



Appendix A: Model Parent Company Guarantee

Canadian Energy Regulator - Model Parent Company Guarantee

Last updated: 5 January 2026

This document will be updated over time, as required.

GUARANTEE

This Guarantee is made and given the XX day of MONTH, YEAR, by [LEGAL NAME OF PARENT COMPANY] (the "**Guarantor**") in favour of His Majesty the King in Right of Canada as represented by the Canadian Energy Regulator¹ (**CER**) or any successor administrative body (the "**Beneficiary**").

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

1. The Guarantor unconditionally and irrevocably guarantees to the Beneficiary and its successors, endorsees, and permitted assigns, the prompt payment and performance of all Obligations of [LEGAL NAME OF COMPANY AUTHORIZED TO CONSTRUCT OR OPERATE A PIPELINE] ("**Company**"), which is a [wholly-owned/indirect (*describe relationship between parties*)] subsidiary of the Guarantor. The term "**Obligations**" means all direct or indirect debts, liabilities and other financial and monetary obligations of the Company, whether now existing or hereafter arising, relating to the Company's financial resources requirements under 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**"), 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 Guarantee exceed the amount set forth in Section 3 below.
2. No action based upon this Guarantee shall be instituted until a written demand for payment has been made upon the Guarantor (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 Guarantor that it must pay the Obligations and the Guarantor agrees that no other requirements of notice, presentment or demand are required to be made under this Guarantee. The Guarantor shall make payment to Beneficiary (or other payee, as may be directed by Beneficiary) 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 Guarantor under this Guarantee and the Beneficiary's right of recovery hereunder is limited to a total aggregate amount of [XXXXXXX] **Canadian Dollars (CDN\$XXX,000)** (the "**Guarantee Cap**") including all reasonable costs and expenses (including without limitation reasonable legal fees and court costs) to enforce any of its rights hereunder. the Guarantor's liability under this Guarantee is specifically limited to the payment of the Obligations that the Company is expressly required to pay under the CER Act and the Regulations (even if such Obligations

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



are deemed to be damages). The Guarantor 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 Guarantee is a continuing obligation and the Obligations of the Guarantor hereunder shall not terminate without the prior written approval of the Beneficiary or upon the Commission of the CER granting approval for the Company to use alternative financial resources to meet the financial resources requirements under the CER Act and the Regulations (an "**Effective Termination Date**"). The Guarantor will not be liable hereunder for Obligations of the Company 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 Guarantee with respect to Obligations created, incurred, contracted or assumed prior to the Effective Termination Date. Requests for termination shall be sent to the Commission of the CER as set out in Section 10.
5. The Guarantor hereby waives notice of (i) acceptance of this Guarantee by Beneficiary; (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 by Beneficiary against, or any notice of default or other notice be given to, or any demand be made on Company.
6. This Guarantee is a guarantee of payment only and not of collection. The Beneficiary will not be bound to exhaust its recourse against the Company or other parties or other security it may hold before requiring payment of the Guarantor, and the Beneficiary 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 Beneficiary may determine.
7. Without releasing, discharging, limiting or otherwise affecting in whole or in part the obligations and liabilities of the Guarantor hereunder and without the consent of or notice to the Guarantor, the Beneficiary may, as may be permitted by applicable law:
 - (a) grant time, renewals, extensions, indulgences, releases and discharges to the Guarantor or the Company or any other person or persons now or hereafter liable in respect of the Obligations;
 - (b) accept compromises or arrangements from the Guarantor or the Company;
 - (c) apply all monies at any time received from the Guarantor or the Company or any other person or persons upon such part of the Obligations as the Beneficiary may see fit or change any such application in whole or in part from time to time as the Beneficiary may see fit; or otherwise deal with, or waive or modify its rights to deal with, the Guarantor or the Company and any other person or persons and securities as the Beneficiary may see fit;

and in no case shall the Beneficiary be responsible for any neglect or omission with respect to any of the foregoing.

