



CROWN CAPITAL PARTNERS INC.

**NOTICE OF MEETING OF HOLDERS OF 10%
UNSECURED SUBORDINATED DEBENTURES DUE
DECEMBER 31, 2024**

TO BE HELD ON OCTOBER 18, 2024

**MANAGEMENT INFORMATION CIRCULAR
SEPTEMBER 10, 2024**

These materials are important and require your immediate attention. They require Debentureholders to make important decisions. If you are in doubt as to what decision to make, please contact your financial, legal, income tax or other professional advisors.

THE BOARD OF DIRECTORS OF CROWN CAPITAL PARTNERS INC. UNANIMOUSLY RECOMMENDS THAT DEBENTUREHOLDERS VOTE FOR THE DEBENTURE AMENDMENTS AS SET OUT IN THE MANAGEMENT INFORMATION CIRCULAR.

CROWN CAPITAL PARTNERS INC.
LETTER TO DEBENTUREHOLDERS

Re: Debenture Amendments and Default Waiver

Dear holders of 10% Unsecured Subordinated Debentures (the “**Debentures**”):

You, as holders (“**Debentureholders**”) of the Debentures of Crown Capital Partners Inc. (the “**Corporation**”) are being asked to consider certain resolutions (the “**Debentureholder Resolution**”) that would:

- (a) authorize and approve certain amendments (the “**Debenture Amendments**”) to the Corporation’s amended and restated trust indenture dated June 30, 2023 (the “**Indenture**”) between the Corporation and TSX Trust Company (the “**Debenture Trustee**”) and to the Debentures, which, if approved by the Debentureholders, will:
 - (i) extend the maturity date of the Debentures from December 31, 2024 to December 31, 2026;
 - (ii) amend the interest rate of the Debentures from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective as of December 31, 2025;
 - (iii) amend the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur effective December 31, 2025 for the interest accrued on the Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and
 - (iv) grant a security interest by the Corporation to the Debenture Trustee for the repayment of the Debentures by way of a charge to and in favor of the Debenture Trustee on all the Corporation’s property and assets, subject only to Permitted Encumbrances (as defined in the form of second amended and restated trust indenture attached as Appendix “B” (the “**Amended Indenture**”) to the accompanying management information circular (the “**Circular**”)). Such security shall be subordinate to Senior Security (as defined in the Amended Indenture) and rank pari passu with any Pari Passu Debt (as defined in the Amended Indenture). The amount of Senior Indebtedness (as defined in the Amended Indenture) permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000; and
- (b) waive the default by the Corporation under the Indenture for the failure to make the interest payment on the Debentures (the “**Deferred Interest Payment**”) due on June 30, 2024 (the “**Default Waiver**”), subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders within 60 days of the approval of Debentureholder Resolution (the “**Deferred Interest Payment Deadline**”).

The Debenture Amendments and the accompanying form of amended Debentures (the “**Amended Debenture**”) are reflected in the Amended Indenture to be entered into between the Corporation and the Debenture Trustee.

If the Debentureholder Resolution is approved by the Debentureholders, the effective date of the Debenture Amendments will be a minimum of five trading days following the approval of the Debentureholder Resolution and the effective date of the Default Waiver will be the date that the Corporation makes the Deferred Interest Payment to Debentureholders. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting (as defined herein).

In the event that the Deferred Interest Payment is not made by the Deferred Interest Payment Deadline, the Default Waiver will be of no further force or effect.

Solicitation Fee

A soliciting dealer group comprising members of the Investment Industry Regulatory Organization of Canada and members of Canadian stock exchanges is intended to be retained by the Corporation to solicit votes regarding the Debenture Amendments. Each soliciting dealer will be paid a solicitation fee equal to \$10 per \$1,000 principal amount of Debentures (the “**Solicitation Fee**”) that are solicited by such soliciting dealer provided that: (i) the Debentureholder Resolution is validly approved by Debentureholders and the Toronto Stock Exchange (“**TSX**”); and (ii) a valid proxy or voting instruction form with respect to such Debentures, that has not been withdrawn, voted in favour of the Debentureholder Resolution is delivered prior to 10:00 a.m. (Eastern Time) on October 16, 2024.

Benefits of the Debenture Amendments and Default Waiver

The board of directors of the Corporation (the “**Board**”) believes that the Debenture Amendments and Default Waiver provide a number of benefits to the Corporation and its securityholders, including the Debentureholders. The Board expects that the Debenture Amendments and Default Waiver, if approved by the Debentureholders, would provide the following advantages:

- **Payment of Deferred Interest Payment:** The Corporation believes that the extension of the maturity date will allow it to be in a better position to pay the Deferred Interest Payment to the Debentureholders by the Deferred Interest Payment Deadline.
- **Improved Security for the Debentures:** The Debentures shall be granted a security interest by the Corporation by way of a charge to and in favor of the Debenture Trustee on all the Corporation’s property and assets, subject only to Permitted Encumbrances. The Debentures shall be subordinate to Senior Security (as defined in the Amended Indenture) and rank pari passu with any Pari Passu Debt (as defined in the Amended Indenture). The amount of Senior Indebtedness (as defined in the Amended Indenture) permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000.
- **Extension of Maturity Date:** The extension of the maturity date will afford Debentureholders a longer period of time during which to receive interest at a favourable rate and will provide the Corporation with additional time to fund the repayment of the Debentures from the proceeds of asset sales or otherwise.
- **Increased Interest Rate:** Increasing the interest rate from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective December 31, 2025 provides a more attractive yield to Debentureholders.
- **Consent Fee:** Forthwith following the Meeting (as defined herein), any Debentureholder that votes for the Debentureholder Resolution in accordance with the terms and conditions herein will receive a cash consent fee of \$10 per \$1,000 principal amount of Debentures held by such Debentureholder as of the record date, September 5, 2024 (the “**Consent Fee**”), provided that certain other conditions required for the payment of the Consent Fee are satisfied, including that the Debentureholder Resolution is validly approved by Debentureholders.

For more information see “*Background to and Reasons for the Debenture Amendments and Default Waiver – Benefits of the Debenture Amendments and Default Waiver*” in the accompanying Circular.

Consequences if Debentureholder Resolution Not Approved

In the event that the Debentureholder Resolution is not approved, the Corporation will be required to consider all alternatives available to it to address the maturity of the Debentures and the Deferred Interest Payment. The options may include attempting to arrange for alternate debt financing and/or the issuance of equity securities of the Corporation in order to fund the repayment of the principal amount of the Debentures together with the accrued and unpaid interest thereon. There can be no assurance that funds will be available to the Corporation to repay the Debentures on the maturity date or to pay outstanding interest thereon, including the Deferred Interest Payment, if the Debentureholder Resolution is not approved by the Debentureholders. The extension of the maturity date of the Debentures will provide the Corporation with additional time to raise the funds to repay the Debentures and to cure the default of the Corporation under its credit facility. For more information see “*Background to and Reasons for the Debenture Amendments and Default Waiver – Default of Senior Indebtedness and Private Placement*” in the accompanying Circular.

Consent Fee

Forthwith following the Meeting, and subject to the conditions to the payment of the Consent Fee set out in the Circular, the Corporation will pay the Consent Fee to Debentureholders that delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favor of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on October 16, 2024. All other Debentureholders will not be eligible to receive the Consent Fee, but will be bound by the Debenture Amendments if they become effective.

Board Recommendation

The Board has concluded that the Debenture Amendments are in the best interests of the Corporation and its securityholders and will provide additional short term liquidity for the Corporation while it completes sales of assets, including the continued liquidation of the remaining assets of its specialty finance segment, and the refinancing of its Senior Indebtedness.

THE BOARD RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE FOR THE DEBENTUREHOLDER RESOLUTION WHICH AUTHORIZES AND APPROVES THE DEBENTURE AMENDMENTS.

Debentureholder Meeting

The Corporation has called a Debentureholder meeting to consider the Debenture Amendments for October 18, 2024 at the offices of the Corporation located at 33 Yonge Street, Suite 901, Toronto, Ontario, M5E 1G4 at 10:00 a.m. (Eastern Time) (the “**Meeting**”). For details on how to vote, please read the accompanying Circular.

Required Debentureholder Approval

For the Debentureholder Resolution to be adopted, the resolution must be approved by Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting and voting on the Debentureholder Resolution.

If the Debentureholder Resolution is approved, the Corporation and the Debenture Trustee will enter into the Amended Indenture to implement the Debenture Amendments. The Debenture Amendments will be effective a minimum of five trading days following the approval of the Debentureholder Resolution and the effective date of the Default Waiver will be the date that the Corporation makes the Deferred Interest Payment to Debentureholders. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting.

The Debentures trade on the TSX under the symbol “CRWN.NT”. The TSX has conditionally approved the Debenture Amendments. Whether the Debenture Amendments become effective or not, the Amended Debentures will continue trade on the TSX under the symbol “CRWN.NT”.

Management Information Circular

The accompanying Circular provides a detailed description of the Debenture Amendments. Please give this material your careful consideration. If you require additional assistance, you should consult your financial, legal, income tax and/or other advisors.

Your vote is important. Whether or not you attend the Meeting, please take the time to vote your Debentures in accordance with the instructions contained in the accompanying Circular and on the Form of Proxy or the Voting Instruction Form. If you have any questions or require assistance, please contact the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) “*Christopher Johnson*”

Christopher Johnson
President and Chief Executive Officer

September 10, 2024

**CROWN CAPITAL PARTNERS INC.
NOTICE OF MEETING OF HOLDERS OF THE
10% UNSECURED SUBORDINATED DEBENTURES
DUE DECEMBER 31, 2024**

TO BE HELD ON OCTOBER 18, 2024

TO THE DEBENTUREHOLDERS:

Notice is hereby given that a meeting (the “**Meeting**”) of the holders (the “**Debentureholders**”) of the 10% Unsecured Subordinated Debentures due December 31, 2024 (the “**Debentures**”) of Crown Capital Partners Inc. (the “**Corporation**”) will be held at the offices of the Corporation located at 33 Yonge Street, Suite 901, Toronto, Ontario, M5E 1G4 on October 18, 2024 at 10:00 a.m. (Eastern Time) for the following purposes:

1. to consider, and if deemed appropriate, to approve an extraordinary resolution (the “**Debentureholder Resolution**”) in the form attached as Appendix “A” to the management information circular (the “**Circular**”) accompanying this Notice of Meeting of Debentureholders, which will:
 - (i) approve certain amendments (the “**Debenture Amendments**”) to the amended and restated trust indenture dated June 30, 2023 (the “**Indenture**”) between the Corporation and TSX Trust Company (the “**Debenture Trustee**”) and to the Debentures and will authorize the Debenture Trustee to enter into a second amended and restated trust indenture between the Corporation and the Debenture Trustee, on or about the fifth trading day following the approval of the Debentureholder Resolution, which will embody the Debenture Amendments (the “**Amended Indenture**”); and
 - (ii) waive the default by the Corporation under the Indenture for the failure to make the interest payment on the Debentures (the “**Deferred Interest Payment**”) due on June 30, 2024 (the “**Default Waiver**”), subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders within 60 days of the approval of the Debentureholder Resolution;
2. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The accompanying Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this Notice.

The Debentureholder Resolution, if approved by the votes of Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting, or any adjournment thereof, in accordance with the provisions of the Indenture, will be binding upon the Debentureholders, whether present at or absent from the Meeting or whether or not they consented to the Debentureholder Resolution. Accordingly, it is important that your Debentures be represented and voted whether or not you plan to attend the Meeting in person or that you submit your proxy or voting instruction form containing your consent.

The Board of Directors of the Corporation has established the record date for the Meeting as the close of business on September 5, 2024 (the “**Record Date**”). Only Debentureholders of record at the close of business on the Record Date will be entitled to receive notice of the Meeting or any adjournment thereof, and to vote at the Meeting or any adjournment thereof or to appoint or revoke a proxy. No Debentureholder becoming a Debentureholder of record after the Record Date will be entitled to vote at the Meeting or any adjournment thereof.

The quorum requirements of the Indenture will be satisfied by one Debentureholder present in person or represented by proxy and Debentureholders representing at least 20% of the principal amount of the Debentures outstanding on the date of the Meeting. If a quorum is not present in person or by proxy within 30 minutes after the time appointed for the Meeting, the Meeting, if summoned by the Debentureholders or pursuant to a request of a Debentureholder, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a business day in which case it shall be adjourned to the first business day thereafter) at the same time and place and no notice shall be required to be given with respect to such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or represented by proxy shall constitute a quorum, even if they hold less than 20% of the outstanding principal amount.

The Debentures have been issued in the form of a global book-entry only certificate registered in the name of CDS & Co. (“CDS”), and as such, CDS is the sole registered Debentureholder. However, CDS, or its duly appointed proxyholders, may only vote the Debentures in accordance with instructions received from the Beneficial Debentureholders (as defined in the Circular). Beneficial Debentureholders as of the Record Date wishing to vote their Debentures at the Meeting must provide instructions to their broker or other intermediary through which they hold their Debentures in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS, or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting.

Please review the Circular carefully and in full prior to voting, as the Circular has been prepared to help you make an informed decision on the matters to be acted upon. The Circular is available under the Corporation’s SEDAR+ profile at www.sedarplus.ca.

Debentureholders must complete the Form of Proxy or Voting Instruction Form as instructed on the Form of Proxy/Voting Instruction Form and described in the Circular. To be valid, the Form of Proxy or Voting Instruction Form must be received by TSX Trust Company no later than 10:00 a.m. (Eastern Time) on October 16, 2024, or if the Meeting is adjourned, no later than 10:00 a.m. (Eastern Time) on the last business day preceding the day to which the Meeting is adjourned.

If you have any questions or require more information with regard to voting your Debentures please contact the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

CROWN CAPITAL PARTNERS INC.

(Signed) “*Christopher Johnson*”

Christopher Johnson
President and Chief Executive Officer

September 10, 2024

MANAGEMENT INFORMATION CIRCULAR

OF CROWN CAPITAL PARTNERS INC.

TABLE OF CONTENTS

MANAGEMENT INFORMATION CIRCULAR	1
SUMMARY	1
INTRODUCTION	4
THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER.....	5
BACKGROUND TO AND REASONS FOR THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER	7
RISKS RELATED TO THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER	10
CERTAIN INFORMATION CONCERNING THE CORPORATION	12
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	15
GENERAL PROXY AND MEETING MATTERS.....	18
OTHER BUSINESS	21
DEBENTURE TRUSTEE.....	21
DEBENTUREHOLDER RIGHTS AND ADDITIONAL INFORMATION	21
BOARD APPROVAL	21
APPENDIX A DEBENTUREHOLDER RESOLUTION	A-1
APPENDIX B SECOND AMENDED AND RESTATED TRUST INDENTURE	B-1

MANAGEMENT INFORMATION CIRCULAR

The information contained in this management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies to be used at the meeting of the holders (the “**Debentureholders**”) of the 10% Unsecured Subordinated Debentures (the “**Debentures**”) of Crown Capital Partners Inc. (the “**Corporation**”) to be held at the offices of the Corporation located at 33 Yonge Street, Suite 901, Toronto, Ontario, M5E 1G4 on October 18, 2024 at 10:00 a.m. (Eastern Time) (the “**Meeting**”), and at all adjournments thereof, for the purpose(s) set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be made primarily by mail but proxies may also be solicited personally by directors, officers or regular employees of the Corporation or its subsidiaries. **The solicitation of proxies by this Circular is being made by or on behalf of the management of the Corporation.** The total cost of the solicitation will be borne by the Corporation.

