



Appendix B: Model Indemnity Agreement

Canadian Energy Regulator - Model Indemnity

Last updated: 5 January 2026

This document will be updated over time, as required.

INDEMNITY

This Indemnity is made and given the XX day of MONTH, YEAR, by [LEGAL NAME OF PARENT AUTHORIZATION HOLDER] (the "**Indemnitor**") in favour of [AUTHORIZATION HOLDER LEGAL NAME] (the "**Authorization Holder**"), being a [wholly-owned/indirect (*describe relationship between parties*)] subsidiary of the Indemnitor.

Pursuant to the *Canadian Energy Regulator Act*, as amended from time to time (the "**CER Act**") and the *Pipeline Financial Requirements Regulations*, as amended from time to time (the "**Regulations**"), His Majesty the King in Right of Canada as represented by the Canadian Energy Regulator¹ or any successor administrative body [the Canada Energy Regulator ("**CER**")]) requires the Authorization Holder to maintain certain financial resources in specific types and amounts.

In consideration of the premises and other good and valuable consideration, the receipt, adequacy and sufficiency of which is hereby acknowledged, the Indemnitor agrees with the Authorization Holder as follows:

1. The Indemnitor unconditionally and irrevocably agrees to indemnify and keep indemnified, the Authorization Holder and to promptly pay and perform all Obligations for which the Authorization Holder becomes liable for pursuant to the CER Act and the Regulations. The term "**Obligations**" means all direct or indirect debts, liabilities and other financial and monetary obligations of the Authorization Holder, whether now existing or hereafter arising, relating to the Authorization Holder's financial resource requirements under the CER Act and the Regulations, related to any unintended or uncontrolled release from a pipeline of oil, gas or any other commodity; provided, however, that in no event shall the aggregate amount of the Obligations covered by this Indemnity exceed the amount set forth in Section 3 below.
2. No action based upon this Indemnity shall be instituted until a written demand for payment has been made upon the Indemnitor (a "**Payment Demand**") in accordance with Section 10 hereof. The Payment Demand shall specify in reasonable detail the Obligations to which the Payment Demand relates and the basis upon which the Obligations are due. A Payment Demand made in accordance with this clause shall be deemed sufficient notice to the Indemnitor that it must pay the Obligations and the Indemnitor agrees that no other requirements of notice, presentment or demand are required to be made under this Indemnity. The Indemnitor shall make payment to the Authorization Holder (or other payee, as may be directed by the Authorization Holder and/or as directed by the CER) in accordance with the Payment Demand within 5 (five) business days of receipt of a Payment Demand.
3. Notwithstanding anything to the contrary herein, the aggregate liability of the Indemnitor under this Indemnity and the Authorization Holder's right of recovery hereunder is limited to a total aggregate amount of [XXXXXXX] **Canadian Dollars (CDN\$XXX,000)** (the "**Indemnity**")

¹ For greater clarity, the Canadian Energy Regulator means the corporation established under subsection 10(1) of the *Canadian Energy Regulator Act*.



