



## PRAIRIE PROVIDENT RESOURCES INC.

### BY-LAW NO. 3

A by-law relating to the advance notice of nominations of directors of PRAIRIE PROVIDENT RESOURCES INC. (hereinafter called the "Corporation") is hereby made as follows:

1. **Nomination Procedures.** Subject only to the provisions of the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election as directors of the Corporation may be made at any annual meeting of shareholders or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
  - (a) by or at the direction of the Board, including pursuant to a notice of meeting;
  - (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of a meeting of shareholders by one or more shareholders made in accordance with the provisions of the Act; or
  - (c) by any person (a "Nominating Shareholder") who:
    - (i) complies with the notice procedures set forth below in this by-law; and
    - (ii) at the close of business on the date of the giving of notice by the Nominating Shareholder in accordance with the notice procedures set forth below in this by-law and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporate Secretary of the Corporation.
2. **Timely Notice.** In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation in accordance with the procedures set forth below in this by-law.
3. **Manner of Timely Notice.** To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be given:

- (a) in the case of an annual meeting (including an annual and special meeting) of shareholders, not less than thirty (30) days prior to the date of the meeting; provided, however, in the event that the meeting is to be held on a date that is less than fifty (50) days after the date on which the first public announcement of the date of the meeting was made, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10th) day following the date of such public announcement;
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not also called for other purposes), notice by the Nominating Shareholder shall be made not later than the close of business on the fifteenth (15th) day following the date of such public announcement; and
- (c) in the case of an annual meeting of shareholders or a special meeting of shareholders called for the purpose of electing directors (whether or not also called for other purposes) where notice-and-access is used to deliver proxy-related materials to shareholders, not less than forty (40) days prior to the date of the meeting (and, in any event, not prior to the date on which the first public announcement of the date of the meeting was made); provided, however, in the event that the meeting is to be held on a date that is less than fifty (50) days after the date on which the first public announcement of the date of the meeting was made, (i) in the case of an annual meeting of shareholders, notice by the Nominating Shareholder shall be made not later than the close of business on the tenth (10th) day following the date of such public announcement, and (ii) in the case of a special meeting of shareholders, notice by the Nominating Shareholder shall be made not later than the close of business on the fifteenth (15th) day following the date of such public announcement.

4. **Proper Form of Notice.** To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth or include:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director of the Corporation (a "Proposed Nominee"):
  - (i) the name, age and business and residential address of the Proposed Nominee;
  - (ii) the principal occupation, business or employment of the Proposed Nominee and the name and principal business of any company in which such employment is carried on, both present and within the five years preceding the date of the notice;
  - (iii) whether the Proposed Nominee is a "resident Canadian" within the meaning of the Act;
  - (iv) the number of securities of each class or series of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

- (v) a description of any relationship, agreement, arrangement or understanding between the Nominating Shareholder and the Proposed Nominee, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder or the Proposed Nominee with respect to the Proposed Nominee's nomination and election as a director;
  - (vi) whether the Proposed Nominee is party to any existing or proposed relationship, agreement, arrangement or understanding with any competitor of the Corporation or any other third party which may give rise to a real or perceived conflict of interest between the interests of the Corporation and the interests of the Proposed Nominee; and
  - (vii) any other information relating to the Proposed Nominee that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws.
- (b) as to the Nominating Shareholder:
- (i) the name and business and residential address of such Nominating Shareholder;
  - (ii) the number of securities of each class or series of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such Nominating Shareholder, or any other person with whom such Nominating Shareholder is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) any proxy, contract, arrangement, understanding or relationship pursuant to which the Nominating Shareholder has the right to vote any shares of the Corporation;
  - (iv) whether such Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
  - (v) any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or any Applicable Securities Laws; and
- (c) a written consent duly signed by the Proposed Nominee to being named as a nominee for election to the Board and to serving as a director of the Corporation if elected.

References to "Nominating Shareholder" in this Paragraph 4 shall be deemed to refer to each shareholder that nominates or proposes to nominate a person for election as a director of the

Corporation in the case of a nomination proposal where more than one shareholder is involved in making such nomination proposal.

5. **Notice to be Updated.** In addition, to be considered timely and in proper written form, a Nominating Shareholder's notice shall be promptly updated and supplemented, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting.
6. **Eligibility for Nomination as a Director.** No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this by-law; provided, however, nothing in this by-law shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which such shareholder would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this by-law and, if any proposed nomination is determined not to be in compliance with such procedures, to declare that such defective nomination shall be disregarded.
7. **Definitions.** For purposes of this by-law:
  - (a) "Act" means the *Business Corporations Act* (Alberta) and the regulations made thereunder, as from time to time amended, and in the case of such amendment any reference in the by-laws shall be read as referring to the amended provisions thereof;
  - (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada;
  - (c) "Board" means the board of directors of the Corporation;
  - (d) "close of business" means 5:00 p.m. (Calgary time) on a business day in Calgary, Alberta; and
  - (e) "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

Terms used in this by-law that are defined in the Act shall have the meanings given to those terms in the Act.

8. **Delivery of Notice.** Notwithstanding any other provision of this by-law, notice given to the Corporate Secretary of the Corporation pursuant to this by-law may only be given by personal delivery or by electronic mail (at such e-mail address as may be stipulated from time to time by the Corporate Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the principal executive offices of the Corporation or, in the case of

electronic mail, at the time it is sent to the Corporate Secretary at the e-mail address as aforesaid; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

9. **Board Discretion.** Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this by-law.

MADE effective as of July 29, 2016.

*(signed) "Tim Granger"*

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Tim Granger

Director