



**DIVIDEND REINVESTMENT PLAN**



## DIVIDEND REINVESTMENT PLAN

Canexus Corporation (“**Canexus**”) is pleased to offer through the Dividend Reinvestment Plan (the “**Plan**”) a convenient and economical way for eligible holders (“**Holders**”) of common shares (“**Common Shares**”) of Canexus to maximize their investment in Canexus.

The Plan provides Holders the opportunity to reinvest dividends into Common Shares at a 5% discount to the average market price of the Common Shares on the Toronto Stock Exchange.

If you are an eligible Holder we invite you to participate in the Plan, simply by notifying the bank or brokerage firm with whom you invest of your interest in the Plan. If you require further information regarding the Plan, please contact the Plan agent Computershare Trust Company of Canada, the Investor Relations team at Canexus at (403) 571-7300, or visit our website at [www.canexus.ca](http://www.canexus.ca).

Sincerely,

Gary L. Kubera  
President and CEO

# CANEXUS CORPORATION

## Dividend Reinvestment Plan

### QUESTIONS AND ANSWERS

The following series of questions and answers explains some of the key features of the Dividend Reinvestment Plan (the "Plan") of Canexus Corporation ("Canexus"). The answers are, however, of a summary nature, and as such are designed only to give holders ("Holders") of Canexus' common shares ("Common Shares") guidelines with respect to the Plan's operation. For further information Holders should refer to the complete text of the Plan which is reproduced in the Offering Circular included in this booklet. Holders should carefully read the complete text of the Plan before making any decisions regarding participation in the Plan.

#### 1. What is the Dividend Reinvestment Plan?

The Plan represents a convenient and economical way in which Holders can reinvest all or part of their quarterly dividends to maximize their investment in Canexus without incurring service charges or brokerage fees.

**You are not required to participate in the Plan. If you do not participate, then you will continue to receive your cash dividends in the normal manner.**

If you are an eligible Holder and elect to participate in the Plan, you are entitled to acquire additional Common Shares at a 5% discount to the Average Market Price (as defined in the Plan) (the "dividend reinvestment").

**If you were a participant under the prior distribution reinvestment plan of Canexus Income Fund immediately**

**prior to its conversion to Canexus, you will be deemed to be a participant in the Plan.**

Under the Plan, your cash dividends are reinvested in additional Common Shares which are accumulated and held for your account under the Plan.

#### 2. What are the advantages of the Plan?

(a) The Plan provides a convenient and cost-effective way for you to increase your investment in Canexus without incurring service charges or brokerage fees.

(b) Common Shares purchased with reinvested dividends are bought at a 5% discount to the Average Market Price.

(c) Funds to be invested in new Common Shares on your behalf can be fully invested because fractions of Common Shares (to six decimal places), as well as whole Common Shares, may be credited to your account under the Plan. However, you should speak with your broker, investment dealer, financial institution or other nominee with respect to the treatment of fractional Common Shares, as some nominees will facilitate the accumulation of fractional Common Shares in your account, while others may not.

(d) Once enrolled, any future cash dividends on Common Shares enrolled in the Plan will automatically be reinvested in new

Common Shares which will be retained in your account.

**3. Am I eligible to participate in the Plan, and if so, to what extent?**

Except as noted in the Plan, holders of at least one Common Share of Canexus may enrol in the Plan at any time.

**Residents of the United States are not permitted to participate in the Plan.**

However, residents of any other jurisdiction outside of Canada may participate in the Plan if permitted by the laws of the jurisdiction in which they reside, subject to the limitations and restrictions set out in the full Plan text. Dividends to be reinvested under the Plan on behalf of Holders who are non-residents of Canada will be subject to applicable non-resident withholding tax.

The Common Shares are currently held exclusively by CDS Clearing and Depository Services Inc. ("CDS") as a book-entry issue. As a result CDS is the only registered holder of Common Shares.

