

SPONSOR ENERGY INC.

TERMS & CONDITIONS

The party identified in the header of your customer sign-up form is an authorized community partner or independent broker of Sponsor Energy Inc., a licensed retailer of electricity and natural gas in the Province of Alberta.

This Agreement is between Sponsor Energy Inc. ("Sponsor Energy", "we", "our" and "us"), and you, namely the customer identified in the accompanying Sign-Up Form ("Customer", "you", and "your"). In this Agreement, Sponsor Energy and the Customer are sometimes collectively referred to as the "parties" and individually as a "party".

You agree that this Agreement is like any written negotiated agreement signed by you, and you agree to be bound by its terms and to fully comply with those terms.

On the terms and subject to the satisfaction of the conditions set out in this Agreement, we agree to arrange for the supply of Energy to the Site(s). In return, you agree to pay Sponsor Energy the Energy Charge (which may include a Service Fee) and all other applicable charges, including but not limited to the Administration Charge, any Late Payment Charge, all Third Party Charges and the Green Electricity Price (as applicable).

1.0 CANCELLATION

1.1 Your Basic Cancellation Right

You may cancel this Agreement at any time without cost or penalty by providing us with a minimum of ten (10) business days written notice.

1.2 Cooling Off Period

Provincial law allows you to cancel this Agreement without cost or penalty:

- a) Within ten (10) days after a copy of this Agreement, acknowledged by the Customer, is received by Sponsor Energy; or
- b) If a marketing Energy agreement, including an internet marketing Energy agreement, presently exists for the same property, except where the existing marketing Energy agreement is to expire on or before the commencement of this Agreement.

1.3 Additional Cancellation Terms

You agree that if you cancel this Agreement as provided above, you may, depending upon the circumstances, be responsible for the costs of any Energy supplied to you up to the cancellation date.

2.0 PRICE

2.1 Price

The Energy Charge you agree to pay for and the Energy we supply to you is set out in the Sign-up Form and the Energy Plan Confirmation, and is based on the Energy Plan you have chosen. You agree to pay for and we agree to sell you Electricity and or Natural Gas based on the agreed Energy Charge, Administration Charge, Third Party Charges plus other applicable charges.

2.2 Variable Electricity or Variable Natural Gas Rate

The wholesale cost of Energy plus a Retail Fee as detailed in Section 8. The Retail Fee is subject to change with due notice.

2.3 Stable Electricity or Stable Natural Gas Rate

- a) If the rate you have chosen is a Stable Electricity or Stable Natural Gas Rate, we will honour that stable rate for the term specified in your Energy Plan, so that your stable rate will not change over that term. When the term for a Stable Electricity or Natural Gas rate specified in your Energy Plan expires, you will be charged our lowest applicable Stable Electricity or Stable Natural Gas Rate. If one does not exist, you will be charged our Variable Electricity or Variable Natural Gas rate, plus a Retail Fee, Administration Charge, Third Party Charges and other applicable charges.
- b) Customers may switch between rates, (provided that the customer qualifies for such rate plan) by submitting a completed rate change request form. A minimum of ten (10) business days' notice is required. If approved by Sponsor Energy, the new rate plan will become effective following the next meter read (conditional on the meter read date starting on or after effective date for the rate). If the new rate plan requires an increase in prudential security payment and the customer has not previously paid this prudential security, then the prudential security payment will be withdrawn from the customer's bank account within ten (10) business days of the date of the rate change.
- c) To exit a Stable Rate Energy agreement, the customer must submit a completed rate change request form or a cancellation form, whichever is applicable. A minimum of ten (10) business days' notice applies.
- d) The expiry date of the current effective rate for each commodity is displayed on the customer's monthly bill.
- e) The Energy Charge, Administration Charge and Retail Fee will be based on the current rates in effect at the time the Customer switches to Sponsor Energy.
- f) Stable Electricity or Stable Natural Gas rates are not available to daily, time of use or interval metered sites or sites consuming over 250,000 kWh/year or 2,500 GJ/year as designated by the Distribution Company.