- Cap**") including all reasonable costs and expenses (including without limitation reasonable legal fees and court costs) to enforce any of its rights hereunder. Indemnitor's liability under this Indemnity is specifically limited to the payment of the Obligations that the Authorization Holder is expressly required to pay under the CER Act and the Regulations (even if such Obligations are deemed to be damages). The Indemnitor shall not be required to pay special, exemplary, punitive, incidental, consequential or indirect damages (whether or not arising from a party's negligence), except to the extent that such amounts are required to be made pursuant to any of the Obligations.
4. This Indemnity is a continuing obligation and the Obligations of the Indemnitor hereunder shall not terminate without the prior written approval of the Authorization Holder and the CER or upon the Commission of the CER granting approval for the Authorization Holder to use alternative financial resources to meet the financial resources requirements under the CER Act and the Regulations (an "**Effective Termination Date**"). The Indemnitor will not be liable hereunder for Obligations created, incurred, contracted or assumed after the applicable Effective Termination Date; provided, however, such expiration shall not affect, in any manner, rights arising under this Indemnity with respect to Obligations created, incurred, contracted or assumed prior to the Effective Termination Date. Requests for termination shall be sent to the Authorization Holder and the CER as set out in Section 10.
 5. The Indemnitor hereby waives notice of (i) acceptance of this Indemnity by Authorization Holder; (ii) notice of the creation or existence of any Obligations; and (iii) any requirement that suit be brought against, or any other action be taken against the Authorization Holder, or any notice of default or other notice be given to, or any demand be made on the Authorization Holder.
 6. This Indemnity is a guarantee of payment only and not of collection. The Authorization Holder will not be bound to exhaust its recourse against the Indemnitor or other parties or other security it may hold before requiring payment of the Indemnitor, and the Authorization Holder may enforce the various remedies available to it and may realize upon the various securities or any part of such securities in such order as the Authorization Holder may determine.
 7. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of Indemnitor hereunder and without the consent of or notice to Indemnitor, the Authorization Holder may, as may be permitted by applicable law, and only with the prior written consent of the Commission of the CER:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to the Indemnitor or any other person or persons now or hereafter liable in respect of the Obligations;
 - (b) accept compromises or arrangements from the Indemnitor;
 - (c) apply all monies at any time received from the Indemnitor or any other person or persons upon such part of the Obligations as the Authorization Holder may see fit or change any such application in whole or in part from time to time as the Authorization Holder may see fit; or
 - (d) otherwise deal with, or waive or modify its rights to deal with, the Indemnitor and any other person or persons and securities as the Authorization Holder may see fit.
 8. In the event of any claim or demand for payment by the Authorization Holder in connection with this Indemnity, and at the sole discretion of the CER, the CER shall be subrogated to, and the Authorization Holder shall assign to the CER, all of the Authorization Holder's rights of recovery against the Indemnifier under this Indemnity. If the Authorization Holder is unable to assign such rights to the CER, or if the CER indicates, in its sole discretion, then, instead of assigning such rights to the CER, the Authorization Holder shall allow the CER to bring suit in its' name, if applicable. The Authorization Holder shall execute all documents,



agreements, certificates or other papers required and take all steps necessary to secure and further such subrogation and assignment rights. In no event shall the Authorization Holder waive any rights that could adversely affect any such subrogation or assignment rights.

9. This Indemnity shall not be discharged, limited or otherwise affected by anything done, suffered or permitted by the Authorization Holder or the CER in connection with the Authorization Holder or the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Indemnitor hereunder shall be continuing, absolute and unconditional irrespective of, and shall not be released, disclosed, limited, annulled, set aside, invalidated, rescinded or otherwise affected by:
- (a) any change to the terms of the Obligations as are permitted under applicable law;
 - (b) the insolvency, bankruptcy, reorganization or other similar proceeding of affecting the Authorization Holder, the Indemnitor, or their respective assets;
 - (c) the appointment of a receiver, intervener, conservator, trustee or similar officer for the assets of the Authorization Holder or the Indemnitor;
 - (d) any change in the name of the Authorization Holder or the Indemnitor or the reorganization, merger or amalgamation of the Authorization Holder or the Indemnitor;
 - (e) the acquisition of the Authorization Holder's business or the Indemnitor's business by a person or corporation;
 - (f) any change whatsoever in the existence (including the dissolution), capital structure, ownership, constitution or constating documents of the Authorization Holder or the Indemnitor;
 - (g) any liabilities incurred directly or indirectly hereunder or any set-off against any of said liabilities, or any release or amendment or waiver of or consent to departure from any other guarantee or indemnity, for all or any of the Obligations;
 - (h) any defect in, omission from, failure to file or register or defective filing or registration of any instrument under which the CER or the Authorization Holder has taken any security or collateral for payment of the Obligations or performance or observance of any obligation of the Indemnitor, or of any other person who is or may become liable in respect of the Obligations; or
 - (i) any other fact, act, event, circumstance, apart from repayment or performance of the Obligations in whole, which might otherwise constitute a legal or equitable defence available to, or a complete or partial discharge of, the Authorization Holder by the CER in respect of the Obligations or of the Indemnitor in respect of this Indemnity,

but shall, notwithstanding the happening of any such event before or after the execution of this Indemnity, continue to apply to the Obligations.