SUMMARY

The following is a brief summary of certain information contained in this Circular. Reference is made to, and this summary is qualified by, the detailed information contained in this Circular. Debentureholders are encouraged to read this Circular and the attached Appendices “A” and “B” carefully and in their entirety.

The Meeting

The Meeting will be held on October 18, 2024 at the offices of the Corporation located at 33 Yonge Street, Suite 901, Toronto, Ontario, M5E 1G4 at 10:00 a.m. (Eastern Time) for the purposes set forth in the accompanying Notice of Meeting of Debentureholders, including to consider, and if deemed advisable, to approve the Extraordinary Resolution (as defined in the Indenture) (the “**Debentureholder Resolution**”) in the form attached as Appendix “A” to the Circular which will: (i) approve certain amendments (the “**Debenture Amendments**”) to the amended and restated trust indenture dated June 30, 2023 (the “**Indenture**”) between the Corporation and TSX Trust Company (the “**Debenture Trustee**”) and to the Debentures, and will authorize the Debenture Trustee to enter into a second amended and restated trust indenture (the “**Amended Indenture**”) between the Corporation and the Debenture Trustee, on or about the fifth trading day following the approval of the Debentureholder Resolution, which will embody the Debenture Amendments; and (ii) waive the default by the Corporation under the Indenture for the failure to make the interest payment due June 30, 2024 on the Debentures (the “**Deferred Interest Payment**”) due on June 30, 2024 (the “**Default Waiver**”), subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders within 60 days of the approval of Debentureholder Resolution (the “**Deferred Interest Payment Deadline**”). The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting. Only Debentureholders of record as of the close of business on September 5, 2024 (the “**Record Date**”) are entitled to receive notice of the Meeting and to vote at the Meeting and any adjournment thereof.

Debenture Amendments

If the Debentureholders approve the Debentureholder Resolution, the Debenture Trustee will be authorized to enter into the Amended Indenture to effect the Debenture Amendments, which will amend the Indenture by:

- (a) extending the maturity date of the Debentures from December 31, 2024 to December 31, 2026;
- (b) increasing the interest rate of the Debentures from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective December 31, 2025;
- (c) amending the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur effective December 31, 2025 for the interest accrued on the Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and
- (d) granting a security interest by the Corporation to the Debenture Trustee for the repayment of the Debentures by way of a charge to and in favor of the Debenture Trustee on all the Corporation’s property and assets, subject only to Permitted Encumbrances (as defined in the Amended Indenture).

Such security shall be subordinate to Senior Security (as defined in the Amended Indenture) and rank pari passu with any Pari Passu Debt (as defined in the Amended Indenture). The amount of Senior Indebtedness (as defined in the Amended Indenture) permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000.

The Amended Indenture and accompanying form of amended Debentures (the “Amended Debentures”) which will give effect to the Debenture Amendments are attached hereto as Appendix “B”. If the Debentureholder Resolution is approved by the Debentureholders, the Debenture Amendments will be effective a minimum of five trading days following the approval of the Debentureholder Resolution.

Default Waiver

If the Debentureholders approve the Debentureholder Resolution, the default by the Corporation under the Indenture for the failure to make the Deferred Interest Payment due on June 30, 2024 will be waived, subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders by the Deferred Interest Payment Deadline. The effective date of the Default Waiver will be the date that the Corporation makes the Deferred Interest Payment to the Debentureholders. In the event that the Deferred Interest Payment is not made by the Deferred Interest Payment Deadline, the Default Waiver will be of no further force or effect.

Required Debentureholder Approval

For the Debentureholder Resolution to be adopted, the resolution must be approved by Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting and voting on the Debentureholder Resolution. The Debenture Amendments will be effective a minimum of five trading days following the approval of the Debentureholder Resolution and the effective date of the Default Waiver will be the date that the Corporation makes the Deferred Interest Payment to the Debentureholders. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting.

TSX Approval

The Debentures trade on the Toronto Stock Exchange (“TSX”) under the symbol “CRWN.NT”. The TSX has conditionally approved the Debenture Amendments. Whether the Debenture Amendments become effective or not, the Amended Debentures will continue trade on the TSX under the symbol “CRWN.NT”.

Consent Fee

Forthwith following the Meeting, the Corporation will pay a cash consent fee of \$10 per \$1,000 principal amount of Debentures held by such Debentureholder as of the Record Date (the “**Consent Fee**”) to Debentureholders that delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favour of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on October 16, 2024.

All other Debentureholders will not be eligible to receive the Consent Fee but will be bound by the Debenture Amendments if they become effective. Payment of the Consent Fee will be conditional upon, among other things, the Debentureholder Resolution being validly approved by Debentureholders and the TSX and satisfaction of the other conditions precedent to the execution of the Amended Indenture described in the Circular. Assuming that all of the Debentureholders vote in favour of the Debentureholder Resolution, the aggregate amount of the Consent Fee payable by the Corporation forthwith following the Meeting will be \$200,000.

Solicitation Fee

A soliciting dealer group comprising members of the Investment Industry Regulatory Organization of Canada and members of Canadian stock exchanges is intended to be retained by the Corporation to solicit votes regarding the Debenture Amendments. Each soliciting dealer will be paid a solicitation fee equal to \$10 per \$1,000 principal amount of Debentures (the “**Solicitation Fee**”) that are solicited by such soliciting dealer provided that: (i) the Debentureholder Resolution is validly approved by Debentureholders and the TSX; and (ii) a valid proxy or voting instruction form with respect to such Debentures, that has not been withdrawn, voted in favour of the Debenture Amendments is delivered prior to 10:00 a.m. (Eastern Time) on October 16, 2024.

Outstanding Debentures

As at the date hereof, the Corporation has \$20,000,000 principal amount of Debentures issued and outstanding. Each Debentureholder of record as of the close of business on the Record Date, being September 5, 2024, is entitled to one vote at the Meeting in respect of each \$1,000 principal amount of Debentures which he, she or it holds as at the Record Date.

Proxy Information

As a Beneficial Debentureholder (as defined herein) (i.e. a non-registered Debentureholder), an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Debentures for you, or for someone else on your behalf, and the Debentures are registered in the name of the nominee. In accordance with applicable securities laws, the Corporation distributes copies of its meeting materials to intermediaries for onward distribution to Beneficial Debentureholders. As a Beneficial Debentureholder, you will most likely receive a Voting Instruction Form from Broadridge Financial Solutions, Inc. (“**Broadridge**”) on behalf of intermediaries. However, it is also possible that in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Debentures.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

To vote FOR the Debentureholder Resolution, Debentureholders can do so by using any of the methods outlined below in accordance with the instructions on the accompanying Form of Proxy or Voting Instruction Form:

By Mail:

Step 1. Mark the “FOR” box in the Form of Proxy or Voting Instruction Form.

Step 2. Sign and date the Form of Proxy or Voting Instruction Form.

Step 3. Mail the Form of Proxy or Voting Instruction Form in accordance with the instructions on the Form of Proxy or Voting Instruction Form to arrive as soon as practicable. A Form of Proxy or Voting Instruction Form must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on October 16, 2024.

Through a Financial Broker:

Debentureholders may contact their brokers or send their Form of Proxy or Voting Instruction Form to their broker who can vote on the Debentureholder’s behalf.

Beneficial Debentureholders wishing to vote their Debentures at the Meeting by providing instructions to their broker or other intermediary through which they hold their Debentures should contact their broker or other intermediary in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting.

By Fax:

Use the fax number on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

By Internet:

Follow the instructions on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

Questions / Additional Information:

If you have any questions or require more information with regard to voting your Debentures please contact the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

INTRODUCTION

Information Contained in this Circular

This Circular is provided in connection with the solicitation of proxies by and on behalf of the management of the Corporation for use at the Meeting and any adjournment thereof. No person has been authorized to give information or to make any representations in connection with the matters to be considered by the Debentureholders other than those contained in this Circular and, if given or made, any such information or representations should not be relied upon in making a decision as to whether to vote for the Debentureholder Resolution or be considered to have been authorized by the Corporation.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation.

Debentureholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

The accompanying Form of Proxy or Voting Instruction Form is for use by Debentureholders in connection with the Debenture Amendments and Default Waiver, and Debentureholders are encouraged to vote in accordance with the instructions set out therein.

Notice to Debentureholders in the United States

The Debentures have not been and will not be registered under the *United States Securities Act of 1933* (the “**1933 Act**”).

The solicitation of proxies for the Meeting is not subject to the proxy requirements of Section 14(a) of the *United States Securities Exchange Act of 1934*, as amended (the “**1934 Act**”). Accordingly, the solicitations and transactions contemplated in this Circular are made in the United States for securities of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Debentureholders in the United States should be aware that such requirements are different from those of the United States applicable to registration statements under the 1933 Act and proxy statements under the 1934 Act.

The enforcement by investors of civil liabilities under the United States federal and state securities laws may be affected adversely by the fact that the Corporation is incorporated outside the United States, that some or all of its officers and directors are residents of a foreign country, that all or a substantial portion of the assets of the Corporation and said persons are located outside the United States. As a result, it may be difficult or impossible for Debentureholders in the United States to effect service of process within the United States upon the Corporation, or its officers and directors, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws. In addition, Debentureholders in the United States should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws, or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or any state securities laws.

You should be aware that the Debenture Amendments may have tax consequences both in the United States and in Canada. Tax considerations applicable to Debentureholders subject to United States federal taxation have not been included in the Circular, and such Debentureholders should consult their own tax advisors to determine the particular consequences to them of participating in the solicitation being made hereunder.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC"), ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA, NOR HAS THE SEC, ANY STATE SECURITIES ADMINISTRATOR, OR ANY SECURITIES REGULATORY AUTHORITY IN CANADA PASSED UPON THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

Cautionary Statement Regarding Forward-Looking Statements

Certain statements included herein constitute "forward-looking statements." All statements included in this Circular that address forward-looking events, conditions or results of operations, including in respect of the Debenture Amendments, are forward-looking statements. These forward-looking statements can be identified by the use of forward-looking words such as "may," "should," "will," "could," "expect," "intend," "plan," "estimate," "anticipate," "believe," "future" or "continue" or the negative forms thereof or similar variations. Forward looking statements in this Circular include, but are not limited to, the expected terms of the Debenture Amendments; the expected effective date of the Debenture Amendments and the Default Waiver; and the expected benefits of the Debenture Amendments to the Corporation and to the Debentureholders. These forward-looking statements are based on certain assumptions and analyses made by management in light of their experiences and their perception of historical trends, current conditions and expected future developments, as well as other factors they believe are appropriate in the circumstances. Debentureholders are cautioned not to put undue reliance on such forward-looking statements, which are not a guarantee of performance and are subject to a number of risks and uncertainties, including, but not limited to the risk that the Debenture Amendments will not be successfully completed for any reason and the risk applicable to any debt instrument that, if completed, the Corporation may not be able to pay the interest and/or repay the principal amount outstanding under the Amended Debentures when due, and that the Corporation or Debentureholders may not realize the anticipated benefits of the Debenture Amendments and the Default Waiver. Many of such risks and uncertainties are outside the control of the Corporation and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. In making such forward-looking statements, management has relied upon a number of material factors and assumptions, including with respect to the factors described under the heading "Risk Factors" in the 2023 AIF (as defined herein) and under "Risks Related to the Debenture Amendments" in this Circular. Such forward-looking statements should, therefore, be construed in light of such factors and assumptions. All forward-looking statements are expressly qualified in their entirety by the cautionary statements set forth above. The Corporation is under no obligation, and expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable law.

Currency and Date Information

In this Circular, all dollar amounts are expressed in Canadian dollars unless otherwise specified. Information contained in this Circular is given as of September 10, 2024, unless otherwise specifically stated.

THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER

General

Debentureholders are being asked to consider, and if deemed appropriate, to adopt, the Debentureholder Resolution which, if approved by the Debentureholders: (a) will authorize the Debenture Trustee to enter into the Amended Indenture to affect the Debenture Amendments, which will amend the Indenture by: (i) extending the maturity date of the Debentures from December 31, 2024 to December 31, 2026; (ii) increasing the interest rate of the Debentures from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective as of December 31, 2025; (iii) amending the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur effective December 31, 2025 for the interest accrued on the Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and (iv) granting a security interest by the Corporation to the Debenture Trustee for the repayment of the Debentures by way of a charge to and in favor of the Debenture Trustee on all the Corporation's property and assets, subject only to Permitted Encumbrances. Such security shall be subordinate to Senior Security and rank *pari passu* with any *Pari Passu* Debt. The amount of Senior Indebtedness permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000; and (b) will waive the default by the Corporation under the Indenture for the failure to pay the Deferred Interest Payment on June 30, 2024, subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders by the Deferred Interest Payment Deadline. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting. In the event that the Deferred Interest Payment is not made by the Deferred Interest Payment Deadline, the Default Waiver will be of no further force or effect.

Other than the foregoing amendments, the Indenture and Debentures will remain unchanged. The full text of the Debentureholder Resolution is attached to this Circular as **Appendix “A”**.

If the Debentureholder Resolution is approved by Debentureholders, the Corporation and the Debenture Trustee will enter into the Amended Indenture to implement the Debenture Amendments effective a minimum of five trading days following the approval of the Debentureholder Resolution. The full text of the draft Amended Indenture is attached to this Circular as **Appendix “B”**.

If the Debentureholder Resolution is approved by Debentureholders, the default by the Corporation under the Indenture for the failure to pay the Deferred Interest Payment due on June 30, 2024 will be waived, subject to the requirement that the Corporation make the Deferred Interest Payment to Debentureholders by the Deferred Interest Payment Deadline. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting.

Quorum

The quorum for the Meeting shall consist of at least one Debentureholder present in person or represented by proxy and Debentureholders representing at least 20% of the principal amount of the Debentures outstanding on the date of the Meeting. If a quorum is not present in person or by proxy within 30 minutes after the time appointed for the Meeting, the Meeting, if summoned by the Debentureholders or pursuant to a request of a Debentureholder, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a business day in which case it shall be adjourned to the first business day thereafter) at the same time and place and no notice shall be required to be given with respect to such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or represented by proxy shall constitute a quorum, even if they hold less than 20% of the outstanding principal amount.

Outstanding Debentures

As at the date hereof, the Corporation has \$20,000,000 principal amount of Debentures issued and outstanding. Each Debentureholder of record as of the close of business on the Record Date, being September 5, 2024, is entitled to one vote at the Meeting in respect of each \$1,000 principal amount of Debentures which he, she or it holds as at the Record Date.

