

## INDEMNIFICATION AGREEMENT

This Agreement dated \_\_\_\_\_, 2015

BETWEEN:



(the “Indemnitee”)

AND:

**COLUMBIA BASIN TRUST**, a British Columbia company established under the *Columbia Basin Trust Act* (the “Act”) and having an office at 445 – 13<sup>th</sup> Avenue, Castlegar, British Columbia

(“CBT”)

WHEREAS:

- A. The Indemnitee is a director and/or officer of CBT or, at the request of CBT, is a director or officer of any CBT wholly or partially owned subsidiary, or any other entity CBT appoints the Indemnitee to in the capacity of director, officer, or representative of CBT (“CBT Indemnified Appointment”).
- B. The Act and certain sections of the *Business Corporations Act* (British Columbia) which apply to CBT (the “BCA”), permit CBT to indemnify a CBT Indemnified Appointment and the heirs and legal representatives of such Indemnitee.
- C. CBT has agreed to execute this Indemnification Agreement evidencing its indemnity of the Indemnitee to the extent permitted by law.

THEREFORE:

For good and valuable consideration, the receipt and sufficiency of which each party acknowledges, the parties agree as follows:

### 1. INDEMNIFICATION

- 1.1 Subject to Section 1.3, CBT agrees to indemnify and save harmless the Indemnitee, his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a CBT Indemnified Appointment (a “proceeding”) if:

- (a) he acted honestly and in good faith with a view to the best interests of CBT Indemnified Appointment; and
  - (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.
- 1.2 For the purposes of Section 1.1, the termination of any civil, criminal or administrative action or proceeding by judgment, order, settlement, conviction or similar or other result shall not, of itself, create a presumption either that the Indemnitee did not act honestly and in good faith with a view to the best interests of CBT Indemnified Appointment or that, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the Indemnitee did not have reasonable grounds for believing that his conduct was lawful.
- 1.3 Subject to the terms of this Indemnification Agreement, the indemnification by CBT of the Indemnitee under Section 1.1 shall be available to the Indemnitee, at their election, regardless of whether or not the Indemnitee is entitled or able to recover from any other source (including, without limitation, from an insurer, or under an indemnity from any other person, corporation or entity).
- 1.4 CBT agrees to seek approval of this indemnity in accordance with the *Guarantees and Indemnities Regulation* pursuant to the *Financial Administration Act* (British Columbia).

## **2. LIMITATIONS AND CONDITIONS**

- 2.1 Despite any other provision of this Agreement, CBT will not indemnify the Indemnitee:
- (a) if CBT is prohibited under the Act or the BCA or any other applicable law from making such payments;
  - (b) if the proceeding is or was brought against the Indemnitee by or on behalf of CBT;
  - (c) if, in relation to the subject matter of the proceeding, the Indemnitee did not act honestly and in good faith, with a view to, or with sufficient regard for, the best interests of the entity for which they acted;
  - (d) in the case of a proceeding other than a civil proceeding, if the Indemnitee did not have reasonable grounds for believing that the Indemnitee's conduct in respect of which the proceeding was brought was lawful;
  - (e) if the Indemnitee makes an admission of liability or guilt or enters into a settlement with respect to the proceeding without CBT's consent contrary to paragraph 3.2;
  - (f) if, after CBT decides under paragraph 3.3 to assume and direct the carriage of the defence and handling of the proceeding, the Indemnitee unreasonably withholds consent to a request by CBT to enter into a settlement with respect to the proceeding;

- (g) if, after CBT decides under paragraph 3.3 to assume and direct the carriage of the defence and handling of the proceeding, the Indemnatee incurs any expenses in relation to the proceeding that are not consented to or authorized by CBT or otherwise authorized under this Agreement;
  - (h) to the extent that such indemnification has been provided, or payments made, to or on behalf of the Indemnatee by an insurer under a policy of insurance maintained by CBT or indemnification has been provided by any other person, corporation or entity;
  - (i) to the extent that the Indemnatee may have become disentitled from receiving such indemnification from, or having such payments made by, an insurer under a policy of insurance maintained by CBT as a result of the Indemnatee breaching any term or condition of the applicable policy of insurance contrary to paragraph 4.3, or exercising any right under the applicable policy of insurance without CBT's consent contrary to paragraph 4.4;
  - (j) to the extent that CBT indemnifies or pays the expenses of the Indemnatee in respect of or in relation to the proceeding other than under this Agreement; or
  - (k) arising out of any act, error or omission of the Indemnatee that is outside the Indemnatee's duties with CBT Indemnified Appointment.
- 2.2 The Board of Directors of CBT (the "Board") will determine whether the Indemnatee is or will be disentitled under paragraph 2.1 from receiving any payment, or any portion thereof, under this Agreement.
- 2.3 The Board may make a determination under paragraph 2.2 before or after the disposition of the applicable proceeding.
- 2.4 Despite any determination the Board may previously have made under paragraph 2.2, if, after making any payment to the Indemnatee under this Agreement, including any payment made under paragraph 1.1, the Board acquires information indicating that the Indemnatee was or ought to have been disentitled from receiving that payment, or any portion thereof, under paragraph 2.1 or any other provision of this Agreement, the Board may require the Indemnatee to repay CBT forthwith the amount of such payment, or the applicable portion thereof.
- 2.5 If the Board requires the Indemnatee to repay CBT any amount under paragraph 2.4:
- (a) the Indemnatee will repay that amount to CBT forthwith; and
  - (b) CBT will be entitled to set off any unpaid portion of that amount against any debt, liability, or amount that may be owing by CBT to the Indemnatee under this Agreement or otherwise.

