

The Supplemental By-Laws of Phoenix Gas Co-op Ltd. are comprised of the Supplemental By-Laws of Wainedge Gas Co-op Ltd. at the date of the amalgamation agreement, April 03, 2006, between Wainedge Gas Co-op Ltd. and South Flagstaff Gas Co-op. together with any Supplemental By-Laws passed by the membership of Phoenix Gas Co-op Ltd. since that time and approved and filed in accordance with the Rural Utilities Act.

Provisions of the amalgamation agreement take precedence over the Supplemental By-Laws. Any such provision will be noted below the corresponding By-Law.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, FEBRUARY 01, 1974

Supplemental By-Laws of Wainedge Gas Co-op Ltd.

1. The Standard By-Laws shall apply to the Association excepts as hereinafter modifies.
2. Standard By-Law No. 9 shall have the following additional paragraph:
(d) Any member withdrawing from the Association shall only have the right to be repaid his membership fee of \$1.00. Any contribution to construction and extension pipeline costs shall on such payments become and remain the sole property of the Association.
3. Standard By-Law No. 11 shall not apply to the Association and in lieu thereof shall be the following By-Law:
 11. (a) Surplus earnings, including surplus funds resulting from contributions to construction and extension pipeline costs, remaining in the hands of the association at the end of any fiscal year shall be dealt with as follows:
 1. By setting aside the necessary reserves;
 2. By paying if deemed advisable by the directors and at such a rate as the directors may decide, interest to the members of their respective contribution to construction and extension line costs.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, MARCH 28, 1985

At the general meeting of the Wainedge Gas Co-op Ltd. held on the 28th of February 1985

It was regularly moved and seconded that: We add to our Supplemental By-Laws the following By-Law No.5

Reserve Fund:

1. The objectives of the reserve fund established by the Wainedge Gas Co-op Ltd. shall be as follows:
 - a) to provide funds for the partial or total replacement of the association's gas distribution system;
 - b) to provide funds for system improvement or upgrading as may be required from time to time;

- c) to provide a working capital fund for expenditures required to alleviate emergency conditions and/or conduct necessary system repairs;
 - d) to provide funds for completion of installation in pre-paid subdivisions where service lines and risers have been paid for by the developer but will not build until the lots are occupied.
2. Sources of funds to be placed into the reserve shall be determined by the Co-op board from time to time and may include any or all of the following:
 - a) surplus construction funds;
 - b) a flat member charge (designated as monthly, quarterly, annually);
 - c) a specified cents per GJ charge in the commodity rate;
 - d) an assigned portion of year end operating profit.
3. Funds accumulated in the reserve are to be invested by the board in trustee approved securities in such a way that they will be readily available for either direct expenditures by cashing of securities or use as collateral for temporary borrowings pending maturing of term securities.

(The term "trustee-approved securities" refers to the types of investments as defined in the Trustee Act. These include various low risk securities such as bank term certificate, treasury bill, municipal bonds, etc.)
4. Withdrawals from the reserve are to be for the specified objectives of the fund at such time and in such amounts as the board may deem necessary and prudent for the on-going viable operation and safety of the co-op's utility business. Any withdrawals for purposes other than those specified shall be approved in advance by a general meeting of the association.
5. Prior to the association's annual meeting, the board shall review the adequacy of the fund and the components of the forecasting of its future requirements. A report of this review and a separate accounting, with respect to the reserve fund, shall be provided to the membership of the association in conjunction with the annual audited financial statements.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, APRIL 15, 2005

At the Annual General Meeting of Wainedge Gas Co-op Ltd. held on the 16th day of March 2004, it was regularly moved and seconded that: The Association add to its By-Laws the following Supplemental By-Law No. 5a.

The By-Laws of the Association shall be amended by passing Supplemental By-Law No. 5a as follows:

Membership Register Inspection:

In the event a member requests inspection of the Association's membership register, the following rules shall apply:

1. The member shall make a written request to the Board of the Association to inspect the membership register specifying whether a copy of the membership register is also being requested and stating the reason why inspection and /or copy is required by the member.
2. The Board of the Association shall notify the requesting member in writing with respect to the request for inspection and provide the conditions upon which a copy of the membership list shall be provided.