2.4 Prudential Security Payment

- a) We may require the Customer to pay a Prudential Security Payment in an amount determined by us, including without limitation, under the following circumstance:
 - i. If the Customer does not have a satisfactory credit rating or credit history, as reasonably determined by us.
 - ii. If the Customer is a business and not a residential consumer.
 - iii. If the Customer chooses a rate that is supported by a Prudential Security Payment.
- b) The minimum amount of Prudential Security Payment is based on the selected Electricity or Natural Gas rate and the tariff rate code as assigned to your site by the Distribution Company. If you choose a Variable Rate plan the maximum amount of Prudential Security Payment will be the equivalent to two times the average monthly Electricity or Natural Gas bill. If you choose a Stable Rate plan the maximum prudential will be two times the average monthly Electricity or Natural

Gas bill times the numbers of years of the term of your choice of Stable Rate. We reserve the right to request an increase of the Prudential Security Payment if the amount collected is lower than two times the average monthly Electricity or Natural Gas bill.

c) The full amount of the Prudential Security Payment must be debited from the Customer's bank account prior to the site enrollment date or, if you choose to switch from a Variable Rate to a Stable Rate, prior to the start date of a Stable Rate.

d) We will pay the Customer an annual interest rate of 2.5% on the Prudential Security Payment to be applied as a credit on the Customer's monthly electricity bill, starting on the second billing cycle and to continue until the Agreement is terminated.

e) The Prudential Security Payment amount collected from the customer will be assigned to the prudential account and may be used by Sponsor Energy for Supplier security requirements.

f) If we do not receive the Customer's normal monthly payment for energy consumed by the due date indicated on the bill, we reserve the right to apply the funds from the Prudential Security Payment toward the outstanding billed amount and de-enroll the site(s). If the site(s) are de-enrolled, the Prudential Security Payment may also be applied by us to offset costs incurred for consumption up to the date of de-enrollment as well as any costs incurred due to the early termination remaining Stable Rate energy, such amounts not to exceed the amount of the Prudential Security Payment. After payment of all amounts by you to us any remaining funds including accrued interest will be refunded to the Customer.

g) Return of the Prudential Security Payment will be made after a final bill is issued with a zero balance. Refunds are made by Interac e-Transfer and are issued at the end of each calendar month.

2.5 Additional Charges

In addition to the Energy Charge, you are responsible for Administration Charges and other charges related to the supply of Energy to your Site. We will show such charges on your bill.

2.6 Paper Bill Fee

If a paper bill has been requested, a CDN\$3.00 fee will be added to each monthly bill to cover Sponsor Energy's cost for processing and mailing.

2.7 "Top-Up" Energy Rates

If you have elected to make an "Optional Top Up", we will collect from you as part of your energy bill an amount equal to that Optional Top Up, which we will record as a donation made on your behalf to the Community Partner and/or charity you have designated. On a regular basis, we will make payment of the top-up amounts to that Community Partner. Even though the top-up amounts are in addition to the other Electricity Rates, we will treat all amounts (including the top-up amounts) as part of the amounts owing to us on your monthly bill, such that any non-payment of top-up amounts will be treated the same as any other non-payment to us under this Agreement. If you wish to discontinue making top-up payments, you must provide us with 10 days advance notice in writing.

3.0 CONDITIONS

3.1 Offer Conditions

To be eligible for this program, your site(s) must be located in the Province of Alberta. This offer is not open to customers purchasing electricity for Sites located in certain Rural Electrification Associations, in the City of Medicine Hat service area, customers purchasing Natural Gas for sites located in a Rural Gas Co-op, or customers with a daily, time-of-use or interval meter, or customers who will use more than 250,000 kWh of electricity or 2,500 GJ of natural gas annually.