### **3. NOTICE, DEFENCE, AND SETTLEMENT OF PROCEEDING**

- 3.1 The Indemnitee will cooperate fully with CBT and provide any information that CBT may require from time to time, and act with the utmost good faith towards CBT with respect to all matters under this Agreement. In particular, the Indemnitee will notify CBT forthwith of:
- (a) receiving notice of, or becoming aware of, any proceeding (including a threatened proceeding);
  - (b) being served with any writ, statement of claim, notice of motion, indictment, or other document commencing or continuing any proceeding; and
  - (c) all other steps taken in, or in relation to, any proceeding.
- 3.2 The Indemnitee will not make any admission of liability or guilt, or enter into any settlement, with respect to any proceeding without the prior written consent of CBT.
- 3.3 If CBT pays any expenses referred to in paragraph 1.1 in advance of a judgment or before the disposition of a proceeding, CBT may, at its option and subject to the provisions of any applicable policy of insurance, assume and direct the carriage of the defence and handling of such proceeding, determine whether and in what manner such proceeding will be defended, appealed, compromised, or settled, and, subject to paragraph 3.5, select legal counsel to represent the Indemnitee. In such instances, CBT agrees to pay the accounts of legal counsel representing the Indemnitee as and when they are rendered.
- 3.4 If CBT assumes and directs the carriage of the defence and handling of a proceeding under paragraph 3.3:
- (a) the Indemnitee will cooperate fully with CBT and act with the utmost good faith towards CBT in all matters relating to such proceeding;
  - (b) the Indemnitee will disclose to CBT any facts, information, or documents in the Indemnitee's knowledge, possession, or control that may be relevant to the defence and handling of the proceeding, including, subject to paragraph 3.5, any legal or other professional advice obtained by the Indemnitee with respect to the defence and handling of the proceeding; and
  - (c) CBT will not make any admission of liability or guilt, or enter into any settlement on the Indemnitee's behalf, without the Indemnitee's consent, which will not be unreasonably withheld.
- 3.5 In any proceeding, the Indemnitee may retain legal counsel other than the counsel selected by CBT under paragraph 3.3 to represent the Indemnitee, provided that the fees and disbursements of such other counsel will be paid by the Indemnitee, unless:
- (a) the Indemnitee and CBT mutually agree to the retention of such other counsel; or

- (b) representation of both the Indemnitee and CBT by the same legal counsel is inappropriate or impracticable due to an actual or potential conflict between the interests of the Indemnitee and CBT.

**4. INSURANCE**

- 4.1 CBT may purchase and maintain insurance for the benefit of the Indemnitee or the Indemnitee's heirs, successors, or personal or other legal representatives, against any liability that may be incurred by reason of the Indemnitee being a CBT Indemnified Appointment.
- 4.2 The nature and extent of the coverage of any insurance purchased and maintained under paragraph 4.1 will be determined from time to time by the Board.
- 4.3 The Indemnitee will comply with all applicable obligations under any policy of insurance that may be maintained by CBT under which coverage is provided or may be available with respect to a proceeding.
- 4.4 The Indemnitee will not, without the prior written consent of CBT, exercise any right under any policy of insurance referred to in paragraph 4.1 in any manner that may affect the provision or availability of coverage under the policy with respect to a proceeding.

**5. COMMENCEMENT AND CONTINUATION OF INDEMNITY**

- 5.1 Notwithstanding the date of execution and delivery of this Agreement, the term of this Indemnity shall be conclusively deemed to commence on the date the Indemnitee became a CBT Indemnified Appointment.
- 5.2 This Indemnity will continue in force after the Indemnitee ceases, for any reason, to be a CBT Indemnified Appointment but only with respect to matters that arose while the Indemnitee was a CBT Indemnified Appointment. This Indemnity will also continue in force and not be affected in any way by the re-election or re-appointment from time to time of the Indemnitee.

**6. NOTICES**

- 6.1 All notices and other communications required or permitted to be given under this Agreement will be in writing, and will be delivered or sent by registered mail to the party entitled to receive them, as follows:

Indemnitee address:



CBT address:

Columbia Basin Trust  
445 - 13<sup>th</sup> Avenue

Castlegar, BC  
VIN 1G1

Attention: Johnny Strilaeff  
President and Chief Executive Officer

6.2 Either party may notify the other in writing of a change of address to which notices will thereafter be given.

**7. APPLICABLE LAW AND FORUM**

7.1 This Agreement will be governed by and construed and interpreted in accordance with the laws of British Columbia and laws of Canada applicable therein and the parties attorn to the exclusive jurisdiction of the Courts of British Columbia.

**8. ENUREMENT AND ASSIGNMENT**

8.1 This Agreement will enure to the benefit of and be binding on the parties and their respective heirs, successors, personal or other legal representatives, and permitted assigns.

**9. ENTIRE AGREEMENT**

9.1 This Agreement will supersede and replace any and all prior agreements and discussions between the parties respecting its subject matter, and contains the entire agreement between the parties with respect to its subject matter.

9.2 No amendment or variation of the terms of this Agreement will be effective or binding unless in writing and signed by both parties.

TO EVIDENCE THEIR AGREEMENT the parties have executed this Agreement on the dates appearing below.

SIGNED, SEALED AND DELIVERED by )  
Indemnitee in the presence of: )  
 )  
\_\_\_\_\_)  
Signature of Witness )  
 )  
\_\_\_\_\_)  
Print Name of Witness )  
 )  
\_\_\_\_\_)  
Address of Witness )  
 )  
\_\_\_\_\_)  
Occupation of Witness )  
 )  
\_\_\_\_\_)  
Date )

\_\_\_\_\_  
Indemnitee

**COLUMBIA BASIN TRUST**

By:  
\_\_\_\_\_  
Authorized Signatory  
Date: \_\_\_\_\_