Directors and officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, less than 4% of the outstanding Debentures. As at the date hereof, the trustees and officers of Corporation are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the issued and outstanding Debentures.

Required Debentureholder Approval

For the Debentureholder Resolution to be adopted, it must be approved by votes “FOR” by Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting and voting on the Debentureholder Resolution. The Debenture Amendments will be effective a minimum of five trading days following the approval of the Debentureholder Resolution and the effective date of the Default Waiver will be the date that the Corporation makes the Deferred Interest Payment to Debentureholders. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the Meeting.

Debentureholders may (1) vote FOR the Debentureholder Resolution by using any of the methods set out on the accompanying Form of Proxy or Voting Instruction Form in accordance with the instructions set out therein, or (2) vote in person at the Meeting – see the instructions set out under “*General Proxy and Meeting Matters*.” The Meeting is scheduled to be held at the offices of the Corporation located at 33 Yonge Street, Suite 901, Toronto, Ontario, M5E 1G4 on October 18, 2024 at 10:00 a.m. (Eastern Time).

The Debentureholder Resolution, if approved in accordance with the provisions of the Indenture, will be binding upon all Debentureholders.

Listing

The Debentures trade on the TSX under the symbol “CRWN.NT”. The TSX has conditionally approved the Debenture Amendments. Whether the Debenture Amendments become effective or not, the Amended Debentures will continue trade on the TSX under the symbol “CRWN.NT”.

Indenture Provisions Permitting the Debenture Amendments and the Default Waiver

As described above, if the Debentureholder Resolution is approved, the Debenture Trustee will be authorized to enter into the Amended Indenture which will give effect to the Debenture Amendments that will result in:

- (a) an extension of the maturity date of the Debentures to December 31, 2026;

- (b) an increase in the interest rate of the Debentures from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective as of December 31, 2025;
- (c) a change of the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur effective December 31, 2025 for the interest accrued on the Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and
- (d) the granting of a security interest by the Corporation to the Debenture Trustee for the repayment of the Debentures.

The Debentureholder Resolution will also provide for the Default Waiver.

Subsections 11.11(b) and 11.11(e) of the Indenture specifically contemplate and provide that the Debenture Amendments and Default Waiver may be approved by way of an Extraordinary Resolution such as the Debentureholder Resolution:

- Subsection 11.11(b) permits any modification of or change in or addition to or omission from the provisions contained in the Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Debenture Trustee to concur in and execute any indenture supplemental to the Indenture embodying any modification, change, addition or omission.
- Subsection 11.11(e) permits the Debentureholders to waive and direct the Debenture Trustee to waive any default under the Indenture or cancel any declaration made by the Debenture Trustee pursuant to the Indenture either unconditionally or upon any condition specified in the Extraordinary Resolution.

The Indenture defines the term “**Extraordinary Resolution**” as a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of the Indenture at which the holders of more than 20% of the principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favorable votes of the holders of not less than 66 2/3% of the principal amount of Debentures represented at the meeting and voted on a poll upon such resolution.

In the event that the Debentureholders approve the Debentureholder Resolution, the Corporation and the Debenture Trustee will enter into the Amended Indenture in accordance with Subsection 13.1 of the Indenture giving effect to the Debenture Amendments on or about the fifth trading day following the approval of the Debentureholder Resolution.

For the full text of the Debentureholder Resolution approving the Debenture Amendments and the Default Waiver, see Appendix “A” attached to this Circular.

BACKGROUND TO AND REASONS FOR THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER

Background to the Debenture Amendments and Default Waiver

Management and the board of directors of the Corporation (the “**Board**”) regularly review and evaluate the Corporation’s capital structure and strategic options with a view to enhancing security holder value. The Board and management have been identifying and evaluating the options available to the Corporation to address the upcoming maturity of the Debentures, including amendment of the Debentures within the terms and conditions of the Indenture. The Corporation has several alternatives available to it to address the upcoming maturity of the Debentures, including refinancing the Debentures with another financing vehicle, selling assets or amending the terms of the Debentures to extend the maturity date.

The Board and management believe that implementation of the proposed Debenture Amendments are in the best interests of the Corporation as they will provide the Corporation with financing on acceptable terms, thereby avoiding the need to sell assets or raise additional capital to repay the Debentures in 2024 at a time when the Corporation is in default of the terms of its indebtedness (as defined below), when adequate liquidity might not be available to achieve reasonable proceeds from the sale certain non-core assets, and when market conditions for the Corporation’s traded securities are volatile.

Extending the maturity date will allow the Corporation to defer the repayment of principal to a time when the Corporation believes it will have refinanced its Senior Indebtedness and have generated proceeds from the liquidation of assets at reasonable levels and will also enable Debentureholders to receive a more attractive coupon of 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and 12% effective as of December 31, 2025. The Corporation believes the proposed amended terms will therefore be beneficial to both the Corporation and the Debentureholders.

Default of Senior Indebtedness and Private Placement

In accordance with the terms of the Indenture, the Debentures are subordinated to all Senior Indebtedness. The current Senior Indebtedness of the Corporation includes: (i) claims by trade creditors of the Corporation; (ii) any obligations of the Corporation pursuant to the credit agreement (the “**Credit Facility**”) dated as of February 7, 2023 between the Corporation and Canadian Western Bank (the “**Senior Lender**”); and (iii) the \$1,500,000 principal amount of 10% redeemable secured subordinated debentures of the Corporation (the “**2023 Debentures**”) issued on December 29, 2023, and all interest accrued thereon. The Indenture provides that the Corporation may not pay any interest on the Debentures in the event that the Corporation is in default of any Senior Indebtedness unless and until such default has been cured or waived.

As previously announced by the Corporation, the Corporation is currently in default under the Credit Facility. Since September 30, 2023, the Corporation has not fulfilled the net total debt trailing 12-month earnings before interest, taxes, depreciation and amortization and fixed charge coverage ratio requirements of the Credit Facility. While the Corporation remains in default under the Credit Facility, the Corporation will not be permitted to repay the Debentures at maturity or make any interest payments, including the Deferred Interest Payment.

Prior to the Deferred Interest Payment Deadline, the Corporation intends to undertake a private placement financing in order to obtain the funds to make the Deferred Interest Payment. There can be no assurance that such private placement financing will be completed by the Corporation prior to the Deferred Interest Payment Deadline.

Benefits of the Debenture Amendments and Default Waiver

The Corporation believes that the Debentureholders will benefit from the Debenture Amendments, as set out below.

Payment of Deferred Interest Payment

The Corporation believes that the extension of the maturity date will allow it to be in a better position to pay the Deferred Interest Payment to the Debentureholders by the Deferred Interest Payment Deadline.

Improved Security for the Debentures

The Debentures shall be granted a security interest by the Corporation consisting of a charge to and in favor of the Debenture Trustee on all the Corporation’s property and assets, subject only to Permitted Encumbrances. The Debentures shall be subordinate to Senior Security and rank pari passu with any Pari Passu Debt. The amount of Senior Indebtedness permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000.

Extension of the Maturity Date

The extension of the maturity date will afford Debentureholders a longer period of time during which to receive interest at a favorable rate and will provide the Corporation with additional time to fund the repayment of the Debentures from the proceeds of asset sales or otherwise.

Increased Interest Rate

Increasing the interest rate from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective December 31, 2025 provides a more attractive yield to Debentureholders.

Consent Fee

Forthwith following the Meeting, and subject to the conditions to the payment of the Consent Fee set out in the Circular, the Corporation will pay the Consent Fee to Debentureholders that delivered and did not withdraw a valid Form of Proxy or Voting Instruction Form voting in favor of the Debentureholder Resolution on or prior to 10:00 a.m. (Eastern Time) on October 16, 2024. See “*Consent Fee*” below for more details.

Consequences if Debentureholder Resolution Not Approved

In the event that the Debentureholder Resolution is not approved, the Corporation will be required to consider all alternatives available to it to address the maturity of the Debentures and the Deferred Interest Payment. The options may include attempting to arrange for alternate debt financing and/or the issuance of equity securities of the Corporation in order to fund the repayment of the principal amount of the Debentures together with the accrued and unpaid interest thereon. There can be no assurance that funds will be available to the Corporation to repay the Debentures on the maturity date or to pay outstanding interest thereon, including the Deferred Interest Payment, if the Debentureholder Resolution is not approved by the Debentureholders. The extension of the maturity date of the Debentures will provide the Corporation with additional time to raise the funds to repay the Debentures and to cure the default of the Corporation under the Credit Facility.

Consent Fee

Any Debentureholder who votes for the Debenture Amendments in accordance with the terms and conditions herein, provided that the Debenture Amendments are validly approved by Debentureholders and the TSX, will receive \$10 per \$1,000 principal amount of Debentures held by such Debentureholder as of the Record Date. **All other Debentureholders will not be eligible to receive the Consent Fee but will be bound by the Debenture Amendments if they become effective.** Payment of the Consent Fee will be conditional upon, among other things, the Debentureholder Resolution being validly approved by Debentureholders and satisfaction of the other conditions precedent to the execution of the Amended Indenture described in this Circular. Assuming that all of the Debentureholders vote in favour of the Debenture Amendments, the aggregate amount of the Consent Fee payable by the Corporation on or forthwith following the Meeting will be \$200,000.

The obligation of the Corporation to pay any Consent Fee is subject to the following conditions:

- (a) Debentureholders holding not less than 66 2/3% of the principal amount of the Debentures present or represented by proxy at the Meeting voting FOR the Debentureholder Resolution marking the “VOTES FOR” box on their Form of Proxy or Voting Instruction Form and signing and depositing it in accordance with the instructions;
- (b) The execution and delivery of the Amended Indenture by the Corporation and the Debenture Trustee; and
- (c) The absence of any law, regulation or stock exchange rule that would, and the absence of any pending or threatened injunction or other proceeding that (if adversely determined) would, make unlawful or invalid or enjoin the Debentureholder Resolution, the implementation of the Debenture Amendments or the entering into of the Amended Indenture, or the payment of any Consent Fee, or that would question the legality or validity thereof (collectively, the “**Amendment Conditions**”).

The Amendment Conditions are for the benefit of the Corporation, and such conditions may be asserted by the Corporation, regardless of the circumstances giving rise to such Amendment Conditions, and, provided the TSX has approved the Debenture Amendments, the Corporation may waive any of the other Amendment Conditions, in whole or in part (other than condition (c) above). Any determination by the Corporation described in this paragraph shall be final and binding upon all persons.

Solicitation Fee

A soliciting dealer group comprising members of the Investment Industry Regulatory Organization of Canada and members of Canadian stock exchanges is intended to be retained by the Corporation to solicit votes regarding the Debentureholder Resolution. Each soliciting dealer will be paid a Solicitation Fee to \$10 per \$1,000 principal amount of Debentures that are solicited by such soliciting dealer provided that: (i) the Debentureholder Resolution is validly approved by Debentureholders and the TSX; and (ii) a valid proxy or voting instruction form with respect to such Debentures, that has not been withdrawn, voted in favour of the Debentureholder Resolution is delivered prior to 10:00 a.m. (Eastern Time) on October 16, 2024.

Recommendation of the Board

The Board has concluded that the Debenture Amendments are in the best interests of the Corporation and its securityholders and will provide additional short term liquidity for the Corporation while it completes sales of assets, including the continued liquidation of the remaining assets of its specialty finance segment, and the refinancing of its Senior Indebtedness. Accordingly, the Board has authorized submission of the Debentureholder Resolution to the Debentureholders for approval. See “*Background to and Reasons for the Debenture Amendments and Default Waiver - Background to the Debenture Amendments and Default Waiver*” and “*Benefits of the Debenture Amendments*” for further information.

In coming to its conclusion and recommendations, the Board considered, among other things, the purpose and benefits to the Corporation and Debentureholders of the Debenture Amendments as outlined herein, and information concerning the Corporation’s business and financial needs and its expectations relating to financial markets.

THE BOARD RECOMMENDS THAT THE DEBENTUREHOLDERS VOTE FOR THE DEBENTUREHOLDER RESOLUTION WHICH AUTHORIZES AND APPROVES THE DEBENTURE AMENDMENTS.

RISKS RELATED TO THE DEBENTURE AMENDMENTS AND DEFAULT WAIVER

Market for Debentures

The Debentures currently trade on the TSX. However, no assurance can be given that an active or liquid trading market for the Debentures will continue or be sustained. If an active or liquid market for the Debentures fails to be sustained, the prices at which the Debentures trade may be adversely affected. Whether or not the Debentures will trade at lower prices depends on many factors, including the liquidity of the Debentures, prevailing interest rates and the markets for similar securities, the market price of the Corporation's common shares ("**Common Shares**"), general economic conditions and the Corporation's financial condition, historic financial performance and future prospects.

Existing and Prior Ranking Indebtedness and Default

The Debentures are subordinate to the Senior Indebtedness. The Debentures are also effectively subordinated to claims of creditors of the Corporation's subsidiaries, except to the extent that the Corporation is a creditor of such subsidiaries ranking at least pari passu with such creditors. In the event of the Corporation's insolvency, bankruptcy, liquidation, reorganization, dissolution or winding up, its assets would be made available to satisfy the obligations of the creditors of such Senior Indebtedness before being available to pay the Corporation's obligations to the holders of the Debentures. Accordingly, all or a substantial portion of the Corporation's assets could be unavailable to satisfy the claims of the holders of the Debentures.

The Corporation is currently in default of its Senior Indebtedness. The Indenture provides that the Corporation may not pay the amounts owing on maturity of the Debentures or any interest on the Debentures while the Senior Indebtedness remains in default, unless such default is waived by the Senior Lender. There can be no assurance that the Corporation will be able to cure the default under its Senior Indebtedness or obtain a waiver of such default from the Senior Lender to allow the Corporation to repay the Debentures or make any interest payments on the Debentures.

Purchase on a Change of Control

The Corporation may be required by Debentureholders to offer to purchase for cash all outstanding Debentures upon the occurrence of a Change of Control (as defined in the Indenture). However, it is possible that following a Change of Control, the Corporation will not have sufficient funds at that time to make the required purchase of outstanding Debentures or that restrictions contained in other indebtedness will restrict those purchases. In addition, the Corporation's ability to purchase the Debentures in such an event may be limited by law by the terms of other present or future agreements relating to indebtedness and agreements that the Corporation may enter into in the future which may replace, supplement or amend the Corporation's future debt. The Corporation's future credit agreements or other agreements may contain provisions that could prohibit the purchase of the Debentures by the Corporation. The Corporation's failure to purchase the Debentures would constitute an event of default under the Indenture (and the Amended Indenture), which might constitute a default under the terms of the Corporation's other indebtedness at that time.

Redemption Prior to Maturity

The Debentures may be redeemed, at the option of the Corporation prior to the maturity date at any time and from time to time, in the circumstances and at the redemption prices set forth in the Amended Indenture, together with any accrued and unpaid interest. Debentureholders should assume that this redemption option, when available, will be exercised if the Corporation is able to refinance at a lower interest rate or it is otherwise in the interest of the Corporation to redeem the Debentures.