3.2 Start Date

We will begin on the Enrollment Date of your Site ID(s) with the Distribution Company. We expect that Energy should be supplied to the Site ID(s) within thirty (30) days from the start of the Term of this Agreement; however, the actual date upon which Energy will be provided to you will depend on the Distribution Company's ability to enroll the site.

3.3 Conditions of Supply

Before we arrange for the supply of Energy to your Site, and before this Agreement comes into effect:

- a) You must meet our credit requirements; and
- b) The Distribution Company must enroll your Site.

3.4 Credit Requirements

You agree to provide us with and authorize us to request and receive from third parties reasonable financial and credit information. You agree to maintain credit worthiness satisfactory to Sponsor Energy at all times while this Agreement is in effect. If you do not maintain credit worthiness satisfactory to Sponsor Energy, we may cancel this Agreement at our discretion.

3.5 Appointing Us as Your Agent

- a) By entering into this Agreement, you appoint Sponsor Energy as your limited agent to arrange for the supply and delivery of Energy for the purposes of this Agreement and for the termination of any prior agreement. This agency ends when Sponsor Energy has fulfilled its obligations under this Agreement. We will act as your agent only for purposes directly related to this Agreement.
- b) Under Rule 010 of the Alberta Utilities Commission, by signing this Agreement, you hereby authorize and provide your consent, at no cost to you, for Sponsor Energy or the Supplier, as your representative to request and obtain Historical Monthly Consumption Usage Information from the Distribution Company that provides electricity or Natural Gas distribution services to your site address.
- c) You agree that we are not your financial adviser and therefore have no liability for the choices you make with respect to your Energy Plan.

3.6 AUTO-RENEWAL TERMS

- a) When the Initial Term (or any Renewal Term) is about to expire, we may provide you with notice of our intent to renew this Agreement at least thirty (30) days prior to the expiration of this Agreement. Provided that we have sent you a renewal notice (as contemplated in the foregoing sentence), you hereby consent to having this Agreement automatically renew for a one (1) year term (each a "Renewal Term").

b) In the event that this Agreement is renewed, please note that: (i) Energy will, depending on the Energy Plan that you selected, continue to be provided to you during the Renewal Term at either a stable or variable price; (ii) the stable price will be Sponsor Energy's prevailing price for the natural gas, electricity or both, as applicable, as of the date of renewal; (iii) certain charges may apply (namely, an Administration Charge, a Retail Fee, Third Party Charges, or any combination of these charges); and (iv) these Terms and Conditions will apply during any Renewal Term, unless we notify you otherwise.

Please remember that you always have the option to cancel this Agreement (see Sections 1.1, 5.1 and 7.3).

4.0 BILLING AND PAYMENT

4.1 Billing

We will bill you regularly by emailing you a billing statement, based on the most current Contact Information we have on file for you and you must pay your bill in full. Your billing statement will be processed monthly and the timing will generally follow the meter read cycle adopted by the Distribution Company. The email billing statement will include a web link that will enable you to view, download or print your bill details. The Supplier's billing cycle will determine the payment due date which may vary from month to month. Your billing statement will include an online link whereby you can view, download or print invoice details for each site. Your bill will include charges and adjustments for the Energy supplied to you under your chosen Energy agreement, as well as other charges as set out in this Agreement. The portion of your bill related to consumption is based on meter readings and estimates provided by the Distribution Company. We may also make estimates if actual data is not available from the Distribution Company or any other supplier. Therefore, your invoice may be debited or credited as we adjust prior period estimates to actual values. You are responsible for paying all bills in connection with this Agreement, even those we invoice after the end of the Term for costs or adjustments incurred due to consumption during the term. Subject to applicable laws, you are responsible for all charges on your bill, even if you don't receive your bill on time, or at all, for any reason. This includes, without limitation, an interruption in postal service or a situation where we don't have your correct Contact Information. We may cancel this Agreement if you don't pay your bills on time.