3. The inspecting member shall not make notes of, copy or otherwise reproduce in any way, the membership register so inspected; and
4. The member shall only be entitled to inspect the membership register once within each twelve month period; and
5. In the event that membership is held jointly by the inspecting member, the above rights shall vest only one of the joint members.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, JUNE 13, 2007

It was regularly moved and seconded that: We amend to our Supplemental By-Law under Board of Directors Section 5 of the Amalgamation agreement between Wainedge Gas Co-op Ltd. and South Flagstaff Gas Co-op Ltd. dated April 03, 2006 with the following.

5.1 The Board shall consist of seven (7) directors.

5.2 The number of directors and respective terms of office shall be as follows:

Number of Directors	Terms
3	3 years
2	2 years
2	1 year

5.3 The respective term of office of each director shall be determined by the number of votes received by the director when elected. The candidates receiving the largest number of votes shall hold office for the longest term.

5.4 If candidates are in by acclamation the term shall be completed by a draw.

5.5 The Secretary Treasurer shall be elected by the Board.

5.6 The monthly meeting will be at the call of the Chair.

Amalgamation Agreement Provision:

Remaining in force is Clause 5.4 of the amalgamation agreement concerning the areas from which the directors shall be elected. Four (4) directors shall be elected from the franchise area of Wainedge and three (3) directors shall be elected from the franchise area of South Flagstaff.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, JANUARY 16, 2013

At a general meeting of Phoenix Gas Co-op Ltd. (the Association) held on the 22nd day of March 2012

It was regularly moved and seconded that: The Association add to its Supplemental By-Laws the following By-Law No.7.

WHEREAS it is necessary and in the best interests of the Cooperative that nominations for the directors of the Cooperative be received prior to the annual meeting of the Cooperative:

AND WHEREAS it is further necessary and in the best interests of the Cooperative that said nominations close two (2) weeks before the above-mentioned annual general meeting;

NOW THEREFORE BE IT RESOLVED THAT:

Nominations for directors of the Cooperative must be received prior to the annual general meeting of the Cooperative and said nominations shall close two (2) weeks before the annual general meeting.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, JANUARY 16, 2013

WHEREAS it is the position of the Phoenix Gas Co-op Ltd. (the Association) that is, and always has been, a non-profit organization:

AND WHEREAS Canada Revenue Agency has requested an amendment of the By-Law for greater certainty:

AND WHEREAS the amendment in of the By-Law is meant to confirm, not change the tax status of the organization.

THEREFORE BE IT RESOLVED THAT:

The Association shall use any surplus earnings of the Association for the attainment of the objects of the Association and no distribution of the Association and distribution shall be made to the Association's members.

THE FOLLOWING SUPPLEMENTAL BY-LAW REGISTERED, JANUARY 16, 2013

At a general meeting of Phoenix Gas Co-op Ltd. (the Association) held on 22nd day of March 2012

It was regularly moved and seconded that: The association add to its Supplemental By-Laws the following By-Law No. 6.

1. Any member of the Association who is a "member in good standing" may attend and vote at meetings of the Association and be elected a director of the Association.
2. The definition of a "member in good standing" shall be a person who:
 - (a) has paid the membership fee: and
 - (b) has entered into a contract for the provision of natural gas service: and
 - (c) has paid the required contribution to construction and extension of works cost, if any:
and
 - (d) has paid all accounts rendered by the Association when they became due: or

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- (e) has not been declared by the Board, acting reasonably, to be a member not in good standing.
3. In the event that the Board has declared a member to be not in good standing pursuant to Section 2(e), the Board shall give written notice to the member of its decision in the form attached as Schedule 1 to this Supplemental By-Law.

Schedule 1

Notice To Member

Pursuant to Section 3 of Supplemental By-Law_____, you are hereby notified that the Board has declared you to be a member not in good standing for the following reason(s):

[Summarize reasons here]

Until such time as the Board reinstates you as a member in good standing, you will not be able to attend meetings of the Association, vote as a member, or be eligible to be elected a Director of the Association.