Tax Laws

The Indenture does, and the Amended Indenture will, contain a requirement that the Corporation increase or "gross up" the amount of interest payable to Debentureholders in the event that the Corporation is required to withhold amounts in respect of income or similar taxes on payment of interest or other amounts on the Debentures. Non-resident Canadian Debentureholders should consult with their own tax advisors regarding the withholding tax consequences of disposing, assigning or transferring a Debenture to a person resident or deemed to be resident in Canada (other than the Corporation) since the Corporation is only required to pay amounts for withholding to a non-resident Debentureholder for any such interest or deemed interest which the Corporation pays or is deemed to have paid. Income tax consequences in relation to the Debentures will vary according to the circumstances of each investor.

Absence of Covenant Protection

The Indenture does not, and the Amended Indenture will not, restrict the Corporation or any of its subsidiaries from incurring additional indebtedness or from mortgaging, pledging or charging its assets to secure any indebtedness. The Indenture does not, and the Amended Indenture will not contain any provisions specifically intended to protect holders of the Debentures in the event of a future leveraged transaction involving the Corporation or any of its subsidiaries.

Certain Consequences if the Debenture Amendments are not approved by Debentureholders

In the event that the Debentureholder Resolution is not approved, the Corporation will be required to consider all alternatives available to it to address the maturity of the Debentures and the Deferred Interest Payment. The options may include attempting to arrange for alternate debt financing and/or the issuance of equity securities of the Corporation in order to fund the repayment of the principal amount of the Debentures together with the accrued and unpaid interest thereon. There can be no assurance that funds will be available to the Corporation to repay the Debentures on the maturity date or to pay outstanding interest thereon, including the Deferred Interest Payment, if the Debentureholder Resolution is not approved by the Debentureholders.

Risks to Approving the Debentureholder Resolution

If the Corporation were to become subject to a bankruptcy or similar proceeding following the maturity date of the existing Debentures but before the maturity date of the Amended Debentures, Debentureholders may have been paid in full had they not voted in favour of the Debentureholder Resolution. If Debentureholders vote in favour of the Debentureholder Resolution, Debentureholders will be exposed to the risk of nonpayment for a longer period of time.

No Independent Valuation

The Corporation has not obtained or requested a fairness opinion from any banking or other firm as to the fairness of the terms of the Amended Debentures or the relative values of the existing Debentures or the Amended Debentures. If Debentureholders vote in favour of the Debentureholder Resolution, Debentureholders may receive less value than if they vote against the Debentureholder Resolution. The Corporation cannot assure Debentureholders that if you vote in favour of the Debentureholder Resolution, that you will receive more or as much value than if you choose to vote against the Debentureholder Resolution.

Debentureholder Vote

The Indenture permits holders of 66 2/3% of the Debentureholders represented at the Meeting to approve the Debentureholder Resolution. The quorum requirement for the Meeting is 20% of all outstanding principal amount of Debentures; therefore, the Debentureholder Resolution can be approved with the support of only 13.33% of the Debentureholders. If you do not consent to the Debentureholder Resolution, you will not receive any Consent Fee.

Conditions Precedent for Debenture Amendments

The Debenture Amendments will not be completed unless and until all conditions precedent to the Debenture Amendments described herein are satisfied or waived. See "*Summary -Required Debentureholder Approval*" and "*Summary - TSX Approval*". There can be no certainty that all conditions precedent to the Debenture Amendments will be satisfied. Some of the conditions precedent are outside of the control of the Corporation, including the approval of the Debentureholders and receipt of final TSX approval. Even if the Debenture Amendments are approved by the requisite number of Debentureholders, it may not be completed. If for any reason the Debenture Amendments are not completed, the market price of the Common Shares and Debentures may be adversely affected. Moreover, a substantial delay in obtaining satisfactory approvals could adversely affect the business, financial condition or results of operations of the Corporation or result in the Debenture Amendments not being completed.

Subordination of the Debentures

The Debentures will be secured by a general security agreement over the assets of the Corporation, but will rank junior to all existing and future Senior Indebtedness. In the event of the liquidation of the Corporation, the assets of the Corporation would be used first to repay Senior Indebtedness of the Corporation, prior to being used by the Corporation to pay any amounts outstanding under the Debentures. This subordination may significantly reduce the possibilities for Debentureholders obtaining payment of the amounts owed under the Debentures.

CERTAIN INFORMATION CONCERNING THE CORPORATION

General

The Corporation is an investment company that makes strategic investments, provides investment management services and co-invests in certain of its managed funds. It has operations and/or material investments in each of the network services, distribution services, specialty finance, distributed power and real estate markets. In the distributed power market and, prior to July 13, 2021, in the specialty finance market, the Corporation act(ed) as both asset manager of capital pools invested in alternative asset classes, and as a direct investor, including minority interests in certain of its managed funds.

For information with respect to the Corporation, see the 2023 AIF (as defined herein), which is available under the Corporation's SEDAR+ profile at www.sedarplus.ca.

Trust Indenture

The current terms of the Debentures are set forth in the Indenture. A copy of the Indenture is posted for public access on the Corporation's SEDAR+ profile at www.sedarplus.ca, or, alternatively, can be obtained upon written request to the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

Documents Incorporated by Reference

The following documents of the Corporation filed with securities commissions or similar authorities in each of the provinces of Canada are incorporated by reference into this Circular:

- (a) the audited consolidated financial statements of Corporation as at and for the years ended December 31, 2023 and December 31, 2022, and the independent auditor's report thereon;
- (b) the unaudited consolidated financial statements of Corporation as at and for the three month periods ended March 31, 2024 and March 31, 2023;
- (c) the management's discussion and analysis of the Corporation's operating results and financial position for the year ended December 31, 2023;
- (d) the management discussion and analysis of the Corporation's operating results for the three month periods ended March 31, 2024 and March 31, 2023;
- (e) the annual information form of the Corporation dated March 25, 2024 for the year ended December 31, 2023 (the "2023 AIF"); and
- (f) the management information circular of the Corporation dated April 8, 2024, which was sent to shareholders of the Corporation in connection with the annual meeting of the shareholders held on May 9, 2024.

Copies of the documents incorporated by reference herein and all of the Corporation's other public filings providing additional information relating to the Corporation are located and may be obtained on the Corporation's profile at www.sedarplus.ca.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

Market for Securities

The Common Shares are listed and posted for trading on the TSX under the trading symbol “CRWN”. The table below sets forth the monthly trading volumes and high and low prices of the Common Shares on the TSX during the periods indicated:

Month	High (\$)	Low (\$)	Volume
September 2023	\$8.000	\$7.260	30,772
October 2023	\$7.090	\$5.990	10,523
November 2023	\$6.000	\$4.510	11,073
December 2023	\$5.950	\$5.010	5,961
January 2024	\$5.500	\$5.040	4,525
February 2024	\$5.200	\$4.890	2,411
March 2024	\$5.000	\$4.750	5,838
April 2024	\$5.000	\$4.850	5,720
May 2024	\$4.850	\$4.020	2,700
June 2024	\$4.200	\$3.010	11,422
July 2024	\$3.01	\$2.10	3,735
August 2024	\$2.200	\$0.910	33,101
September 1 to September 9, 2024	\$1.150	\$0.850	5,686

The Debentures are listed and posted for trading on the TSX under the trading symbol “CRWN.NT”. The table below sets forth the monthly trading volumes and the high and low prices for the Debentures during the periods indicated:

Month	High (\$)	Low (\$)	Volume (\$)
September 2023	\$99.000	\$98.000	\$107,000
October 2023	\$98.000	\$96.000	\$111,000
November 2023	\$97.000	\$93.000	\$301,000
December 2023	\$95.000	\$90.050	\$218,000
January 2024	\$95.000	\$92.000	\$643,000
February 2024	\$98.000	\$93.120	\$358,000
March 2024	\$97.750	\$93.000	\$158,000
April 2024	\$94.750	\$90.000	\$63,000
May 2024	\$91.000	\$82.000	\$145,000
June 2024	\$85.000	\$66.000	\$146,000
July 2024	\$60.00	\$35.00	\$335,000
August 2024	\$45.000	\$30.000	\$683,000
September 1 to September 9, 2024	\$45.000	\$35.000	\$588,000

Prior Sales

The following table sets forth the Common Shares and securities convertible into Common Shares that were sold during the twelve-month period prior to the date of this Circular:

Date of Issue	Grant Number and Designated Securities	Exercise Price
December 29, 2023	75,000 2023 Warrants (as defined herein)	\$7.00

Interests of Directors and Officers in the Debenture Amendments

The interest of the executive officers and directors of the Corporation in the Debenture Amendments, being their holdings of Common Shares, Debentures and 2023 Debentures, are summarized in the following table. The Board was aware of these interests and considered them, among other matters, when recommending approval of the Debenture Amendments. Messrs. Brussa and Rowe are the only executive officers and directors holding Debentures and have advised the Board that they intend to vote in favour of the Debentureholder Resolution.

Name and Position	Number and Percentage of Common Shares Held	Principal Amount and Percentage of Debentures Held	Principal Amount and Percentage of 2023 Debentures Held ⁽¹⁾
Christopher Johnson President and CEO	760,113 (13.601%) ⁽²⁾	Nil.	\$150,000 (10%) ⁽⁹⁾
Michael Overvelde CFO	82,266 (1.472%) ⁽³⁾	Nil.	Nil.
John Brussa Director	233,000 (4.169%) ⁽⁴⁾	\$1,232,000 (6.16%)	\$575,000 (38.33%)
Charles Frischer Director	634,500 (11.353%) ⁽⁵⁾	Nil.	\$575,000 (38.33%) ⁽¹⁰⁾
C. Robert Gillis Director	8,735 (0.156%) ⁽⁶⁾	Nil.	\$50,000 (3.33%)
Alan Rowe Director	88,088 (1.576%) ⁽⁷⁾	\$200,000 (1.000%)	\$100,000 (6.66%)
Steven Sharpe Director	4,700 (0.084%) ⁽⁸⁾	Nil.	\$50,000 (3.33%) ⁽¹¹⁾

Notes:

- (1) On December 29, 2023, the Corporation completed a private placement offering of units of the Corporation at a price of \$980 per unit for aggregate proceeds of \$1,470,000. Each unit consisted of one \$1,000 principal amount 2023 Debenture and 50 Common Share purchase warrants that are each convertible into Common Shares at a price of \$7.00 per Common Share (the “**2023 Warrants**”).
- (2) 312,211 Common Shares are held by Equity Builders Ltd., a corporation controlled by Mr. Johnson and 12,360 Common Shares are held by the spouse of Mr. Johnson. 7,500 2023 Warrants are held by Mercury Development Corporation, a corporation controlled by Mr. Johnson. Mr. Johnson also holds 188,614 options of the Corporation that are each convertible into Common Shares.
- (3) Mr. Overvelde holds 94,307 options of the Corporation that are each convertible into Common Shares.
- (4) Mr. Brussa holds 28,750 2023 Warrants of the Corporation that are each convertible into Common Shares.
- (5) Mr. Frischer holds 22,100 2023 Warrants of the Corporation that are each convertible into Common Shares. Mr. Frischer’s spouse holds 6,650 2023 Warrants of the Corporation that are each convertible into Common Shares.
- (6) Mr. Gillis holds 2,500 2023 Warrants of the Corporation that are each convertible into Common Shares.
- (7) Mr. Rowe holds 5,000 2023 Warrants of the Corporation that are each convertible into Common Shares.
- (8) 1,250 2023 Warrants of the Corporation, that are each convertible into Common Shares, are each held by BilliKate Holdings Ltd., and The Exit Corporation, corporations controlled by Mr. Sharpe.
- (9) These 2023 Debentures are held by Mercury Developments Corporation, a corporation controlled by Mr. Johnson.
- (10) \$133,000 principal amount of these 2023 Debentures are held by the spouse of Mr. Frischer.
- (11) \$25,000 principal amount of these 2023 Debentures are each held by BilliKate Holdings Ltd. and The Exit Corporation, corporations controlled by Mr. Sharpe.

Interest of Informed Persons in Material Transactions

Except as disclosed below or elsewhere in this Circular or incorporated by reference herein, neither the Corporation nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2023, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the anticipated material Canadian federal income tax considerations to Debentureholders arising from and relating to the Debenture Amendments. This summary is applicable to Debentureholders who are, at relevant times, for purposes of the Income Tax Act (Canada) and the regulations thereunder (the “**Tax Act**”), resident or deemed to be resident in Canada, deal at arm’s length and are not affiliated with the Corporation and hold Debentures and any Common Shares acquired on conversion of the Debentures as capital property. Generally, the Debentures and Common Shares will be considered to be capital property to a holder provided that the holder does not hold the Debentures and Common Shares in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain holders who might not otherwise be considered to hold their Debentures and Common Shares as capital property may be entitled, in certain circumstances, to treat Debentures and Common Shares as capital property by making an irrevocable election under subsection 39(4) of the Tax Act.

This summary does not apply to a Debentureholder: (i) that is a “financial institution” (as defined in the Tax Act) for the purposes of the “mark-to-market” rules in the Tax Act; (ii) an interest in which is a “tax shelter” or “tax shelter investment” (as defined in the Tax Act); (iii) that is a specified financial institution (as defined in the Tax Act); (iv) has entered or will enter into a “derivative forward agreement” or a “synthetic disposition arrangement” with respect to the Debentures within the meaning of the Tax Act; or (v) that has made a functional currency reporting election for purposes of the Tax Act. Additional considerations, not discussed herein, may be applicable to a Debentureholder that is a corporation resident in Canada and is, or becomes, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act. Such Debentureholders should consult their own tax advisors.

No ruling from the Canada Revenue Agency (the “**CRA**”) has been requested, or will be obtained, regarding the Canadian federal income tax consequences of the Debenture Amendments to Debentureholders. This summary is not binding on the CRA, and the CRA is not precluded from taking a position that is different from, and contrary to, the positions taken in this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the CRA and the Canadian courts could disagree with one or more of the positions taken in this summary.

This summary is based upon the facts set out in this Circular, the current provisions of the Tax Act, all specific proposals (the “**Tax Proposals**”) to amend the Tax Act publicly and officially announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and counsel’s understanding of the current published administrative practices and assessing policies of the CRA. While this summary assumes that the Tax Proposals will be enacted as currently proposed, no assurance can be given that this will be the case.

This summary is not exhaustive of all possible Canadian federal income tax consequences, and does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in administrative practices or assessing policies of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not intended to be, and should not be considered to be, legal or tax advice to any Debentureholder, and no representations with respect to the income tax consequences to any such holder are made. Debentureholders should consult their own tax advisors for advice with respect to the income tax consequences to them of the Debenture Amendments and acquiring, holding and disposing of Debentures and Common Shares, including the application and effect of the income and other tax laws of any country, province, state or local tax authority.