4.2 Payment

As a normal rule, the monthly Sponsor Energy bill will be paid by pre-authorized debit (PAD) on or after the 3rd calendar day of the month following the invoice statement date month. If Sponsor Energy agrees to payment of any amounts by credit card, a 3% processing fee will be added to the amount payable.

a) By providing Sponsor Energy with your banking information, you authorize Sponsor Energy to draw or deposit on your account with the branch of the financial institution where you maintain an account. This authorization cannot be cancelled if there is an outstanding Billing balance due and payable to Sponsor Energy;

b) You acknowledge this authorization is provided for the benefit of Sponsor Energy and your bank, and is provided in consideration of your bank agreeing to process payments and credits against your account in accordance with the rules of the Canadian Payments Association;

- c) You undertake to inform Sponsor Energy, in writing of any change in the account information provided in this Authorization at least 10 days prior to the next due date of the PAD;
- d) You acknowledge that your bank is not required to verify that a PAD has been issued in accordance with the particulars of your authorization including, but not limited to, the amount and further acknowledge that your bank is not required to verify that any purpose of payment for which the PAD was issued has been fulfilled by Sponsor Energy as a condition to honouring a PAD issued or caused to be issued by Sponsor Energy on your account.
- e) Revocation of this authorization does not terminate any agreement for goods or services that exists between you and Sponsor Energy. Your authorization applies only to the method of payment and does not otherwise have any bearing on the agreement for goods or services exchanged.

4.3 Estimated and Actual Consumption

The portion of your bill related to consumption is based on the metered or estimated Electricity or Natural Gas consumption data provided by the Distribution Company or other suppliers. Periodically, either the Distribution Company or we will make adjustments to your bill as we true up prior period estimates to actual data.

4.4 Late Payments or Disputed Bills

If we do not receive your payment in full by the due date specified on your invoice, you will be charged and must pay interest at the rate of 1.5% per month (19.56% per year) ("Late Payment Charge") on all overdue amounts calculated and compounded monthly from thirty (30) days after the date of the invoice until the date that payment is received in full.

Returned payments from financial or lending institutions for insufficient funds or any other reason will result in a charge to you of CDN\$35.00 or such higher amount as is charged by the applicable financial or lending institution with respect to such returned payment. You will be responsible for all legal and collection fees (including fees paid to our legal counsel) that we may incur in the process of collecting any amounts owing under this Agreement.

If you do not pay your bills on time, we may cancel this Agreement and seek recovery of all related costs.

You may dispute a bill up to thirty (30) days upon receipt of a bill; it is your responsibility to review and ensure you are being billed on the correct rate and Site ID and notify us of an error as soon as possible.

5.0 CHANGES TO THE SUPPLY OF ELECTRICITY AND OR NATURAL GAS AND TERMINATING THE AGREEMENT

5.1. Changes to this Agreement

Other than the Energy Charge, we may change, modify, add or remove portions of this Agreement (including, the Administration Charge and the Retail Fee) at any time and at our sole discretion. Before doing so, however, we will provide you with at least thirty (30) days advance notice of the proposed change.

Notice of any changes that we make to this Agreement will be given to you in a manner provided for in Section 7.3 below. The notice may include a link to our website where you can find more information on any of our changes to this Agreement.

Upon request, we can provide you with a written, hard-copy statement detailing the changes that we will be making to this Agreement.

5.2 Moving

- a) You must give us at least ten (10) business days written notice before you move. Any costs related to interruption in supply of Electricity or Natural Gas or other services caused by your failure to give us ten (10) business days written notice and any additional costs either of us incur in serving the new location will be your responsibility.
- b) If the new location is within a territory we serve and you wish to have Sponsor Energy provide service at that new location, you must complete a new Sign-Up Form.
- c) If you move outside of Alberta or to a territory we do not serve, the Energy agreement will end on the date of de-enrollment and you will remain responsible for any outstanding obligations under this Agreement until satisfied in full.