8. The Guarantor will not at any time claim to be subrogated in any manner to the rights and position of the Beneficiary until the Beneficiary has confirmed in writing it has received payment in full of all monies, interest and other amounts due to the Beneficiary under or relating to the Obligations.
9. This Guarantee shall not be discharged, limited or otherwise affected by anything done, suffered or permitted by the Beneficiary in connection with the Company or the Obligations. Without limiting the generality of the foregoing, the obligations and liabilities of the Guarantor 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 Company, the Guarantor, or their respective assets;
- (c) the appointment of a receiver, intervener, conservator, trustee or similar officer for the assets of the Company or the Guarantor;
- (d) any change in the name of the Company or the Guarantor or the reorganization, merger or amalgamation of the Company or the Guarantor;
- (e) the acquisition of the Company's businesses or the Guarantor'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 Company or the Guarantor;
- (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, 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 Beneficiary has taken any security or collateral for payment of the Obligations or performance or observance of any obligation of the Company, the Guarantor, 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 Company in respect of the Obligations or of the Guarantor in respect of this Guarantee,

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

10. Any notices, directions or communications, including a Payment Demand, required or permitted to the Beneficiary or Guarantor pursuant to this Guarantee 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 Guarantee, shall be addressed as follows (unless otherwise notified of a change in address):

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



Guarantor: [GUARANTOR – PARENT COMPANY LEGAL NAME]
[GUARANTOR 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]

11. This Guarantee 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 Beneficiary and Guarantor. No failure or delay by either party in exercising its rights or remedies under this Guarantee, 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 Guarantee and all matters arising from or related to the Guarantee 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 Guarantor and Beneficiary hereby knowingly, voluntarily, and intentionally waive any right to trial by jury in connection with this Guarantee or the transactions related hereto.
13. The Guarantor represents and warrants that (i) the Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of *[enter jurisdiction that company is incorporated under]* and has full power, rights, capacity and authority to enter into, execute and deliver this Guarantee, and to perform its obligations hereunder; (ii) the execution, delivery and performance of this Guarantee have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or the Guarantor's constating documents or any contractual restriction binding on the Guarantor or its assets; and (iii) this Guarantee constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor 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 Guarantee by the Guarantor, the Guarantor shall, or shall cause the Company to, serve notice to the Beneficiary of such default or breach within two (2) business days of obtaining knowledge of such default or breach.
14. The Guarantor agrees that it will:
 - (a) provide the Beneficiary with information and financial data as it may reasonably request, from time to time; and
 - (b) inform the Beneficiary 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 Guarantee in accordance with its terms.
15. This Guarantee is the entire and only agreement between the Guarantor and Beneficiary 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 Guarantee supersedes and replaces all guarantees issued by the Guarantor in favour of the Beneficiary in respect of the Obligations and any such prior guarantees are hereby terminated and shall be of no further force and effect.



16. The Guarantor acknowledges that there are reasonable grounds for believing that, and the directors of the Guarantor are of the opinion that, the giving of the financial assistance provided by this Guarantee is in the best interest of the Guarantor and the Guarantor is not insolvent at the time of giving this Guarantee.
17. The Guarantor may only assign, revoke or transfer its rights, interest or obligations hereunder, in whole or in part, to any other person or entity with the prior written consent of the Commission of the CER . This Guarantee shall be binding upon the Guarantor, its successors and assigns, and inure to the benefit of and be enforceable by the Beneficiary.
18. Any provision of this Guarantee 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 Guarantor 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 Beneficiary of the full amount of such currency of payment and account so payable and accordingly the obligation of the Guarantor 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 Guarantee and shall be binding upon the parties hereto as an original signature. Notwithstanding that the Guarantor may deliver a signature by reliable electronic transmission, the Guarantor covenants to deliver the originally executed Guarantee to the Beneficiary within a reasonable period of time after executing this Guarantee.



Canada Energy
Regulator

Régie de l'énergie
du Canada

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

[GUARANTOR – PARENT COMPANY]

Per: _____

Name: [XXXX XXXX]

Title: [XXXXXXXXXX]

Per: _____

Name: [XXXX XXXX]

Title: [XXXXXXXXXX]