

At December 31, 2013 and 2014, unrecognized tax benefits, including interest and penalties, are \$0.3 million and \$0.6 million, respectively. If unrecognized tax benefits at December 31, 2014 are subsequently recognized, \$0.1 million, net of related receivables and interest, would reduce income tax expense. The comparable amount as of December 31, 2013 is \$0.1 million.

Various jurisdictions are open to examination for various tax years beginning with 2011. Income taxes payable include reserves considered sufficient to pay assessments that may result from examination of prior year tax returns. Differences between the reserves for income tax contingencies and the amounts owed by the Company are recorded in the period they become known.

Note 4—Redeemable preferred stock

The Company has 10,000 shares of redeemable preferred stock, \$0.01 par value, outstanding as of December 31, 2013 and 2014. There is no maximum number of authorized shares. These shares were issued on September 30, 2009 with a redemption value of \$9.3 million. The holder of the redeemable preferred stock is not entitled to any dividends or otherwise participate in the profits of the Company.

The holder of the preferred stock has the right to require the Company to redeem each of its shares within 60 days after the receipt of a written request; accordingly, the Company recorded the preferred stock outside of permanent equity.

The Company will not, while any preferred stock is outstanding, declare or pay any dividends; redeem or acquire any shares other than preferred stock; or reduce its capital otherwise than by way of a redemption or acquisition of any common shares unless the board of directors determine that the fair value of the preferred stock, immediately thereafter, is not less than its redemption value. In connection with the cash dividends paid on the outstanding Class A common stock the director of the Company determined that the fair value of the preferred stock was not less than its redemption value. The holder of preferred stock shall not have any right to receive notice of or attend at or vote at any general meeting of the shareholders of the Company.

In the event of any liquidation, dissolution, or winding-up of the Company, or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, each holder of preferred stock shall be entitled to be paid and in preference to and priority over any distribution or payment on any other share, the amount that would have been the redemption price for such share if the date of payment had been the date for redemption, and after such payment each such holder will not be entitled to participate in any further distribution of property or assets of the Company.

Note 5—Shareholder equity

The Company's amended and restated certificate of incorporation authorizes the Company to issue 30,000 shares of common stock (10,000 Class A shares, 10,000 Class B shares and 10,000 Class C shares) no par value. As of December 31, 2013 and 2014, there was 100 Class A shares issued and outstanding and no Class B or Class C shares issued or outstanding. Class B common stock has identical rights to Class A common stock. Class C common stock has no voting rights for the election of directors or any other purpose and shall not be entitled to receive notice of or to attend any annual or special meeting of the shareholders of the Company.

The holder of the Company's Class A common stock has one vote for each share of common stock and is entitled to receive dividends out of funds that are legally available if declared by the board of directors.

F-80

For the years ended December 31, 2013 and 2014, \$9.8 million and \$33.9 million in cash dividends had been declared and paid.

Note 6—Commitments

The Company leases office space used in connection with its operations under various operating leases, some of which contain escalation clauses.

Future minimum payments under operating lease agreements are as follows:

Years ending December 31,	(In thousands of CAD)	
2015	\$	516
2016		523
2017		394
Total	\$	1,433

Expenses charged to operations under these agreements are \$0.8 million for both years ended December 31, 2013 and 2014.

Note 7—Contingencies

From time to time, the Company is party to litigation in the ordinary course of business. The Company establishes reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. Management currently believes that resolving claims against us will not have a material impact on the liquidity, results of operations, or financial condition of the Company, however, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. See Note 3 for additional information related to income tax contingencies.

Note 8—Supplemental cash flow information

	Years ended December 31,	
	2013	2014