5.3 Transferring this Agreement

We may transfer this Agreement to another Energy retailer by giving you notice. You may not transfer this Agreement to any other person or business. In the event Sponsor Energy is in material default of its obligations to the Supplier, the Supplier may assume this Agreement by giving you notice and accordingly your PAD information will be provided by Sponsor Energy to the Supplier.

5.4 De-Enrollment and Outstanding Obligations

When this Agreement ends, we will ask the Supplier to de-enroll your site. Outstanding obligations under this Agreement will survive the cancellation, termination or expiry of this Agreement until the de-enrollment is finished and any outstanding obligations (including any obligation to pay) under this Agreement have been satisfied in full.

5.5 Our Termination Rights

We may cancel all or a portion of the Agreement without penalty:

- a) Immediately on notice to you if you do not fulfill any of your obligations under this Agreement.
- b) On one month's notice to you if your energy is measured with a daily, time-of-use or interval meter or you use more than 250,000 kWh of Electricity or 2,500 GJ of Natural Gas at your site in the twelve-month period preceding notice of termination or the pattern of energy use at your Site reasonably indicates that you will exceed more than 250,000 kWh of Electricity or 2,500 GJ of Natural Gas in a twelve-month period.

5.6 Credit Balance

At the end of your Energy agreement and after final reconciliation of all accounts outstanding, if there is a credit balance greater than five dollars (CDN\$5.00), it will be refunded to you via Interac e-Transfer and sent to the current email address on file at the time of termination of the account. If there is a credit on your account in the amount five dollars (CDN\$5.00) or less, the account will be closed and the credit balance will be written off.

6.0 UNEXPECTED EVENTS

Certain events beyond our control may make it impossible for us to fulfill our obligations under this Agreement. We are not legally responsible to you in those events and will resume our obligations as soon as we reasonably can. This Agreement will otherwise remain in full effect.

7.0 OTHER DUTIES AND RESPONSIBILITIES

7.1 Limitation of Responsibilities

WE DO NOT CONTROL AND ARE NOT RESPONSIBLE FOR THE PHYSICAL SYSTEMS THAT SUPPLY YOUR ENERGY, THE CONTINUITY OF YOUR ENERGY SUPPLY OR THE QUALITY OF YOUR ENERGY SUPPLY (INCLUDING BUT NOT LIMITED TO GENERATION, TRANSMISSION, WIRES SERVICES, VOLTAGE AND FREQUENCY OF ELECTRICITY AND PRESSURE AND FLOW OF NATURAL GAS). OTHERS, INCLUDING THE DISTRIBUTION COMPANY, CONTROL THESE THINGS AND WE ARE NOT RESPONSIBLE FOR ANY OF THEM. YOU ARE SUBJECT TO THE TERMS AND CONDITIONS OF DISTRIBUTION SERVICE AND TARIFFS OF THE DISTRIBUTION COMPANY OR ITS AGENT. FAILURE TO COMPLY WITH THOSE TERMS AND CONDITIONS MAY RESULT IN YOU BEING DISCONNECTED FROM THE DISTRIBUTION SYSTEM AND SUBJECT TO FEES OR OTHER CHARGES. WE ARE ONLY RESPONSIBLE FOR DAMAGES CAUSED DIRECTLY BY OUR ACTIONS AND THE ACTIONS OF THOSE FOR WHOM WE ARE RESPONSIBLE AT LAW. WE ARE NOT RESPONSIBLE FOR PUNITIVE, INDIRECT, CONSEQUENTIAL OR SPECIAL DAMAGES, OR DAMAGES FOR LOSS OF USE, REVENUE, PROFITS OR OPPORTUNITY. THIS PROVISION SURVIVES CANCELLATION, TERMINATION OR EXPIRY OF THE ENERGY AGREEMENT.