Beneficial Holders

In order for beneficial Holders to participate in the Plan, you must determine whether your nominee allows participation in the Plan. Please note that not all nominees will allow, nor is any nominee required to allow, participation in the Plan. If you wish to participate and your nominee does not allow it, it is your responsibility to transfer your Common Shares to a different nominee allowing participation. If your nominee allows participation, you must make arrangements through your nominee who holds Common Shares on your behalf to enrol in the Plan. **If you choose to enrol in the Plan, your**

**nominee will be required to elect to participate on your behalf every dividend period.**

Nominee Holders

If you are a broker, investment dealer, financial institution or other nominee for one or more beneficial Holders who wish to participate in the Plan, then you must enrol on their behalf through CDS. **You will be required to elect on behalf of such beneficial Holders every dividend period.**

**4. How do I become a participant in the Plan?**

If you wish to participate in the Plan, you must have your broker, investment dealer, financial institution or other nominee enrol you in the Plan with Computershare Trust Company of Canada, as Plan agent ("**Computershare**" or the "**Plan Agent**") through CDS. **If you wish to participate in the Plan on an ongoing basis, your nominee must elect to participate in the Plan on your behalf every dividend period.**

Your nominee must provide a notice to CDS in the prescribed form on your behalf no later than 5:00 p.m. (E.S.T.) on the Business Day immediately preceding a dividend record date (or such other deadline as CDS may set from time to time) in order for your cash dividend to which such record date relates to be reinvested under the Plan. CDS will in turn, be required to provide such notice to the Plan Agent prior to 11:00 a.m. (EST) on such dividend record date. If CDS receives the required notice after such time, then your cash dividend to which such record date relates will not be reinvested under the Plan and the notice will be effective for purposes of subsequent dividends only.

**5. What will be the price of new Common Shares purchased for my account under the Plan?**

New Common Shares purchased under the Plan with reinvested dividends will be priced at a 5% discount to the Average Market Price.

**6. Will certificates be issued for new Common Shares purchased for me under the Plan?**

Certificates will not be issued for new Common Shares that are purchased and held by your broker, investment dealer, financial institution or other nominee, through CDS, on your behalf under the Plan. Instead, such Common Shares will be held by CDS on behalf of your nominee.

**No certificates will be issued to Holders unless and until such time as CDS ceases to hold Common Shares exclusively in book-entry form.**

In respect of the treatment of fractional Common Shares, you should contact your nominee, as some nominees will facilitate the accumulation of fractional Common Shares in your account while others may not.

**7. How can I terminate my participation under the Plan?**

Your broker, investment dealer, financial institution or other nominee must elect to participate on your behalf every dividend period. However, unless otherwise instructed by you, your participation in the Plan will be continued by your nominee every dividend period.

You may voluntarily terminate your participation in the Plan by contacting your nominee and advising them to deliver to the Plan Agent (through CDS) on your behalf, a written notice of termination. Your nominee must then

make appropriate arrangements with CDS (which may simply include not enrolling you in the Plan for that dividend period) to ensure that you are no longer enrolled under the Plan. See "*Termination of Participation*" in the full Plan text. You should consult your nominee to confirm what information or documentation may be required to give effect to the instructions and to inquire about any applicable deadlines that the nominee may impose or be subject to under the policies of CDS.

**No certificates will be issued to Holders unless and until such time as CDS ceases to hold Common Shares exclusively in book-entry form.**

If your nominee does not arrange for your withdrawal from the Plan by delivering notice thereof to CDS prior to 5:00 p.m. (E.S.T.) on the third Business Day immediately preceding a dividend record date (or such other deadlines as CDS may set), then your participation in the Plan will not be terminated until after the dividend payment date to which such record date relates.

**8. Are there circumstances where I may not be able to acquire additional Common Shares?**

Your ability to acquire new Common Shares under the Plan on any particular dividend payment date depends on the amount of equity, if any, that Canexus decides to make available under the Plan for that dividend payment date, and on the participation of other eligible Holders in the Plan.