This summary does not address any Canadian federal income tax considerations applicable to non-residents of Canada, and non-residents should consult their own tax advisors regarding the tax consequences of holding Debentures and Common Shares, and the Debenture Amendments.

Amendment of Debentures

It is not certain whether the Debenture Amendments would result in a disposition of the Debentures for Canadian tax purposes. Canadian jurisprudence has held that the amendment of several fundamental terms of a debt instrument can result in the creation of a new debt obligation in some circumstances, and for certain purposes. Thus, there can be no assurance that the CRA would not treat the Debenture Amendments as a disposition of the Debentures, or that a Canadian court would agree with the CRA’s position. Each Debentureholder should consult its own tax advisor regarding the proper treatment of the Debenture Amendments for Canadian tax purposes.

In the event that the Debenture Amendments do not cause a disposition of the Debentures, then a Debentureholder will not be considered to have disposed of any property for tax purposes, and will have no adverse Canadian tax consequences as a result of the Debenture Amendments becoming effective.

In the event that the Debenture Amendments do cause a disposition of the Debentures, a Debentureholder will be deemed to have received proceeds of disposition equal to the fair market value of the Debentures owned by the Debentureholder at the time that the Debenture Amendments become effective (the “**Effective Time**”). The Debentureholder will recognize a capital gain (or a capital loss) on the disposition equal to the amount by which the Debentureholder’s deemed proceeds of disposition, net of any reasonable costs of disposition, are greater than (or less than) the adjusted cost base to the Debentureholder of the Debentures owned at the Effective Time. See “*Taxation of Capital Gains and Losses*”. The cost of the Debentures to the Debentureholder immediately after the Effective Time will be equal to the fair market value of the Debentures at such time.

Taxation of Debentureholders

Interest on Debentures

A Debentureholder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year all interest on the Debentures that accrues or is deemed to accrue to the holder to the end of the particular taxation year or that has become receivable by or is received by the holder before the end of that taxation year, except to the extent that such interest was included in computing the holder’s income for a preceding taxation year.

Any other Debentureholder will be required to include in computing income for a taxation year all interest on the Debentures that is received or receivable by the holder in that taxation year (depending upon the method regularly followed by the holder in computing income), except to the extent that the interest was included in the holder’s income for a preceding taxation year. In addition, if at any time a Debenture should become an “investment contract” (as defined in the Tax Act) in relation to the holder, such holder will be required to include in computing income for a taxation year any interest that accrues to the holder on the Debenture up to any “anniversary day” (as defined in the Tax Act) in that year except to the extent such interest was otherwise included in the holder’s income for that year or a preceding year.

Redemption, Purchase or Repayment of Debentures (Including Partial Redemption)

If the Corporation redeems a Debenture prior to the maturity date of the Debenture or otherwise purchases a Debenture or repays a Debenture upon the maturity date and the holder does not exercise the conversion privilege prior to such redemption, purchase or repayment, the holder will be considered to dispose of the Debenture at that time for proceeds of disposition equal to the amount received by the holder (other than the amount received as interest) on such redemption, purchase or repayment. Upon disposition, any interest paid to a holder, or interest that has accrued on the Debenture to the date of disposition and which would otherwise be payable after that date, must be included in computing the income of the holder, except to the extent that it was included in computing the income of the holder for that or a previous taxation year. A holder will generally realize a capital gain (or capital loss) equal to the amount by which the holder’s proceeds of disposition are greater (or less) than the adjusted cost base to the holder of the Debenture and any reasonable costs of disposition. See “*Taxation of Capital Gains and Losses*”.

Other Disposition of Debentures

A disposition or deemed disposition by a Debentureholder (other than on a conversion, redemption, purchase or repayment by the Corporation) will generally result in the holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the holder’s adjusted cost base thereof and any reasonable costs of disposition. See “*Taxation of Capital Gains and Losses*”. Upon such a disposition or deemed disposition of a Debenture, interest accrued thereon to the date of disposition and not yet due will be included in computing the holder’s income, except to the extent such amount was otherwise included in the holder’s income, and will be excluded in computing the holder’s proceeds of disposition of the Debentures.

Taxation of Capital Gains and Losses

Generally, subject to the June 10 Proposals (as defined below), one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Debentureholder in a taxation year must be included in the Debentureholder’s income in the year. Subject to and in accordance with the provisions of the Tax Act and the June 10 Proposals, one-half of the amount of any capital loss, (an “**allowable capital loss**”), realized by a Debentureholder in a taxation year must be deducted by such Debentureholder against taxable capital gains realized by such Debentureholder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or in any subsequent year (against net taxable capital gains realized in such years) to the extent and under the circumstances described in the Tax Act.

Proposed Amendments to the Capital Gains Inclusion Rate and the Capital Losses Deduction Rate

Under Proposed Amendments released on June 10, 2024 (the “**June 10 Proposals**”), the capital gains inclusion rate (i.e., the portion of any capital gain that is a taxable capital gain) and the capital loss deduction rate (i.e., the portion of any capital loss that is an allowable capital loss) will generally be increased from one-half to two-thirds for a Debentureholder that is a corporation or trust, and for a Debentureholder that is an individual (other than most types of trusts), including for capital gains designated by a trust, in all cases for capital gains or capital losses generally realized on or after June 25, 2024. Under the June 10 Proposals, the two-thirds capital inclusion rate will only apply to a Debentureholder that is an individual who generally realizes net capital gains (including net taxable capital gains designated by a trust) above an annual \$250,000 threshold (with such threshold not being pro-rated for 2024).

Under the June 10 Proposals, special rules will apply with respect to, generally, taxation years that begin before and end on or after June 25, 2024 (the “**Transition Year**”) due to two different inclusion rates applying for capital gains and capital losses realized in the period prior to June 25, 2024 (“**Period 1**”) and in the period on or after June 25, 2024 (“**Period 2**”). If the June 10 Proposals are not enacted as proposed, the tax consequences described below will, in some respects, be different. The below summary only generally describes, and is not exhaustive of all possible, Canadian federal income tax considerations arising from the June 10 Proposals. Accordingly, Debentureholders are advised to consult their own tax advisors regarding the implications of the June 10 Proposals with respect to their particular circumstances.

Under the June 10 Proposals, two different inclusion and deduction rates would apply with respect to dispositions of capital property in Period 1 and Period 2 in the Transition Year. As a result, for the Transition Year, a Debentureholder would be required to separately identify capital gains and capital losses realized in Period 1 and those realized in Period 2. Capital gains and capital losses from the same period would first be netted against each other. A net capital gain (or net capital loss) would arise if capital gains (or capital losses) from one period exceed capital losses (or capital gains) from that same period. A Debentureholder would be subject to the higher inclusion and deduction rate of two-thirds in respect of its net capital gains (or net capital losses) arising in Period 2, to the extent that these net capital gains (or net capital losses) exceed any net capital losses (or net capital gains) incurred in Period 1. Conversely, a Debentureholder would be subject to the lower inclusion and deduction rate of one-half in respect of its net capital gains (or net capital losses) arising in Period 1, to the extent that these net capital gains (or net capital losses) exceed any net capital losses (or net capital gains) incurred in Period 2.

Existing rules in the Tax Act generally provide that unused allowable capital losses carried forward or carried back are adjusted in value to reflect the inclusion rate of the capital gain being offset. The technical backgrounder released by the Minister of Finance in conjunction with the June 10 Proposals states that “these adjustments will continue to apply on or after June 25, 2024, but additional adjustments would be required when capital gains have been subjected to an effective inclusion rate of one half rather than the basic inclusion rate of two thirds”.

Debentureholders are advised to consult their own tax advisors regarding the possible implications of the June 10 Proposals in their particular circumstances.

Alternative Minimum Tax

A Debentureholder that is an individual (other than certain trusts) that realizes a capital gain on the disposition or deemed disposition of a Debenture may be liable for alternative minimum tax under the Tax Act. Debentureholders that are individuals should consult their own tax advisors in this regard.

Other Income Taxes

A Debentureholder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) throughout the relevant taxation year or is a “substantive CCPC” (as defined in the Tax Act) at any time in the relevant taxation year may be liable to pay a refundable tax on its “aggregate investment income”, which is defined in the Tax Act to include taxable capital gains and interest received or deemed to be received on the Debentures. A Debentureholder that is a Canadian-controlled private corporation or a substantive CCPC should consult its own advisors with respect to the application of these rules.

Consent Fee

While there is no authority addressing directly the Canadian tax treatment of the receipt of the Consent Fee, a Debentureholder who receives the Consent Fee will generally be required to include the fair market value of such Consent Fee in computing the income of the Debentureholder in the taxation year in which the Consent Fee is received or becomes receivable. Debentureholders should consult their own tax advisors having regard to their own particular circumstances.

GENERAL PROXY AND MEETING MATTERS

Solicitation of Proxies and Voting Instructions

This Circular is furnished in connection with the solicitation of proxies and voting instructions by management of the Corporation to be used at the Meeting. It is expected that the solicitation will be made primarily by mail, but proxies and voting instructions may also be solicited personally or by telephone by directors, officers or regular employees of the Corporation or its subsidiaries. The Corporation will bear the total cost of the solicitation of proxies and voting instructions and will bear the legal, printing and other costs associated with the preparation of this Circular.

The Corporation reserves the right to terminate, extend or modify the terms of the solicitation of proxies and voting instructions and/or cancel the Meeting at any time prior to the Meeting by notifying Debentureholders via news release and notifying the Debenture Trustee in writing.

If you have any questions or require more information with regard to voting your Debentures please contact the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

The Corporation may retain a soliciting dealer group comprising members of the Investment Industry Regulatory Organization of Canada and members of Canadian stock exchanges to solicit votes regarding the Debenture Amendments. Each soliciting dealer will be paid customary solicitation fees. The Corporation will bear the costs of the solicitation, including any solicitation fees paid.

Appointment and Revocation of Proxies

The persons named in the enclosed Form of Proxy or Voting Instruction Form are directors or officers of the Corporation. **A Debentureholder has the right to appoint some other person, who need not be a Debentureholder, to represent him or her at the Meeting and may do so by crossing out the persons named in the proxy and inserting such person’s name in the blank space provided in the Form of Proxy or Voting Instruction Form or by completing another proper form of proxy.**

To be valid, votes must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on October 16, 2024, or if the Meeting is adjourned, no later than 10:00 a.m. (Eastern Time) on the last business day preceding the day to which the Meeting is adjourned, or be deposited with the Chair of the Meeting prior to the commencement of the Meeting or any reconvened meeting. The document appointing a proxy must be in writing and completed and signed by a Debentureholder or his or her attorney authorized in writing or, if the Debentureholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. Persons signing as officers, attorneys, executors, administrators, trustees, etc., should so indicate and provide satisfactory evidence of such authority.

A Debentureholder who has given a proxy may revoke the proxy: (a) by completing and signing a proxy bearing a later date and depositing it as noted above; (b) by depositing an instrument in writing executed by the Debentureholder or by his or her attorney authorized in writing: (i) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof; or (ii) with the Chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof; or (c) in any other manner permitted

by law.

Voting of Proxies

The persons named in the accompanying Form of Proxy or Voting Instruction Form will vote Debentures in respect of which they are appointed, on any ballot that may be called for, in accordance with the instructions of the Debentureholder as indicated on the Form of Proxy or Voting Instruction Form and if the Debentureholder specifies a choice with respect to any matter to be acted upon, the Debentures will be voted accordingly. **In the absence of such instructions, such Debentures will be voted FOR the Debentureholder Resolution.**

The persons appointed under the Form of Proxy or Voting Instruction Form are conferred with discretionary authority with respect to amendments to or variations of matters identified in the Form of Proxy or Voting Instruction Form and Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment thereof. In the event that amendments to or variations to matters identified in the Notice of Meeting or other matters are properly brought before the Meeting or any adjournment thereof, it is the intention of the persons designated in the enclosed Form of Proxy or Voting Instruction Form to vote in accordance with their best judgment on such matter or business. At the time of the printing of this Circular, the directors of the Corporation knew of no such amendments, variations or other matters.

Information for Beneficial Debentureholders

The Debentures have been issued in the form of a global book-entry only certificate registered in the name of CDS. CDS is the sole registered holder of Debentures. Accordingly, substantially all Debentureholders do not hold their Debentures in their own name, but are the beneficial holders (the “**Beneficial Debentureholders**”). Debentures are held by Beneficial Debentureholders through one or more intermediaries, such as a bank, trust company, securities dealer or broker, or trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan. Beneficial Debentureholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “**NOBOs**.” Beneficial Debentureholders who have objected to their intermediary disclosing the ownership information about themselves to the Corporation are referred to as “**OBOs**.” The Corporation is sending the Notice of Meeting, this Circular, and either the Form of Proxy or Voting Instruction Form, as applicable, indirectly to NOBOs. The Corporation will pay for intermediaries to deliver the proxy-related materials and voting instruction form for the Meeting to OBOs.

In Canada, brokers and other intermediaries are required to seek voting instructions from Beneficial Debentureholders in advance of meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Debentureholders in order to ensure that their Debentures are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Debentureholder by its broker is identical to that provided to registered Debentureholders, but its purpose is limited to instructing the registered Debentureholder how to vote on behalf of the Beneficial Debentureholder. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge normally prepares a “Voting Instruction Form” based on the Corporation’s form of proxy which it then distributes to Beneficial Debentureholders. **The Voting Instruction Form must be returned to Broadridge by the Beneficial Debentureholder in order for the Beneficial Debentureholder’s voting instructions to be acted upon.** Broadridge will tabulate all instructions received by it and provide appropriate instructions in respect of the voting of the Debentures. **A Beneficial Debentureholder who receives a Voting Instruction Form cannot use that form to vote Debentures directly at the Meeting. The Voting Instruction Form must be completed in accordance with the instructions and returned to Broadridge well in advance of the Meeting to have the Debentures voted at the Meeting.**

Beneficial Debentureholders who wish to attend the Meeting and vote their Debentures in person, or appoint someone to do so on their behalf, must do so as proxyholder for the registered holder, as all Debentures are registered in the name of CDS. Beneficial Debentureholders who wish to attend the Meeting and vote their Debentures as proxyholder for the registered holder, CDS, or appoint someone on their behalf, should enter their own name, or the name of the person they wish to attend and vote for them, in the blank space on the Voting Instruction Form or Form of Proxy provided to them. Once completed, the Voting Instruction Form or Form of Proxy should be signed and dated, and returned as directed by the instructions provided well in advance of the Meeting.

How to Vote Your Debentures

Your vote is important. Please read the information below so that your Debentures are properly voted. As a Beneficial Debentureholder (i.e. a non-registered Debentureholder), an intermediary such as a securities dealer, broker, bank, trust company or other nominee holds your Debentures for you, or for someone else on your behalf, and the Debentures are

registered in the name of the nominee. In accordance with applicable securities laws, the Corporation distributes copies of its meeting materials to intermediaries for onward distribution to Beneficial Debentureholders. As a Beneficial Debentureholder, you will most likely receive a Voting Instruction Form from Broadridge on behalf of intermediaries. It is also possible, however that, in some cases you may receive a form of proxy directly from the securities dealer, broker, bank, trust company or other nominee holding your Debentures.