7.2 Privacy

The information you provide to us will be used to establish and collect money for your account, to arrange for the supply of Energy under this Agreement, for credit assessment and reporting purposes, for law enforcement activities and to communicate with you. You agree that the information you give us may also be shared with the Distribution Company and with the Supplier or any party to whom we transfer, grant or pledge - or intend to transfer, grant or pledge - an interest in this Agreement. We may use your information (and disclose your information to our affiliates, agents, brokers, charity partners and business partners) to assist us (and them) to develop, enhance, market or provide products or services, to understand our (and their) customers' needs and preferences, and to meet legal and regulatory requirements. Your information won't be collected, used or disclosed for any other reason unless authorized by law.

By entering into this Agreement, you consent to us collecting, retaining, using, and disclosing your information in the manner described in this Section 7.2 and in accordance with the terms of our Privacy policy. If you have questions or concerns about how your information is protected, please contact us at:

email: CustomerCare@SponsorEnergy.com

Phone: (855) 545-1160

7.3 Notices and Customer Contact Information

- a) If you wish to take action under this Agreement, including providing cancellation notice or updating your Contact Information, you must do so in writing or via your customer web portal
- b) You can only change your name as a party to this Agreement if it is in connection with a valid legal name change.
- c) We will provide you with written notice (based on your most current email address on file) of any changes or significant actions we take under this Agreement. You agree that the written notice may be made on your bill, included with your bill or sent by email to your current email address on file.
- d) You agree that we may send you market-related information to your email address on file from time to time. You will have the choice of opting out from such communications.
- e) You are responsible for ensuring we have a current record of your Contact Information and your email address. We are not responsible for any loss you suffer from not receiving a notice because we didn't have your most current Contact Information or email address.
- f) For further information, please contact us at:

email: CustomerCare@SponsorEnergy.com

Phone: (855)545-1160

7.4 Entire Agreement and Execution

This Agreement together with the terms as outlined in the Sign Up Form represents the entire agreement between us.

7.5 Waiver and Remedies

No failure or delay to exercise a right under this Agreement will cancel that right. Seeking one remedy does not prevent either one of us from seeking any other remedies we are entitled to seek.

7.6 Fixing Legal Problems with this Agreement

If any part of this Agreement cannot be enforced, we agree to fix that part of this Agreement to make it enforceable without changing the intention of this Agreement. If that part cannot be fixed without changing the intention in this Agreement, it will be removed and the rest of this Agreement will stay in effect.

7.7 Additional Contact Person

You may add another person to your account who you would like to be authorized to make decisions regarding your account. You agree that Sponsor Energy may fully rely on and that you will be bound by the decisions, information and directions provided to Sponsor Energy by such other person. This can include contacting us to discuss the bill, making decisions about Electricity or Natural Gas rates or update banking or personal information (such as email address etc.). The Contact Person may not open or close an account in your name. The Contact Person's name will not be displayed on the bill but will be noted in our records. To add an Additional Contact Person to your account, please call or email us at:

email: CustomerCare@SponsorEnergy.com

Phone: (855)545-1160

7.8 Authority

You agree that you are the account holder in relation to the Site ID(s), or are authorized by the account holder in relation to the Site ID(s) and have the authority to enter into this Agreement. We are relying on that authority for the purposes of this Agreement.

8.0 DEFINITIONS

Whenever used in this Agreement, the following words and terms shall have the corresponding meanings:

Administration Charge: means the amount that we charge for arranging for the provision of Energy to your Site(s) and other associated administrative services. In the case of a daily fee customer, this charge is zero.

Agreement: means these Terms and Conditions together with the accompanying Sign-Up Form

Cancellation Date: means the date that the cancellation of this Agreement becomes effective.

Contact Information: means your name, address, email address, and phone number(s).

Daily Fee: means the service fee specified on your Sign-Up Form and your Energy Plan Confirmation payable per day that you consume as part of your Stable or Variable Natural Gas Price and/or your Stable or Variable Electricity Price. We may change this fee from time to time in accordance with Section 5.1 and per the notice provisions in Section 7.3(c) above.