If, in respect of any dividend payment date, fulfilling all of the entitlements under the Plan would result in Canexus exceeding the limit on new equity set by Canexus, then purchases of new Common Shares on that dividend

payment date will be prorated among all participants.

If Canexus determines not to issue any equity through the Plan on a particular dividend payment date, or to the extent that the availability of new Common Shares is prorated in accordance with the terms of the Plan, then participants will receive from Canexus the cash dividends to which they would otherwise be entitled on such date.

**9. How will Computershare purchase new Common Shares of Canexus for me?**

On each dividend payment date, Canexus will pay to Computershare all cash dividends made on your Common Shares which are enrolled in the Plan, and Computershare will use those funds to purchase new Common Shares directly from Canexus at a 5% discount to the Average Market Price.

All cash dividends on Common Shares enrolled in the Plan will be reinvested in new Common Shares. These new Common Shares will be credited to your broker, investment dealer, financial institution or other nominee on your behalf via CDS.

**10. What are the Canadian federal income tax consequences of participating in the Plan?**

The following comments apply only to Holders who participate in the Plan and thereby acquire additional Common Shares.

The fact that Canexus dividends are reinvested under the terms of the Plan does not relieve you of any liability for Canadian income taxes that may be payable on such dividends.

The amount reinvested by you will be your cost of the Common Shares acquired under the Plan. Such cost

normally must be averaged with the cost of all other Common Shares you hold for the purpose of determining the adjusted cost base of each of your Common Shares held as capital property. Capital gains or losses arising on a disposition of your Common Shares will be measured by reference to the adjusted cost base of all your Common Shares.

**Additional summary information regarding the income tax consequences of participating in the Plan is set forth in the text of the Plan itself. You should consult your tax advisors concerning the tax implications of your participation in the Plan having regard to your particular circumstances.**

**11. Where can I get further information?**

If you have any questions regarding the Plan, please direct them to Computershare or to Canexus as follows:

Computershare Trust Company of  
Canada  
100 University Avenue, 9<sup>th</sup> Floor  
North Tower  
Toronto, Ontario M5J 2Y1

Attention: Dividend Reinvestment  
Department  
Telephone: (514) 982-7555  
Toll-free: 1-800-564-6253 (in North  
America)

Or by visiting:  
[www.computershare.com/service](http://www.computershare.com/service)

Canexus Corporation  
801 - 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 3P7

Attention: Investor Relations  
Telephone: (403) 571-7300  
Toll-free: 1-866-574-7833  
Facsimile: (403) 571-7800  
Email: [canexus@canexus.ca](mailto:canexus@canexus.ca)

# CANEXUS CORPORATION

## Dividend Reinvestment Plan

### OFFERING CIRCULAR

#### Purpose

The Dividend Reinvestment Plan (the “Plan”) provides eligible holders (“**Holder**”) of common shares (“**Common Shares**”) of Canexus Corporation (“**Canexus**”) the opportunity to accumulate additional Common Shares at a 5% discount to the Average Market Price (as defined herein). The Plan provides an efficient and cost-effective way for Canexus to issue additional equity to existing Holders.

Canexus will determine for each dividend payment date the amount of new equity, if any, that will be made available under the Plan on that date. No assurances can be made that new Common Shares will be made available under the Plan on a regular basis, or at all.

**If you were a participant under the prior distribution reinvestment plan of Canexus Income Fund immediately prior to its conversion to Canexus, you will be deemed to be a participant in the Plan.**

#### Definitions

“**Average Market Price**” means the arithmetic average of the daily volume weighted average trading prices of the Common Shares on the Toronto Stock Exchange for the ten trading days immediately preceding the applicable Dividend date.