10. Any notices, directions or communications, including a Payment Demand, required or permitted to the Indemnitor or Authorization Holder pursuant to this Indemnity shall be in writing and is deemed to be given and received (i) if sent by personal delivery or courier, on the date of delivery if it is a business day in the recipients jurisdiction (a "**Business Day**") and the delivery was made prior to 4:30 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by facsimile or electronic transmission, on the date of delivery unless if sent after 4:30 p.m. on such date, then the next Business Day following the date of transmission. Where a notice is given by facsimile or electronic transmission, the party giving the notice shall also send a copy of the notice by regular mail. A party may change its address for service or agent for service from time to time by providing a notice in accordance with the foregoing. Any subsequent notice must be sent to the applicable party at its changed address.



Any element of a party's address that is not specifically changed in a notice will be assumed not to be changed.

Any notice, direction or other communication given under this Indemnity, shall be addressed as follows (unless otherwise notified of a change in address):

Indemnitor: [INDEMNITOR – PARENT COMPANY LEGAL NAME]
[INDEMNITOR UNIT & ADDRESS]
[CITY, PROVINCE POSTAL CODE]
Attention: [TITLE, DEPARTMENT IF APPLICABLE]
Email: [EMAIL ADDRESS]
Facimile: [(XXX) XXX-XXXX]

copy: [IF APPLICABLE]
Email: [EMAIL ADDRESS]
Facimile: [(XXX) XXX XXXX]

Authorization
Holder: [AUTHORIZATION HOLDER LEGAL NAME]
[AUTHORIZATION HOLDER UNIT & ADDRESS]
[CITY, PROVINCE POSTAL CODE]
Attention: [TITLE, DEPARTMENT IF APPLICABLE]
Email: [EMAIL ADDRESS]
Facimile: [(XXX) XXX-XXXX]

copy: [IF APPLICABLE]
Email: [EMAIL ADDRESS]
Facimile: [(XXX) XXX XXXX]

CER: **Canadian Energy Regulator**
Suite 210, 517 Tenth Avenue SW
Calgary, Alberta T2R 0A8
Attention: Secretary of the Commission
Facimile: 403-292-5503

11. This Indemnity and each of its provisions may be waived, varied, released, modified or surrendered, in whole or in part, only by a written instrument signed, and/or acknowledged, as applicable, by the Authorization Holder and Indemnitor, and with the prior written approval of the Commission of the CER. No failure or delay by either party in exercising its rights or remedies under this Indemnity, subject to applicable limitation periods, shall operate as a waiver thereof, nor shall any single or partial exercise by either party of any right or remedy hereunder preclude any other or future exercise of any right or remedy hereunder.
12. This Indemnity and all matters arising from or related to the Indemnity shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein, without regard to principles of conflicts of laws. The Indemnitor and Authorization Holder hereby knowingly, voluntarily, and intentionally waive any right to trial by jury in connection with this Indemnity or the transactions related hereto.
13. The Indemnitor represents and warrants that (i) the Indemnitor is duly organized, validly existing and in good standing under the laws of the jurisdiction of [*enter jurisdiction that the Indemnitor is incorporated under*] and has full power, rights, capacity and authority to enter into, execute and deliver this Indemnity, and to perform its obligations hereunder; (ii) the execution, delivery and performance of this Indemnity have been and remain duly authorized