Submitting Voting Instructions

You can submit your vote/consent by using one of the following methods in accordance with the instructions on the accompanying Form of Proxy or Voting Instruction Form:

By Mail:

Step 1. Mark the appropriate box in the Form of Proxy or Voting Instruction Form to vote FOR or vote against the Debentureholder Resolution.

Step 2. Sign and date the Form of Proxy or Voting Instruction Form.

Step 3. Mail the Form of Proxy or Voting Instruction Form in accordance with the instructions on the Form of Proxy or Voting Instruction Form to arrive as soon as practicable. Votes must be received by the Debenture Trustee no later than 10:00 a.m. (Eastern Time) on October 16, 2024.

Through Financial Broker:

Debentureholders may contact their broker or send their Form of Proxy or Voting Instruction Form to their broker who can vote on the Debentureholder's behalf.

By Fax:

Use the fax number on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

By Internet:

Follow the instructions on the Form of Proxy or Voting Instruction Form. You may require a control number located on the Form of Proxy or Voting Instruction Form to complete your voting.

If you have received a Voting Instruction Form from Broadridge, please complete and submit your vote by fax, internet or mail in accordance with the instructions provided to you on the form prior to the deadline specified by Broadridge.

Voting in Person

If you have received a Voting Instruction Form and wish to attend the Meeting in person or have someone else (who need not be a Debentureholder) attend on your behalf, you must complete, sign and return the Voting Instruction Form in accordance with the instructions on the form in that regard well in advance of the Meeting. Unless prohibited by law, the person you designate to attend the Meeting will have full authority to present matters to the Meeting and vote all matters presented at the Meeting or any adjournment thereof, even if those matters are not set out in the Voting Instruction Form or this Circular. You, or such other designated person, if applicable, may then vote your Debentures in person at the Meeting if a ballot is taken.

Revoking a Voting Instruction Form or Proxy

If you wish to revoke a Voting Instruction Form or a Form of Proxy as to any matter on which a vote has not already been cast pursuant to its authority and you received your Voting Instruction Form from Broadridge, and voted by fax or internet, you may vote again by fax or internet prior to the deadline specified by Broadridge. If you received your Voting Instruction Form from Broadridge and voted by mail, please contact your account service provider at your intermediary for instructions should you wish to revoke your Voting Instruction Form. In any case, you must comply with any applicable requirements relating to the revocation of votes made by Voting Instruction Form or Form of Proxy.

OTHER BUSINESS

Management of the Corporation does not currently know of any matters to be brought before the Meeting other than those set forth in the Notice of Meeting accompanying this Circular.

DEBENTURE TRUSTEE

The Debenture Trustee under the Indenture is TSX Trust Company, a trust company licensed to carry on business in Canada having an office in Toronto, Ontario.

DEBENTUREHOLDER RIGHTS AND ADDITIONAL INFORMATION

Some of your rights as a Debentureholder, including those relating to the Meeting, are described generally in this Circular. For more details, reference is made to the full text of the Indenture, a copy of which is posted for public access on the Corporation's SEDAR+ profile at www.sedarplus.ca, or, alternatively, can be obtained upon written request by contacting the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

Additional information relating to the Corporation, including the 2023 AIF, may be found on www.sedarplus.ca. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023 which can be found at www.sedarplus.ca. Debentureholders may also request these documents by contacting the Corporation at Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2, Attention: Michael Overvelde, or by telephone at 416-640-6887 or by e-mail at michael.overvelde@crowncapital.ca.

BOARD APPROVAL

The Board has approved the contents and the sending of this Circular.

CROWN CAPITAL PARTNERS INC.

(Signed) "*Christopher Johnson*"

Christopher Johnson,
President and Chief Executive Officer

September 10, 2024

APPENDIX A DEBENTUREHOLDER RESOLUTION

Capitalized terms herein, unless otherwise defined herein, have the meanings ascribed thereto in the management information circular of Crown Capital Partners Inc. (the “**Corporation**”) dated September 10, 2024 (the “**Circular**”).

BE IT RESOLVED as an Extraordinary Resolution (as such term is defined in the Indenture (as defined below)) that:

- (a) the Corporation is hereby authorized to enter into an amendment and restatement to the amended and restated trust indenture dated June 30, 2023 (the “**Indenture**”) between the Corporation and TSX Trust Company (the “**Debenture Trustee**”) governing the 10% Unsecured Subordinated Debentures of the Corporation due December 31, 2024 (the “**Debentures**”), which will:
 - (i) extend the maturity date of the Debentures from December 31, 2024 to December 31, 2026;
 - (ii) increase the interest rate of the Debentures from 10% to 11% effective a minimum of five trading days following the approval of the Debentureholder Resolution and from 11% to 12% effective as of December 31, 2025;
 - (iii) amend the interest payment dates from occurring semi-annually on June 30 and December 31 of each year to occurring annually on December 31 of each year, with the next payment to occur effective December 31, 2025 for the interest accrued on the Debentures from June 30, 2024 up to, but excluding, December 31, 2025; and
 - (iv) grant a security interest by the Corporation to the Debenture Trustee for the repayment of the Debentures by way of a charge to and in favor of the Debenture Trustee on all the Corporation’s property and assets, subject only to Permitted Encumbrances (as defined in the form of second amended and restated trust indenture attached as Appendix “B” (the “**Amended Indenture**”) to the Circular). Such security shall be subordinate to Senior Security (as defined in the Amended Indenture) and rank pari passu with any Pari Passu Debt (as defined in the Amended Indenture). The amount of Senior Indebtedness (as defined in the Amended Indenture) permitted to be incurred by the Corporation ranking in priority to the Debentures shall be limited to no more than \$30,000,000,all as described in the Circular, and to be set forth in the Amended Indenture to be entered into between the Corporation, as issuer, and the Debenture Trustee, as trustee, on or about the fifth trading day following the approval of this Extraordinary Resolution, with such minor amendments as any officer or director of the Corporation may approve;
- (b) the Debenture Trustee is hereby authorized and directed to agree to, execute and deliver the Amended Indenture to give effect to the foregoing amendments to the Indenture and all amendments incidental or ancillary thereto;
- (c) the default by the Corporation under the Indenture for the failure to pay the interest payment (the “**Deferred Interest Payment**”) on the Debentures due on June 30, 2024 is hereby waived and the Debenture Trustee is hereby directed to waive the failure to pay the Deferred Interest Payment in accordance with Section 6.3 of the Indenture, subject to the requirement that the Corporation make the Deferred Interest Payment to holders of Debentures (“**Debentureholders**”) within 60 days of the approval of this Extraordinary Resolution. The Deferred Interest Payment will be made to Debentureholders holding Debentures as of a record date to be set by the Corporation following the date hereof;
- (d) the Debenture Trustee is hereby authorized and directed to execute and to cause to be executed on behalf of the Debentureholders or to deliver or cause to be delivered all such documents, agreements and instruments and to do or cause to be done all such other acts and things as the Corporation or its advisors shall determine to be necessary or desirable to carry out the intent of this Extraordinary Resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document, agreement or instrument or the doing of any such act or thing;
- (e) notwithstanding that this Extraordinary Resolution has been approved by the Debentureholders, the Corporation is authorized, without further notice to or approval of the Debentureholders, to not proceed with the transactions contemplated herein including not entering into the Amended Indenture;
- (f) any director or officer of the Corporation is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as such individual may, in his or her sole discretion, determine to be appropriate from time to time to give effect to the foregoing, including if appropriate, without further notice to the Debentureholders, revocation of this Extraordinary Resolution at any time prior to the effective date of the Amended Indenture, such determination to be conclusively evidenced by the execution and delivery by such individual of such documents or the doing of such other acts or things; and

- (g) the Debenture Trustee is hereby authorized and directed to execute and deliver all documents and to do all other acts or things as the Debenture Trustee may determine to be necessary or appropriate from time to time to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery by the Debenture Trustee of such documents or the doing of such other acts or things.

APPENDIX B

FORM OF SECOND AMENDED AND RESTATED TRUST INDENTURE

(See Attached)

Dated as of the [●] day of [●], 2024.

CROWN CAPITAL PARTNERS INC.

- and -

TSX TRUST COMPANY

\$20,000,000

SECOND AMENDED AND RESTATED TRUST INDENTURE

Providing for the issue of
11% Secured Subordinated Debentures

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 Interpretation	1
1.2 Meaning of “Outstanding”	9
1.3 Headings, etc.....	9
1.4 Applicable Law	9
1.5 Currency.....	10
1.6 Day not a Business Day.....	10
1.7 Trial by Jury.....	10
ARTICLE 2 THE DEBENTURES	10
2.1 Terms of Debentures	10
2.2 Form and Signature of Debentures.....	11
2.3 Issue of Debentures.....	11
2.4 Certification by the Indenture Trustee	12
2.5 Debentures to Rank <i>Pari Passu</i>	12
2.6 Computation of Interest	12
2.7 Registers for the Debentures	13
2.8 Persons Entitled to Payment.....	13
2.9 Mutilation, Loss, Theft or Destruction.....	15
2.10 Exchange of Debentures	15
2.11 Option of Holder as to Place of Payment	16
2.12 Indenture Trustee Not Bound to Make Enquiries	16
2.13 Issue of Global Debentures	16
2.14 Fully Registered Debentures	17
2.15 Global Debentures or Book-Based Only Debentures	18
2.16 Non-Certificated Inventory System	20
2.17 Debentures are Not Convertible.....	20
ARTICLE 3 SUBORDINATION OF AND SECURITY FOR DEBENTURES.....	20
3.1 Security for Debentures and Negative Pledge	20
3.2 Possession Before Default.....	20
3.3 Delivery of Pledged Default	20
3.4 Security Effective Notwithstanding Date of Issuance	20
3.5 Registration of Security.....	20
3.6 Reservation of Last Day of Leasehold Terms	20
3.7 Covenants as to Security	20
3.8 Defeasance	20
3.9 Security Subject to Applicable Agreement	20
3.10 Applicability of Article.....	20
3.11 Order of Payment	24
3.12 Obligation to Pay Not Impaired	25
3.13 No Payment if Senior Indebtedness in Default.....	25
3.14 Payment on Debentures Permitted	26
3.15 Confirmation of Subordination	26
3.16 Authorization of Holders to Indenture Trustee to Effect Subordination	26
3.17 Indenture Trustee May Hold Senior Indebtedness	26
3.18 Rights of Holders of Senior Indebtedness Not Impaired.....	27
3.19 Altering the Senior Indebtedness	27

3.20	Additional Indebtedness	27
3.21	Paramountcy of Article 3.....	27
ARTICLE 4 REDEMPTION OR REPURCHASE OF DEBENTURES		28
4.1	Redemption of Debentures	28
4.2	Redemption Notice	28
4.3	Debentures Due on Redemption Dates	28
4.4	Deposit of Redemption Moneys	28
4.5	Failure to Surrender Debentures.....	29
4.6	Cancellation of Debentures.....	29
4.7	Surrender of Debentures for Cancellation	29
4.8	Purchase of Debentures	29
4.9	Deposit of Maturity Moneys	29
4.10	Change of Control.....	30
ARTICLE 5 COVENANTS OF THE CORPORATION.....		31
5.1	To Pay Principal and Interest.....	31
5.2	To Carry On Business	31
5.3	To Pay Indenture Trustee's Remuneration	31
5.4	Restrictive Covenant.....	32
5.5	Not to Extend Time for Payment of Interest	32
5.6	To Preserve Rights	32
5.7	To Comply with Laws.....	32
5.8	To Comply with Covenants	32
5.9	To Maintain Property	32
5.10	To Advise of Material Adverse Changes	32
5.11	To Maintain Insurance	32
5.12	To Pay Liens.....	33
5.13	To Defend Property	33
5.14	To Maintain Insurance	33
5.15	To Maintain Stock Exchange Listings	33
5.16	Indenture Trustee May Perform Covenants	33
5.17	To Indemnify.....	33
ARTICLE 6 DEFAULT.....		34
6.1	Acceleration of Maturity	34
6.2	Notice of Events of Default	35
6.3	Waiver of Default	35
6.4	Enforcement by the Indenture Trustee.....	36
6.5	No Suits by Debentureholders	41
6.6	Application of Moneys by Indenture Trustee	41
6.7	Distribution of Proceeds.....	42
6.8	Remedies Cumulative.....	42
6.9	Judgment Against the Corporation.....	43
6.10	Immunity of Shareholders and Others.....	43
6.11	Indenture Trustee Appointed Attorney	43
ARTICLE 7 SATISFACTION AND DISCHARGE.....		43
7.1	Cancellation and Destruction of Debentures	43
7.2	Non-Presentation of Debentures.....	43
7.3	Repayment of Unclaimed Moneys	44
7.4	Discharge	44
ARTICLE 8 SUCCESSOR ENTITIES		44
8.1	Certain Requirements.....	44
8.2	Vesting of Powers in Successor.....	45

ARTICLE 9 COMPULSORY ACQUISITION.....	45
9.1 Definitions.....	45
9.2 Offer for Debentures	46
9.3 Offeror's Notice to Dissenting Debentureholders	46
9.4 Delivery of Debenture Certificates	47
9.5 Payment of Consideration.....	47
9.6 Consideration to be held in Trust	47
9.7 Completion of Transfer of Debentures to Offeror	47
9.8 Communication of Offer to Corporation.....	48
9.9 Appointment of Indenture Trustee.....	48
ARTICLE 10 SHARE INTEREST PAYMENT ELECTION	48
10.1 Share Interest Payment Election.....	48
ARTICLE 11 MEETINGS OF DEBENTUREHOLDERS	50
11.1 Right to Convene Meeting	50
11.2 Notice of Meetings	51
11.3 Chairman.....	51
11.4 Quorum	51
11.5 Power to Adjourn	52
11.6 Show of Hands	52
11.7 Poll	52
11.8 Voting	52
11.9 Regulations.....	52
11.10 Persons Entitled to Attend at Meetings	53
11.11 Powers Exercisable by Extraordinary Resolution	53
11.12 Meaning of "Extraordinary Resolution"	55
11.13 Powers Cumulative.....	56
11.14 Minutes.....	56
11.15 Instrument in Writing.....	57
11.16 Binding Effect of Resolutions	57
11.17 Evidence of Rights of Debentureholders.....	57
ARTICLE 12 NOTICES	57
12.1 Notice to Corporation.....	57
12.2 Notice to Debentureholders	58
12.3 Notice to Indenture Trustee	58
12.4 Mail Service Interruption	59
ARTICLE 13 CONCERNING THE INDENTURE TRUSTEE.....	59
13.1 No Conflict of Interest	59
13.2 Replacement of Indenture Trustee.....	59
13.3 Duties of Indenture Trustee	61
13.4 Reliance upon Declarations	61
13.5 Evidence and Authority to Indenture Trustee	61
13.6 Certificate of the Corporation as Evidence	62
13.7 Experts, Advisors and Agents	62
13.8 Indenture Trustee May Deal in Debentures	63
13.9 Investment of Moneys Held by Indenture Trustee	63
13.10 Indenture Trustee Not Ordinarily Bound.....	64
13.11 Indenture Trustee Not Required To Give Security.....	64
13.12 Indenture Trustee Not Bound to Act On Corporation's Request.....	65
13.13 Indenture Trustee Not Bound to Take Notice of Default.....	65
13.14 Conditions Precedent to Indenture Trustee's Obligation to Act Hereunder.....	65
13.15 Tax Compliance.....	66

13.16	Authority to Carry on Business.....	66
13.17	Acceptance of Trust.....	66
13.18	Trust Indenture Legislation	67
13.19	Protection of Indenture Trustee.....	67
13.20	Additional Rights of Indenture Trustee	67
ARTICLE 14	FURTHER PROVISIONS CONCERNING THE INDENTURE TRUSTEE	68
14.1	Responsibility of Indenture Trustee.....	68
14.2	Compliance with Anti-Money Laundering Legislation	68
ARTICLE 15	SUPPLEMENTAL INDENTURES.....	70
15.1	Supplemental Indentures	70
ARTICLE 16	EXECUTION AND EFFECTIVE DATE	72
16.1	Execution.....	72

THIS SECOND AMENDED AND RESTATED TRUST INDENTURE made as of the [●] day of [●], 2024.