“**Business Day**” means any day in which the Plan Agent’s offices are generally open for the transaction of commercial business other than a Saturday, Sunday or other day on which banks are required to be closed in Calgary, Alberta or Toronto, Ontario or a

day on which the Toronto Stock Exchange does not publicly trade.

“**CDS**” means CDS Clearing and Depository Services Inc., which acts as a nominee for many Canadian investment dealers and brokerage firms, or its nominee, as applicable.

“**Dividend**” means the cash dividend declared payable by Canexus for any particular calendar quarter.

“**Nominee**” means a broker, investment dealer, financial institution or other nominee holder of Common Shares.

“**Participants**” means Holders of at least one Common Share who, on the applicable record date for a Dividend, are eligible to participate in the Plan and have elected to do so by having their Nominee enrol them in the Plan with Computershare, through CDS, as more particularly described in the Plan.

“**Plan Agent**” means Computershare Trust Company of Canada, its successors or assigns or such other trust company as is appointed by Canexus from time to time to act as Plan agent under the Plan.

#### Advantages

An eligible Holder may, by enrolling in the Plan, direct that Dividends in respect of all or some of the Common Shares held for the account of such Holder under the Plan, be applied to the purchase of additional Common Shares and have the additional Common Shares held for the account of such Holder under the Plan. In either case, the price of Common Shares purchased

with reinvested Dividends will be 95% of the Average Market Price.

Common Shares issued pursuant to the Plan are purchased directly from Canexus by the Plan Agent on behalf of the Participants. The Plan Agent will credit the additional Common Shares to CDS, on behalf of the Participant's Nominee's account.

Dividends in respect of Common Shares that are held under the Plan for the account of a Participant will automatically be reinvested in additional Common Shares in accordance with the Plan.

No commissions, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Common Shares under the Plan. Full investment of funds is possible because the Plan permits fractions of Common Shares (to six decimal places) as well as whole Common Shares to be credited to CDS, on behalf of Participants' Nominees' accounts.

#### **Administration**

Computershare Trust Company of Canada currently acts as Plan Agent under the Plan. If Computershare Trust Company of Canada ceases to act as Plan Agent for any reason, another trust company will be designated by Canexus to act as Plan Agent and Nominees will be promptly notified of the change.

The Plan Agent acts for and on behalf of the Participants. On each Dividend payment date, Canexus will pay to the Plan Agent all Dividends in respect of Common Shares registered in the name of, or held under the Plan for the account of, Participants who have enrolled in the Plan. The Plan Agent will use such funds to purchase additional Common Shares directly from Canexus. Additional Common Shares purchased under the Plan will be registered in the

name of the Plan Agent or its nominee, as agent for the Participants, and credited to CDS, on behalf of Participants' Nominees' accounts.

Any Dividends in respect of Common Shares (including fractions of Common Shares) that are enrolled in the Plan will be reinvested in new Common Shares, and such additional Common Shares will be credited to CDS, on behalf of the Participant's Nominee's account.

Under the Plan the Plan Agent will purchase, on each Dividend payment date, for each Participant's account, that number of Common Shares (including fractions computed to six decimal places) equal to the amount invested under the Plan for such Participant's account divided by 95% of the Average Market Price. See "*Price of New Common Shares*" below.

New Common Shares purchased pursuant to the Plan will be credited to CDS, on behalf of the Participant's Nominee's account in accordance with the Plan.

All funds received by the Plan Agent under the Plan, including cash Dividends received from Canexus, will be applied to the purchase of new Common Shares directly from Canexus. **In no event will interest be paid to Participants on any funds held for investment under the Plan.**

#### **Participation**

Except as noted below, all holders of at least one Common Share are eligible for enrolment in the Plan at any time.

Beneficial Holders should contact their Nominee to provide instructions on how they would like to participate in the Plan. Not all Nominees will allow, nor are required to allow, participation in the Plan. Holders interested in participating in the Plan who hold their Common Shares through a Nominee that does not allow participation are responsible for

transferring their Common Shares to a different Nominee in order to participate.

