the face page of this Warrant Certificate.

If the Notice of Exercise is signed by an agent, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Bank.

Please check if the Common Share certificates are to be delivered at the office where this Warrant Certificate is surrendered, failing which such certificates will be mailed.

Certificates will be delivered or mailed as soon as practicable after the due surrender of this Warrant Certificate.

**The Warrants of Canadian Western Bank may only be offered, sold, pledged or otherwise transferred in a transaction outside the United States in accordance with Regulation S under the U.S. Securities Act.**

**APPENDIX 2**

**FORM OF TRANSFER**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers to

Name: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

(such person, the “**Transferee**”) \_\_\_\_\_ Warrants of Canadian Western Bank (the “**Bank**”) represented by this Warrant Certificate and does hereby appoint \_\_\_\_\_ as its attorney with full power of a substitution to transfer the Warrants on the appropriate register of Valiant Trust Company.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature Guaranteed )  
\_\_\_\_\_  
Name of Transferor )

The signature(s) on this form must also be guaranteed by one of the following methods:

*In Canada and the US:* a **Medallion Guarantee** obtained from a member of an acceptable Medallion Guarantee Program (STAMP, SEMP or MSP). Many banks, credit unions and broker dealers are members of a Medallion Guarantee Program. The guarantor must affix a stamp in the space above bearing the actual words “Medallion Guarantee”.

*In Canada:* a **Signature Guarantee** obtained from a major Canadian Schedule I bank that is not a member of a Medallion Guarantee Program. The guarantor must affix a stamp in the space above bearing the actual words “Signature Guaranteed”.

*Outside Canada and the U.S.:* holders must obtain a guarantee from a local financial institution that has a corresponding affiliate in Canada or the U.S. that is a member of an acceptable Medallion Guarantee Program. The corresponding affiliate must over-guarantee the guarantee provided by the local financial institution.

NOTE: The signature of the transferor must be the signature of the registered holder appearing on the face of this Warrant Certificate.

If this Form of Transfer is signed by an agent, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the Warrant Certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Bank.