BETWEEN:

CROWN CAPITAL PARTNERS INC., a corporation existing under the laws of Canada, having an office in the City of Calgary, Alberta (hereinafter referred to as the "Corporation")

- and -

TSX TRUST COMPANY, a corporation existing under the laws of Canada, having an office in the City of Toronto, Ontario (hereinafter referred to as the "Indenture Trustee")

WHEREAS the Corporation and the Indenture Trustee are parties to the amended and restated trust indenture dated June 30, 2023 (the "**Original Indenture**") with respect to the issuance of up to \$20,000,000 principal amount of 10.00% Unsecured Subordinated Debentures of the Corporation;

AND WHEREAS the Corporation is desirous of raising money for its stated business purposes and in so doing is desirous of creating and issuing debentures to be constituted and issued as provided for by this Trust Indenture;

AND WHEREAS the Corporation is duly authorized to create and issue the debentures as herein provided;

AND WHEREAS all necessary resolutions of the directors of the Corporation have been duly enacted, passed and confirmed and other proceedings taken and conditions complied with to make the creation and issue of the debentures proposed to be issued hereunder and this Trust Indenture legal, valid and binding on the Corporation;

AND WHEREAS the Corporation sought and obtained the approval of the Debentureholders by way of extraordinary resolution (the "**Debentureholder Resolution**") on [●], 2024 to enter into this second amended and restated trust indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Corporation and not by the Indenture Trustee;

NOW THEREFORE the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Interpretation

In this Trust Indenture (including the recitals hereto) unless there is something in the subject matter or context inconsistent therewith:

- (a) “2023 Debentures” means the \$1,500,000 principal amount of 10% redeemable secured subordinated debentures due June 30, 2025 issued by the Corporation on December 29, 2023;
- (b) “Affiliate” means an affiliate as defined in the *Canada Business Corporations Act*, as amended;
- (c) “Applicable Legislation” means the provisions, if any, of the *Canada Business Corporations Act*, as amended, and any other statute of Canada or a province or territory thereof, and of regulations under any such statute, relating to trust indentures or to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are for the time being in force and applicable to this Trust Indenture;
- (d) “Applicable Securities Laws” means applicable securities laws in each of the provinces and territories of Canada;
- (e) “Auditors of the Corporation” means an independent firm of chartered accountants duly appointed as auditors of the Corporation;
- (f) “Authenticated” means (a) with respect to the issuance of a Debenture in physical form, one which has been duly signed by the Corporation and authenticated by manual signature of an authorized signatory of the Indenture Trustee, (b) with respect to the issuance of a Book-Based Only Debenture, one in respect of which the Indenture Trustee has completed all Internal Procedures such that the particulars of such Book-Based Only Debentures are entered in the register of Debentureholders, but for clarity, such particulars shall not include underlying beneficial owners or Depository Participants; “Authenticate”, “Authenticating” and “Authentication” have the appropriate correlative meanings;
- (g) “Authorized Investment” means short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada, a province of Canada, or a Canadian chartered bank (which may include an Affiliate or related party of the Indenture Trustee) provided that each such obligation is rated at least R-1 (middle) by DBRS Inc. or an equivalent rating service;
- (h) “Book-Based Only Debentures” means Debentures issued under this Indenture in non-certificated form which are held only by way of a book based (electronic) register maintained by the Indenture Trustee;
- (i) “Business Day” means any day except Saturday, Sunday, a statutory holiday and days when the principal offices of the Indenture Trustee in Toronto, Ontario or Calgary, Alberta are not open to the public for the transaction of business;
- (j) “CDS” means CDS Clearing and Depository Services Inc.;
- (k) “Certificate of the Corporation”, “Request of the Corporation” and “Written Direction of the Corporation” means, respectively, a written certificate, request and direction signed in the name of the Corporation by any two of the Directors and/or officers of the Corporation and may consist of one or more instruments so executed. A

Certificate of the Corporation shall be in the form of a statutory declaration if and when required under the provisions of this Trust Indenture, any Applicable Legislation or by the Indenture Trustee;

- (l) "Change of Control" means the acquisition by any Person, or group of Persons acting jointly or in concert, within the meaning of the *Securities Act* (Alberta), of voting control or direction over an aggregate of 66 2/3% or more of the outstanding Shares and securities convertible into or carrying the right to acquire Shares;
- (m) "Change of Control Offer" has the meaning set forth in Subsection 4.10(a);
- (n) "Change of Control Payment" has the meaning set forth in Subsection 4.10(a);
- (o) "Change of Control Payment Date" has the meaning set forth in Subsection 4.10(b);
- (p) "Corporation" means Crown Capital Partners Inc. and includes any successor to or of the Corporation which shall have complied with the provisions of Article 9;
- (q) "Counsel" means a barrister and solicitor or firm of barristers and solicitors, who may be counsel for the Corporation, retained, employed, engaged or appointed by the Indenture Trustee or the Corporation and acceptable to the Indenture Trustee where the context so indicates;
- (r) "Credit Agreement" means the credit agreement dated as of February 7, 2023 among the Corporation, as borrower, Canadian Western Bank, as lender, and certain guarantors, as amended on December 29, 2023 and May 14, 2024 and as may be further amended, restated, replaced, renewed, extended, supplemented or otherwise modified from time to time;
- (s) "Credit Agreement Obligations" means the "Obligations" as such term is defined in the Credit Agreement;
- (t) "Debentures" means the 11% Secured Subordinated Debentures of the Corporation to be issued hereunder and to be entitled to the benefits hereof, and without limiting the generality of the foregoing;
- (u) "Debentureholders" or "Holders" means the Persons for the time being entered in the registers hereinafter mentioned as holders of Debentures;
- (v) "Debentureholder Resolution" has the meaning set forth in the preamble;
- (w) "Debentureholders' Request" means an instrument, signed in one or more counterparts by the Holder or Holders of not less than 25% of the principal amount of the Debentures outstanding for the time being, requesting the Indenture Trustee to take or refrain from taking some action or proceeding specified therein;
- (x) "Documents" has the meaning set forth in Subsection 13.7(d);
- (y) "Depository" means, with respect to the Debentures, the person designated as Depository by the Corporation pursuant to Section 2.13 until a successor

Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean each person who is then a Depository hereunder, and if at any time there is more than one such person, “Depository” as used with respect to the Debentures shall mean each Depository with respect to one or more Global Debentures or Book-Based Only Debenture;

- (z) “Director” means a member of the board of directors of the Corporation for the time being and “Directors” or “Board of Directors” means the board of directors of the Corporation for the time being and reference to “action by the Directors” means action by the directors of the Corporation as a board;
- (aa) “Dividend Threshold” means \$0.20 per Share per quarter (or an equivalent amount for a period other than a quarter, such as \$0.80 per Share for an annual dividend);
- (bb) “Environmental Laws” means all federal, provincial, state, municipal, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other authorizations, as well as common law, civil and other jurisprudence or authority, in each case domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, directions, certificate, approval, consent, registration, licence or other authorization of any kind held or required to be held in connection with any Environmental Matters;
- (cc) “Environmental Matters” means:
 - (i) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
 - (ii) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;
- (dd) “Event of Default” means any event specified in Section 6.1, continued for the period of time, if any, therein designated;
- (ee) “Exchange” means the Toronto Stock Exchange or such other recognized stock exchange upon which the Shares are listed from time to time;
- (ff) “Extraordinary Resolution” has the meaning attributed to it in Section 11.12;
- (gg) “Freely Tradeable” means, in respect of shares of capital of any class of any corporation which (i) are issuable without the necessity of filing a prospectus or any other similar offering document (other than such prospectus or similar offering document that has already been filed) under Applicable Securities Laws and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) under Applicable Securities Laws; and (ii) can be traded by the holder thereof without any restriction under Applicable

Securities Laws, such as hold periods, except in the case of a distribution by a control person (as defined in Applicable Securities Laws);

- (hh) “Global Debenture” means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.13 for purposes of being held by or on behalf of the Depository as custodian for participants in the Depository’s book-entry only registration system;
- (ii) “Government Obligations” means securities issued or guaranteed by the Government of Canada or any province or territory thereof;
- (jj) “Indenture Trustee” means TSX Trust Company or its successor or successors for the time being as trustee hereunder;
- (kk) “Interest Rate” means the interest rate payable on the Debentures and shall mean:
 - (i) 10% per annum from June 30, 2024 up to, but excluding, the date hereof; (ii) 11% per annum from the date hereof up to, but excluding, December 31, 2025; and (iii) 12% from December 31, 2025 until the Maturity Date;
- (ll) “Internal Procedures” means in respect of the making of any one or more entries to, changes in or deletions of any one or more entries in the register at any time (including without limitation, original issuance or registration of transfer of ownership) the minimum number of the Indenture Trustee’s internal procedures customary at such time for the entry, change or deletion made to be complete under the operating procedures followed at the time by the Indenture Trustee, it being understood that neither preparation nor issuance shall constitute part of such procedures for any purpose of this definition;
- (mm) “Liabilities” has the meaning set forth in Section 17;
- (nn) “Maturity Date” means December 31, 2026;
- (oo) “Mortgaged Property” means the assets, rights and things from time to time subject to the Security Interest created pursuant to Section 3.1;
- (pp) “NCI System” means a non-certificated inventory system for Debentures maintained by the Depository, as may be changed, supplemented, replaced or otherwise modified from time to time;
- (qq) “Original Indenture” has the meaning set forth in the preamble;
- (rr) “*Pari Passu* Debt” means all indebtedness of the Corporation expressly stated to rank *pari passu* with the indebtedness of the Corporation under the Debentures;
- (ss) “Permitted Encumbrances” means as of any particular time any of the following encumbrances on the Mortgaged Property or property intended to form part of the Mortgaged Property or any part thereof:
 - (i) liens for taxes, assessments or governmental charges not at the time due or delinquent or the validity of which are being contested at the time in good faith by the Corporation by proceedings diligently conducted;

- (ii) the lien arising from any judgment rendered or claim filed against the Corporation which the Corporation is contesting at the time in good faith by proceedings diligently conducted;
- (iii) undetermined or inchoate liens and charges incidental to construction or to current operations which have not at such time been filed pursuant to applicable law against the Corporation or which relate to obligations not due or delinquent;
- (iv) easements, rights-of-way, servitudes or other similar rights in land (including, without limiting the generality of the foregoing, rights-of-way and servitudes for railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables) granted to or reserved or taken by other persons which singly or in the aggregate do not materially detract from the value of the land concerned or materially impair its use in the operation of the business of the Corporation;
- (v) security given by the Corporation to a public utility or any municipality or governmental or other public authority which is required by such utility or municipality or other authority in connection with the operations of the Corporation, all in the ordinary course of its business which singly or in the aggregate does not materially detract from the value of the assets concerned or materially impair their use in the operation of the business of the Corporation;
- (vi) the reservation in any original grants from the Crown of any land or interests therein and statutory exceptions to title;
- (vii) purchase-money security interests granted to secure the purchase price of assets purchased by the Corporation, provided that the security interest extends only to such assets, provided, however, that if the assets acquired are limited partnership units or shares, the security interest may extend to assets of the limited partnership or company, respectively, to which the units or shares, respectively, relate;
- (viii) any Security Interest granted by the Corporation in connection with indebtedness incurred by the Corporation in the ordinary course of its business up to a maximum amount of \$200,000;
- (ix) any Security Interest consented to in writing by an Extraordinary Resolution of the Debentureholders delivered to the Indenture Trustee;
- (x) the Security Interest created by this Indenture;
- (xi) the Senior Security; and
- (xii) any security interest securing the obligations under any *Pari Passu* Debt;
- (tt) "Person" means an individual, firm, trust, trustee, syndicate, corporation, partnership, association, government or governmental agency;

- (uu) “Receiver” means a receiver or a receiver-manager;
- (vv) “Redemption Notice” means the notice from the Corporation to the Debentureholders of the redemption of the Debentures given in accordance with Section 4.2;
- (ww) “Redemption Price” means 100% of the aggregate outstanding principal amount of the Debentures together with accrued and unpaid interest up to but excluding the date of redemption of the Debentures on the principal amount of the Debentures;
- (xx) “Representatives” has the meaning set forth in Section 5.17;
- (yy) “Security Interest” means any assignment, mortgage, charge, pledge, lien, encumbrance or security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, perfected or not, but does not include set-off or any right of set-off;
- (zz) “Senior Indebtedness” means all indebtedness of the Corporation (whether outstanding on the date of this Indenture or thereafter incurred) which by the terms of the instrument creating or evidencing such indebtedness is not expressed to be *pari passu* with or subordinate in right of payment to the Debentures. For greater certainty, “Senior Indebtedness” includes: (i) claims by trade creditors of the Corporation; (ii) the 2023 Debentures; and (iii) all Credit Agreement Obligations;
- (aaa) “Senior Security” means all security for Senior Indebtedness granted by the Corporation from time to time;
- (bbb) “Share Bid Request” means a request for bids to purchase Shares (to be issued by the Corporation on the Share Delivery Date) made by the Indenture Trustee in accordance with the Share Interest Payment Election Notice and which shall make the acceptance of any bid conditional upon the acceptance of sufficient bids to result in aggregate proceeds from such issue and sale of Shares which, together with the cash payments by the Corporation in lieu of fractional Shares, if any, equal the applicable interest payment owing on the Debentures;
- (ccc) “Share Delivery Date” means a date, not more than 90 days and not less than one Business Day prior to the applicable interest payment date, upon which Shares are issued by the Corporation and delivered to the Indenture Trustee for sale pursuant to Share Purchase Agreements;
- (ddd) “Share Interest Payment Election” means an election to satisfy an obligation to pay interest on the applicable interest payment date in the manner described in the Share Interest Payment Election Notice;
- (eee) “Share Interest Payment Election Amount” means the sum of the amount of the aggregate proceeds resulting from the sale of Shares on the Share Delivery Date pursuant to acceptable bids obtained pursuant to the Share Bid Requests, together with any amount paid by the Corporation in respect of fractional shares pursuant to Section 10.1(g), that is equal to the aggregate amount of the interest obligation in respect of which the Share Interest Payment Election Notice was delivered;