Distribution Company: means the entity that operates your natural gas or electricity distribution system as applicable, as may be amended from time to time.

Distribution System: means the Distribution Company's infrastructure used to deliver Energy to the Site(s).

Energy: means the natural gas, electricity, or both, to be supplied to you under this Agreement.

Energy Charge: means the cost of Energy consumed, based on, as applicable, (i) a Variable Electricity Rate (which includes a Retail Fee) or a Stable Electricity Price; or (ii) Variable Natural Gas Price (which includes a Retail Fee) or a Stable Natural Gas Price; or (iii) a combination of both.

Energy Plan: means the energy plan that you have selected for the provision of electricity or natural gas, or both, as confirmed in the Sign-Up Form and the Energy Plan Confirmation.

Energy Plan Confirmation: means the electronic confirmation sent to you by Sponsor Energy that: (i) confirms your Energy Plan; and (ii) describes any incentives or other benefits that we may provide to you.

Enrollment Date: means the date that the Site(s) is enrolled by the Distribution Company at Sponsor Energy's request.

Green Electricity Price: means, if applicable, the cost of electricity that comes from a renewable resource that you consume as a function of the Green Electricity Price as specified on your Sign-Up Form and your Energy Plan Confirmation (payable per kWh of electricity that you consume).

Late Payment Charge: has the meaning found in Section 4.4

Monthly Meter Read: Each meter is read (typically monthly) by the Distribution Company. The difference between one read and the next is referred to as Monthly Consumption.

Monthly Consumption Usage and Billing: It is impossible to read every meter in the province on the last day of the month. As such, each Distribution Company reads meters progressively during the month, typically breaking the month into 20 cycles. Given that meter reads, as taken by the Distribution Company, generally spans from one month into the next, (example: February 13th to March 12th). The metered consumption on your monthly bill is calculated to indicate how much energy was consumed during each portion of the respective calendar month.

Optional Top-Up: means a donation made on your behalf to the Community Partner and/or charity you have designated, collected as part of your energy bill.

Renewal Term: has the meaning found in Section 3.6.

Retail Fee: means the service fee(s) specified on your Sign-Up Form and your Energy Plan Confirmation payable per unit of Energy that you consume as part of your Variable Natural Gas Price or Variable Electricity Price (if applicable). We may change this fee from time to time in accordance with Section 5.1 and per the notice provisions in Section 7.3(c) above.

Rural Electrification Association: means a not-for-profit cooperative, incorporated or continued under the Rural Utilities Act (Alberta), which owns electric distribution systems and supplies electric energy to members in a rural region of Alberta.

Rural Gas Co-Op: means a not-for-profit cooperative, incorporated or continued under the Rural Utilities Act (Alberta), which owns its own distribution system and supplies natural gas to members in its rural franchise area of Alberta.

Site(s): means the home, business or other location identified in your Energy Plan Confirmation. (Note: as there are different site identification numbers with respect to the provision of electricity and natural gas, your home (for example) may consist of two different Sites.)

Stable Electricity Rate: The Stable Electricity Rate means the applicable fixed price per unit of electricity on your Sign-Up Form

Stable Natural Gas Rate: The Stable Natural Gas Rate means the applicable fixed price per unit of natural gas as applied to the monthly fixed price volumes (“Fixed Price Gas”) as stated on your Sign-Up Form. Monthly Consumption in excess of monthly Fixed Price Gas (“Excess Gas”) will be purchased at the Variable Gas Rate. Fixed Price Gas volume exceeding your Monthly Consumption (“Unused Gas”) will be sold at the Variable Gas Rate. The Energy Charges for Fixed Price Gas, Excess Gas (if any) and Unused Gas (as a credit if any) will be detailed on your bill.

Start Date: means the date you first receive Energy under this Agreement.