An eligible Holder becomes a Participant by having such Participant's Nominee provide notice of such participation to the Plan Agent (through CDS) on its behalf. By enrolling in the Plan, a Participant is deemed to have directed Canexus to forward to the Plan Agent all Dividends in respect of Common Shares held on behalf of the Participant, and to have directed the Plan Agent to reinvest such Dividends in additional Common Shares in accordance with the Plan.

Your Nominee must provide a notice to CDS in the prescribed form on your behalf no later than 5:00 p.m. (E.S.T.) on the Business Day immediately preceding a Dividend record date in order for the Dividend to which such record date relates to be reinvested under the Plan. If such notice is not received by CDS from a Participant's Nominee on or before such deadline, the Dividend to which such record date relates will not be reinvested under the Plan and a Participant's enrolment in the Plan will only be effective for purposes of subsequent Dividends. **Beneficial Holders who wish to participate in the Plan will need their Nominee to elect to participate on their behalf every Dividend period. However unless otherwise instructed by you, your participation in the Plan will be continued by your Nominee every Dividend period.**

A beneficial Holder may voluntarily terminate its participation in the Plan by contacting its Nominee and advising them to deliver to the Plan Agent (through CDS) on its behalf, a notice of termination. The time at which a termination of Plan participation becomes effective is described under "*Termination of Participation*" below. The effect of these provisions is that a Participant (through its Nominee) cannot terminate participation in the Plan after 5:00

p.m. (E.S.T.) on the third Business Day immediately preceding a Dividend record date to and including the Dividend payment date to which such record date relates.

Canexus reserves the right to determine, from time to time, a minimum number of Common Shares that a Participant must hold in order to qualify for or continue enrolment in the Plan and reserves the right to refuse participation to, or cancel participation of, any person who, in the sole opinion of Canexus is either participating in the Plan primarily with a view to arbitrage trading or participating or attempting to participate in the Plan in more than one capacity or as more than one Participant.

#### **Non-Residents of Canada**

**United States residents are not permitted to participate in the Plan.** Residents of any other jurisdiction outside of Canada may participate in the Plan if permitted by the laws of the jurisdiction in which they reside. Dividends to be reinvested under the Plan on behalf of Holders who are not residents of Canada will be subject to applicable non-resident withholding tax.

Canexus, the Plan Agent and any Nominee reserve the right to deny participation in the Plan to, and to not accept an enrolment in the Plan from any person or agent of such person who appears to be, or who Canexus, the Plan Agent or such Nominee has reason to believe is, subject to the laws of any jurisdiction which do not permit participation in the Plan in the manner sought by or on behalf of such person.

#### **Proration in Certain Events**

Canexus will determine on or before each Dividend record date the amount of equity, if any, that will be made available under the Plan on the Dividend payment date to which such record date relates.

If, in respect of any Dividend payment date, fulfilling all of the Participants' entitlements under the Plan would result in Canexus exceeding the limit on new equity set by Canexus, then purchases of Common Shares on the applicable Dividend payment date will be prorated among all Participants.

If Canexus determines not to issue any equity through the Plan on a particular Dividend payment date, or to the extent that the availability of new Common Shares is prorated in accordance with the terms hereof, then Participants will receive from Canexus the Dividends to which they would otherwise be entitled on such date and which are not reinvested as a result of such determination or proration.

#### **Price of New Common Shares**

On each Dividend payment date, Canexus will, on behalf of the Participants, pay to the Plan Agent all funds that are eligible for investment in new Common Shares on such date. The subscription price of new Common Shares purchased under the Plan will be 95% of the Average Market Price. Canexus will advise the Plan Agent of such Average Market Price on the Business Day immediately preceding the Dividend payment date.

#### **Costs**

No commission, service charges or brokerage fees are payable by Participants in connection with the purchase of additional Common Shares under the Plan. All administrative costs of the Plan, including the fees and expenses of the Plan Agent, will be paid by Canexus.