by all necessary corporate action and do not contravene any provision of law or the Indemnitor's constating documents or any contractual restriction binding on the Indemnitor or its assets; and (iii) this Indemnity constitutes the legal, valid and binding obligation of Indemnitor, enforceable against the Indemnitor in accordance with its terms, subject, as to enforcement, bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles. In the event of default or breach of any term, condition or obligation as set forth in this Indemnity, the Indemnitor shall serve notice to the Authorization Holder and the Indemnitor and/or the Authorization Holder shall serve notice to the CER of such default or breach within two (2) business days of obtaining knowledge of such default or breach.

14. The Indemnitor agrees that it will:
 - (a) provide the CER with information and financial data as it may reasonably request, from time to time; and
 - (b) inform the Authorization Holder and the CER promptly of any event or action which would reasonably be expected to have a material adverse impact on its business, its operational or financial condition, or its ability to satisfy any of its obligations under this Indemnity in accordance with its terms.
15. This Indemnity is the entire and only agreement between the Indemnitor and the Authorization Holder with respect to the payment of the Obligations. All representations, warranties, covenants, agreements or undertakings heretofore or contemporaneously made, which are not set forth herein, are superseded hereby. This Indemnity supersedes and replaces all previous indemnities or guarantees issued by the Indemnitor in favour of the Authorization Holder in respect of the Obligations and any such prior indemnities or guarantees are hereby terminated and shall be of no further force and effect.
16. The Indemnitor acknowledges that there are reasonable grounds for believing that, and the directors of the Indemnitor are of the opinion that, the giving of the financial assistance provided by this Indemnity is in the best interest of the Indemnitor and the Indemnitor is not insolvent at the time of giving this Indemnity.
17. Neither the Indemnitor nor the Authorization Holder may assign, revoke or transfer its respective rights, interest or obligations hereunder, in whole or in part, to any other person or entity without the prior written consent of the other party and the prior written consent of the Commission of the CER. This Indemnity shall be binding upon the Indemnitor, its successors and permitted assigns, and inure to the benefit of and be enforceable by the Authorization Holder and its successors and permitted assigns, subject to any rights of subrogation set forth herein.
18. Any provision of this Indemnity which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.
19. The obligation of the Indemnitor hereunder to make payments in any currency of payment and account shall not be discharged or satisfied by any tender or recovery pursuant to any judgment expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by the Authorization Holder of the full amount of such currency of payment and account so payable and accordingly the obligation of the Indemnitor shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the other currency of the amount (if any) by which such effective receipt shall fall short of the full amount of such currency of payment and account so payable and shall not be affected by any judgment being obtained for any other sums due



hereunder.

20. A signature delivered by any reliable electronic transmission shall be deemed to be an original signature for purposes of this Indemnity and shall be binding upon the parties hereto as an original signature. Notwithstanding that the parties may deliver a signature by reliable electronic transmission, the parties covenant to deliver an originally executed counterpart of this Indemnity to the other party within a reasonable period of time after executing this Indemnity. This Agreement may be executed in counterparts, each of which shall be deemed an original but which together will constitute one and the same instrument.

[signature page follows]



IN WITNESS WHEREOF, the Indemnitor has duly executed this Indemnity this [XX] day of [MONTH] [YEAR].

[INDEMNITOR - PARENT COMPANY]

Per: _____
Name: [XXXX XXXX]
Title: [XXXXXXXXXX]

Per: _____
Name: [XXXX XXXX]
Title: [XXXXXXXXXX]

AGREED TO AND ACKNOWLEDGED by the Authorization Holder this [XX] day of [MONTH] [YEAR].

[AUTHORIZATION HOLDER - SUBSIDIARY
COMPANY]

Per: _____
Name: [XXXX XXXX]
Title: [XXXXXXXXXX]

Per: _____
Name: [XXXX XXXX]
Title: [XXXXXXXXXX]