Supplier: means AltaGas Ltd. who is Sponsor Energy’s exclusive supplier of Energy and Sponsor Energy’s exclusive facilitator of Distribution Company delivery services as the retailer of record for the Sites.

Taxes: means any applicable federal, provincial or regulatory taxes, duties, and surcharges which may be assessed, levied or imposed with respect to the supply of Energy under this Agreement.

Term: means the Initial Term together with any Renewal Term(s).

Terms and Conditions: means these terms and conditions.

Third Party Charges: means the amounts that are charged to Sponsor Energy by third parties (such as the Distribution Company) as they relate to the supply of Energy to the Site(s), including: (i) enrollment and de-enrollment/exit fees; (ii) franchise fees; (iii) tariffs; (iv) local access fees; (v) transportation charges; (vi) transmission and distribution charges; (vii) rate riders; (viii) UFG-Related Charges; (ix) delivery charges; (x) Taxes; and (xi) any similar or comparable charges.

UFG: means your Site(s) proportionate share of the Distribution Company's line loss, unaccounted-for natural gas and compressor fuel as determined by the Distribution Company.

UFG-Related Charges: means the charges that apply to both the Stable Natural Gas Price and the Variable Natural Gas Price and is calculated by multiplying your UFG by the sum of the AECO Daily 5A Index plus the Retail Fee.

Variable Electricity Rate (VEP) : means the load-weighted average flow-through of the wholesale market price for electricity plus a Retail Fee. Your Variable Electricity Rate will change each month and includes cost of Distributor assigned load shape, line losses, unaccounted for energy, AESO energy marketing trading charges and any other costs directly incurred by Sponsor Energy for the purchase of electricity from the Supplier at the AESO hourly price. Variable Electricity Rate is calculated as follows:

$$VEP = \frac{\sum ((HC + LL + UFE) * (PP + EMTC + PA))}{\sum (HC)} + RF + SC$$

where

HC: means the hourly consumption of electricity as determined by applying the Distributor Load Shape to Metered Electricity;

LL: means the amount of Line Loss determined by the Distributor;

UFE: means the amount of unaccounted for energy as determined by the Distributor;

PP: means the AESO hourly power pool price as published by the AESO ("Pool Price");

PA: means a price adjustment to reflect difference between metered and settled costs including post final adjustments incurred by the Supplier for Site energy purchases from the AESO;

EMTC: means the energy market trading charge as published by the AESO;

RF: means the Retail Fee, payable per kWh, for electricity provided to you through our services. In the case of a daily fee consumer, the RF is zero.

SC: means the supplier charge, payable per kWh provided, and is zero except for daily fee customers.

Variable Natural Gas (VNG) Rate: means a volume-weighted average flow-through of the daily spot market price for the purchase of natural gas by Sponsor Energy from the Supplier plus a Retail Fee. Your Variable Natural Gas Rate will change from month to month and is based on the average daily price (CGPR 5A daily index) for natural gas plus any incremental costs incurred by Sponsor Energy, including any UFG-Related Charges, directly related with the purchase of natural gas volumes from the Supplier for the Site(s). Variable Natural Gas Rate is calculated as follows:

$$VNG = \sum (CONS + UFG) * (CGPR5A \text{ Daily Index}) + RF + SC$$

Σ (CONS)

where

CONS: means daily natural gas consumption in GJ as determined by the Distributor;

CGPR5A Daily Index: means the NGX AB-NIT line 5A as published by Canadian Gas Reporter, per GJ, for each day in the billing cycle;

RF: means the Retail Fee, payable per GJ, for natural gas provided to you through our services. In the case of a daily fee consumer, the RF is zero.

UFG: means your Site(s) proportionate share of the Distribution Company's line loss, unaccounted-for natural gas and compressor fuel as determined by the Distribution Company.

SC: means the supplier charge, payable per GJ provided, and is zero except for daily fee customers.

9.0 GOVERNING LAW

This Agreement is governed according the laws of the Province of Alberta and the laws of Canada that apply in Alberta.