#### **Accounts and Reports to Participants**

Statements and reports, if any, with respect to purchases of Common Shares under the Plan will be provided to Participants that are beneficial Holders by their Nominee. These account statements and reports are a

Participant's continuing record of purchases of Common Shares made for such Participant's account under the Plan and should be retained for income tax purposes. The Participant's Nominee will also send annually to each Participant certain tax forms for tax reporting purposes. The calculation and monitoring of each Participant's adjusted cost base in Common Shares for income tax purposes will be the responsibility of each Participant, as certain averaging rules may apply and such calculations may depend on the cost of other Common Shares held by the Participant.

#### **Certificates for Common Shares held under the Plan**

As CDS is the only registered holder of Common Shares, certificates for Common Shares purchased and held under the Plan will not be issued to Participants.

Participants should contact their Nominee with respect to the treatment of fractional Common Shares that could notionally exist from the reinvestment of a Participant's Dividend, as some Nominees will facilitate the accumulation of fractional Common Shares in a Participant's account while others may not.

#### **Termination of Participation**

A Participant may voluntarily terminate participation in the Plan by simply contacting the Participant's Nominee and advising the Nominee to terminate such Participant's participation in the Plan, all in accordance with whatever deadlines the Nominee may have.

Participation in the Plan will be terminated automatically following receipt by the Plan Agent of a written notice of the death of a Participant.

**No certificates will be issued to beneficial Holders on termination of participation in any circumstance unless and until such**

**time as CDS ceases to hold Common Shares exclusively in book-entry form.**

If a termination notice, or notice of a Participant's death, is not received by CDS prior to 5:00 p.m. (E.S.T.) on the third Business Day immediately preceding a Dividend record date (or such other deadlines as CDS may set), then the Participant's account will not be closed, and participation in the Plan by such Participant will not be terminated, until after the Dividend payment date to which such record date relates.

**Rights Offering**

In the event that Canexus makes available to its Holders rights to subscribe for additional Common Shares or other securities, rights will be issued by Canexus in respect of whole Common Shares held in a Participant's Nominee's account under the Plan on the record date for such rights issue. No rights will be issuable on a fraction of a Common Share held in a Participant's account.

**Subdivisions**

If Common Shares are distributed pursuant to a subdivision of Common Shares, the additional Common Shares received in respect of Common Shares held under the Plan will be credited to the accounts of Participants' Nominees.

**Holder Voting**

Whole Common Shares of a Participant enrolled in the Plan on the record date for a vote of Holders will be voted in the same manner and in accordance with the same instructions of the Participant as any other Common Shares. No voting rights will attach to any fraction of a Common Share held in a Participant's account.

**Responsibilities of Canexus and the Plan Agent**

Neither Canexus nor the Plan Agent shall be liable to any Holder for any act or for any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of a Nominee's failure to terminate, a Participant's participation in the Plan upon such Participant's death;
- (b) with respect to the prices and times at which Common Shares are purchased on behalf of a Participant;
- (c) with respect to decisions by Canexus to raise or not raise equity through the Plan in any given Dividend period, or the amount of equity raised, if any; and
- (d) arising out of a prorating, for any reason, of the amount of equity available under the Plan in the circumstances described herein.

Participants should recognize that neither Canexus nor the Plan Agent can assure a profit or protect them against a loss on the Common Shares purchased under the Plan.

**Canadian Federal Income Tax Considerations**

*The following is a summary only of certain Canadian federal income tax considerations relevant to participation in the Plan. The summary applies only to Holders who participate in the Plan and thereby acquire additional Common Shares. The information provided is current as of the effective date of the Plan. This summary is not intended to be legal or tax advice to any particular Participant and Participants are urged to consult their tax advisors as to their particular tax position.*

*Residents of Canada*

The fact that Canexus Dividends are reinvested under the terms of the Plan does

not relieve Participants of any liability for taxes that may be payable on such Canexus Dividends. To the extent that a Canexus Dividend would be included in the income of Holders for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), such amount will be included in the income of Holders who elect to reinvest such amount in new Common Shares under the Plan.

In the case of a Participant who is an individual, such Canexus Dividends will be subject to the normal gross-up and dividend tax credit rules that apply to taxable dividends received from taxable Canadian corporations, and in the case of a Participant that is a corporation such Canexus Dividends will normally be deductible in computing the Participant's taxable income. A Participant that is a "private corporation" or "subject corporation" for purposes of the Tax Act generally will be required to pay a special refundable tax of 33 $\frac{1}{3}$ % of the amount of such Canexus Dividends.

The amount reinvested by a Participant in Common Shares will be the cost of those Common Shares. That cost normally must be averaged with the cost of all other Common Shares held by the Participant as capital property to determine the adjusted cost base of each of the Participant's Common Shares for purposes of the Tax Act.

When a Participant sells or otherwise disposes of Common Shares, the Participant will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base of such Common Shares.

#### *Non-Residents of Canada*

The fact that Canexus Dividends are reinvested under the terms of the Plan does not relieve a Participant who is not resident in Canada (a "**Non-resident Participant**") of any liability for non-resident withholding

tax applicable to the Canexus Dividend. The rate of withholding tax under the Tax Act on dividends is generally 25% of the amount of income distributed to a Non-resident Participant unless reduced by the terms of an applicable treaty.

Gains realized by a Non-resident Participant on the disposition of Common Shares will generally not be subject to tax in Canada unless (i) the Common Shares are held in the course of carrying on a business in Canada; (ii) the Non-resident Participant at any time in the 60-month period preceding the disposition, either alone or together with persons with whom the Non-resident Participant does not deal at arms length, owned not less than 25% of the issued Common Shares; or (iii) the Common Shares are "**designated insurance property**" of the Non-resident Participant.

**Holders who are residents of the United States are not eligible to participate in the Plan.**

#### **Amendment, Suspension or Termination of the Plan**

Canexus reserves the right to amend, suspend or terminate the Plan at any time, but such action shall have no retroactive effect that would prejudice the interests of Participants. Where required, amendments to the Plan will be subject to the prior approval of the Toronto Stock Exchange. Canexus will notify Holders of any amendment, suspension or termination of the Plan in accordance with the Plan and any applicable securities law requirements. If Canexus terminates the Plan, a Participant will receive, depending on the Nominee, adjustments or payments may be made for fractional Common Shares held in a Participant's Nominee's account. If Canexus suspends the Plan, no investment will be made for the Plan Agent on the Dividend payment date immediately following the effective date of such

suspension, and any Dividends paid after the effective date of such suspension that would, but for the suspension, be reinvested under the Plan, will be remitted to the Participants.

**Interpretation**

Any issues of interpretation arising in connection with the Plan or its application shall be conclusively determined by Canexus.

**Notices**

All notices or other documents required to be given to Participants under the Plan shall be publicly announced by Canexus and Canexus will notify Participants in accordance with applicable securities law requirements.

Notices to the Plan Agent shall be sent to:

Computershare Trust Company of Canada  
100 University Avenue, 9th Floor  
North Tower  
Toronto, Ontario M5J 2Y1  
Attention: Dividend Reinvestment  
Department

Telephone: (514) 982-7555  
Toll-free: 1-800-564-6253 (in North  
America)

Or by visiting:  
[www.computershare.com/service](http://www.computershare.com/service)

Notices to Canexus Corporation shall be sent to:

Attention: Investor Relations  
Telephone: (403) 571-7300  
Toll-free: 1-866-574-7833  
Facsimile: (403) 571-7800  
E-mail: [canexus@canexus.ca](mailto:canexus@canexus.ca)

**Effective Date of the Plan**

The effective date of the Plan is July 8, 2011