- (fff) "Share Interest Payment Election Notice" means a written notice by the Corporation to the Indenture Trustee, in substantially the form set forth in Schedule C attached hereto, specifying:
- (i) the interest payment obligation to which the election relates;
 - (ii) the Share Interest Payment Election Amount;
 - (iii) the investment banks, brokers or dealers through which the Indenture Trustee shall seek bids to purchase the Shares and the conditions of such bids, which may include the minimum number of Shares, minimum price per Share, timing for closing for bids and such other matters as the Corporation may specify; and
 - (iv) that the Indenture Trustee shall accept through the investment banks, brokers or dealers selected by the Corporation only those bids which comply with such notice;
- (ggg) "Share Proceeds Investment" has the meaning set forth in Subsection 10.1(h);
- (hhh) "Share Purchase Agreement" means an agreement in customary form among the Corporation, the Indenture Trustee and the Persons making acceptable bids pursuant to a Share Bid Request, which complies with all applicable laws, including Applicable Securities Laws and the rules and regulations of any stock exchange on which the Debentures or Shares are then listed;
- (iii) "Shareholder" means a holder of Shares;
- (jjj) "Shares" means the common shares of the Corporation, as such common shares exist on the date of execution and delivery of this Trust Indenture;
- (kkk) "Subordination Agreement" means any agreement entered into between the Indenture Trustee and any lender to the Corporation or to a Subsidiary to which the Corporation has provided a guarantee pursuant to which the subordinate ranking and subordinate priority of the indebtedness represented or granted hereunder is acknowledged and confirmed;
- (III) "Subsidiary" means, with respect to a specified entity, any entity: (i) of which more than 50% of the outstanding securities ordinarily entitled to elect a majority of the board of directors thereof (whether or not securities of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity; or (ii) which is otherwise controlled, directly or indirectly, by such specified entity;
- (mmm) "Successor Entity" has the meaning attributed to it in Section 8.1; and
- (nnn) "Trust Indenture", "Indenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this second amended and restated trust indenture and not to any particular Article, Section, Subsection or other portion hereof and include any and every instrument supplemental or ancillary hereto.

Words importing the singular number only shall include the plural and vice versa, and words importing gender include the masculine, feminine and neuter genders.

1.2 Meaning of "Outstanding"

Every Debenture certified and delivered by the Indenture Trustee, or issued as an electronic position on the register of the Debentureholders to be maintained by the Indenture Trustee and Authenticated by the Indenture Trustee by completing its Internal Procedures hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Indenture Trustee for redemption provided that:

- (a) when a new Debenture has been issued in exchange for a Debenture pursuant to Section 2.9 or Section 2.10 only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and
- (b) for the purposes of any provision of this Trust Indenture entitling Holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or to take any other action under this Trust Indenture, Debentures owned directly or indirectly, legally or equitably, by the Corporation or any Subsidiary shall be disregarded except that:
 - (i) for the purpose of determining whether the Indenture Trustee shall be protected in relying on any such vote, consent, requisition, instrument or other action, only the Debentures which the Indenture Trustee, after reasonable inquiry based upon a Certificate of the Corporation as to the ownership of Debentures owned directly or indirectly, legally or equitably, by the Corporation or any Subsidiary, knows are so owned shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged or deposited in good faith other than to the Corporation or a Subsidiary shall not be so disregarded if the pledgee or deposittee shall establish to the satisfaction of the Indenture Trustee the pledgee's or deposittee's right to vote such Debentures in his discretion free from the control of the Corporation or any Subsidiary.

1.3 Headings, etc.

The division of this Trust Indenture into Articles, Sections and Subsections, the provision of a table of contents and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Trust Indenture or of the Debentures.

1.4 Applicable Law

This Trust Indenture and the Debentures shall be governed and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as contracts made and performed in the Province of Alberta.

1.5 Currency

All references to currency herein shall be to lawful money of Canada.

1.6 Day not a Business Day

In the event that any day on which any action is required to be taken under this Indenture is not a Business Day, then such action will be required to be taken at or before the specified time on the next succeeding day that is a Business Day.

1.7 Trial by Jury

The parties hereto hereby waive any right they may have to require a trial by jury of any proceeding commenced in connection herewith.

ARTICLE 2 THE DEBENTURES

2.1 Terms of Debentures

- (a) The aggregate principal amount of Debentures authorized to be issued under this Trust Indenture shall consist of and be limited to \$20,000,000.
- (b) The Debentures shall be designated from:
 - (i) the date hereof to December 30, 2025 as "11% Secured Subordinated Debentures";
 - (ii) December 31, 2026 to the Maturity Date as "12% Secured Subordinated Debentures";

and shall mature on December 31, 2026 and shall bear interest (subject to the provisions of Section 2.6) effective from the date hereof, at the Interest Rate payable after as well as before maturity, default and judgment until paid in full and with interest on any amounts in default at the same rate, payable in annual payments on December 31 in each year with the next payment occurring on December 31, 2025 (which shall represent interest from June 30, 2024 up to, but excluding, December 31, 2025 at the applicable Interest Rates during those periods).

- (c) Notwithstanding Section 2.1(b) above, the Corporation shall, within 60 days of the Debentureholder Resolution, pay to the Debentureholders the interest payment that was due and payable on the Debentures as at June 30, 2024 in the amount of \$50.00 per \$1,000 principal amount of Debentures (which shall represent interest due and unpaid from December 31, 2023 up to, but excluding, June 30, 2024). The interest payment shall be made to Debentureholders holding Debentures as of a record date to be determined by the Corporation following the date hereof.

- (d) The principal of the Debentures and interest thereon shall be payable in lawful money of Canada at the principal office of the Indenture Trustee in Toronto, Ontario or any paying agent.

2.2 Form and Signature of Debentures

- (a) The Debentures shall be issued in the denomination of \$1,000 and integral multiples of \$1,000. The Debentures (including the certificate of the Indenture Trustee, the registration and transfer endorsed thereon) shall be substantially in the form set forth in Schedule A hereto with such insertions, omissions, substitutions or other variations as required or permitted by this Trust Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of the Trust Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by any one director or officer of the Corporation. The Debentures shall bear such distinguishing letters and numbers as the Indenture Trustee may approve.
- (b) The Debentures shall initially be issued as one or more Global Debentures or Book-Based Only Debentures, which may be held as an electronic position on the register of Debentureholders in the NCI System, and the Depository for the Debentures shall be CDS. Except as provided in Section 2.15, the Debentures shall be registered in the name of CDS & Co. (or any nominee of the Depository) and no beneficial holder will receive definitive certificates representing the beneficial holder's interest in the Debentures.
- (c) The Debentures may be under the seal of the Corporation, if any, (or a reproduction thereof which shall be deemed to be the seal of the Corporation) and shall be signed (either manually or by facsimile or other electronic signature) by any one Director or officer of the Corporation. A facsimile signature upon any of the Debentures shall for all purposes of this Trust Indenture be deemed to be the signature of the Person whose signature it purports to be and to have been executed at the time such facsimile signature is reproduced. Debentures shall be valid and binding upon the Corporation and the Holder shall be entitled to the benefits of this Trust Indenture notwithstanding that a person whose signature, either manual or facsimile, may appear on the Debentures is not, at the date of this Trust Indenture or at the date of the Debentures or at the date of the certification and delivery thereof, the holder of the office indicated.

2.3 Issue of Debentures

Debentures in the aggregate principal amount set out in a Written Direction of the Corporation shall be executed by the Corporation and, forthwith after such execution, shall be delivered to the Indenture Trustee. The Debentures shall thereupon be Authenticated by the Indenture Trustee and delivered to or to the order of the Holders pursuant to a Written Direction of the Corporation without the Indenture Trustee receiving any consideration therefor.

2.4 Certification by the Indenture Trustee

- (a) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the Holder to the benefits of this Trust Indenture, until it has been Authenticated by or on behalf of the Indenture Trustee, in the form approved by the Indenture Trustee, or in the case of Debentures issued as Book-Based Only Debentures, until such Debentures have been Authenticated by the Indenture Trustee and confirmed by the Indenture Trustee to the Corporation as being held in the book based (electronic) register maintained by the Indenture Trustee and/or having been deposited into the NCI System (which shall also, in each case, be deemed to be the Indenture Trustee's confirmation that it has Authenticated such Debentures). Such Authentication on any Debenture, or such reflection on the book based (electronic) register maintained by the Indenture Trustee and/or deposit into the NCI System of any Book Based Debentures by the Indenture Trustee and confirmation thereof to the Corporation, as the case may be, shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof.
- (b) The certificate of the Indenture Trustee signed on the Debentures hereinafter mentioned shall not be construed as a representation or warranty by the Indenture Trustee as to the validity of this Trust Indenture or of the Debentures or as to the issuance of the Debentures and the Indenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof. The certificate of the Indenture Trustee signed on the Debentures shall, however, be a representation and warranty by the Indenture Trustee that the Debentures have been duly Authenticated by or on behalf of the Indenture Trustee and pursuant to the provisions of this Trust Indenture.

2.5 Debentures to Rank *Pari Passu*

Each Debenture as soon as issued or negotiated, subject to the terms hereof, shall rank *pari passu* and shall be equally and proportionately entitled to the benefits hereof, as if all of the Debentures had been issued and negotiated simultaneously.

2.6 Computation of Interest

- (a) All Debentures issued hereunder, whether issued originally or in exchange for other Debentures, shall bear interest from and including the date hereof or from and including the last interest payment date on which interest shall have been paid or made available for payment on the outstanding Debentures whichever shall be the later.
- (b) Interest for any period of less than 12 months shall be computed on the basis of a year of 365 days (366 days if such period falls within a leap year).
- (c) Notwithstanding any other provision of this Trust Indenture, interest on the Debentures shall be calculated from and including the date hereof or the last interest payment date, as applicable, to but excluding the next interest payment date.

2.7 Registers for the Debentures

- (a) The Corporation shall, at all times while any Debentures are outstanding, cause to be kept at the principal office of the Indenture Trustee in the City of Toronto, Ontario and in such other place or places as the Corporation with the approval of the Indenture Trustee may designate, registers in which shall be entered the names and addresses of the Holders and particulars of the Debentures held by them respectively and of all transfers of Debentures. No transfer of a Debenture shall be valid unless made by the Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and content satisfactory to the Indenture Trustee, upon compliance with such requirements as the Indenture Trustee may prescribe and unless such transfer shall have been duly entered on one of the appropriate registers.
- (b) The registers hereinbefore referred to shall at all reasonable times, during regular business hours, be open for inspection by the Corporation, the Indenture Trustee and any Debentureholder.
- (c) Subject to compliance with Applicable Securities Laws, rules, regulations and policies and Exchange requirements and policies, the Holder of a Debenture may at any time and from time to time have such Debenture transferred at any of the places at which a register is kept pursuant to the provisions of this Section, in accordance with such reasonable regulations as the Indenture Trustee may prescribe.
- (d) Neither the Corporation nor the Indenture Trustee shall be required to transfer or exchange any Debentures on any interest payment date or during a period of five Business Days immediately preceding any such date.
- (e) Neither the Indenture Trustee nor the Corporation shall be charged with notice of or be bound to see to the execution of any trust, nor affected by notice of any equity, whether expressed, implied or constructive, with respect to any Debenture, and the Indenture Trustee or the Corporation may transfer any Debenture on the direction of the Holder thereof, whether named as trustee or otherwise, as though that Person were the beneficial owner thereof.
- (f) Except in the case of the register required to be kept at the City of Toronto, Ontario, the Corporation with the approval of the Indenture Trustee may at any time close any register upon which the registration of any Debenture appears and transfer the records thereof to another existing register or to a new register and thereafter such Debentures shall be deemed to be registered on such existing or new register, as the case may be. Notice of such transfer shall be given to the Holders of such Debentures.

2.8 Persons Entitled to Payment

- (a) The Person in whose name any Debenture is registered shall be deemed to be and shall be regarded as the owner thereof for all purposes of this Trust Indenture and payment of or on account of the principal of such Debenture shall be made only to or upon the order in writing to such Holder thereof and such payment shall be a good and sufficient discharge to the Indenture Trustee, any registrar and the

Corporation and to any paying agent for the amounts so paid. As interest on Debentures becomes due (except interest payable at maturity which may be paid upon presentation and surrender of such Debentures for payment) the Corporation, at least three Business Days prior to each date on which interest on such Debentures becomes due, shall forward or cause to be forwarded by the Indenture Trustee or other paying agent by prepaid post, to the Holders of such Debentures appearing on the register maintained by the Indenture Trustee at the close of business on the last Business Day of the month preceding the month of the applicable interest payment date, at their respective addresses appearing on the appropriate register hereinbefore mentioned, a cheque for such interest payable to the order of each such Holder and negotiable at par at each of the places at which interest on such Debentures is expressed herein to be payable. The forwarding of such cheque shall satisfy and discharge the liability for the interest on such Debentures to the extent of the sum or sums represented thereby (plus the amount of any tax deducted) unless such cheque is not paid on presentation; provided that in the event of the non-receipt of such cheque by the Holder, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, together with an indemnity satisfactory to it, acting reasonably, shall issue to such Holder a replacement cheque for the amount of such cheque.

- (b) The Holder for the time being of any Debenture shall be entitled to the principal moneys and interest evidenced by such Debenture, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Holder thereof and all Persons may act accordingly and a transferee of a Debenture shall, after an appropriate form of transfer is lodged with the Indenture Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Trust Indenture or by any conditions contained in such Debenture or by law, be entitled to be entered on any of the appropriate registers as the owner of such Debenture free from all equities or rights of set off or counterclaim between the Corporation and his transferor or any previous Holder thereof, save with respect to equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.
- (c) The Corporation shall not be bound to enquire into the title of any Holder, save as ordered by a court of competent jurisdiction or as required by statute.
- (d) Where Debentures are registered in more than one name, the principal moneys and interest from time to time payable with respect thereto may be paid by cheque payable to the order of the Holder whose name first appears on such register, failing written instruction from them to the contrary, and such payment or issuance shall be a valid discharge to the Indenture Trustee, any registrar, the Corporation and any paying agent, subject *mutatis mutandis* to the last sentence of Subsection 2.8(a).
- (e) In the case of the death of one or more joint Holders, the principal moneys and interest on any Debentures may be paid to the survivor or survivors of such Holders, and such payment shall constitute a valid discharge to the Indenture Trustee, any registrar, the Corporation and any paying agent, subject *mutatis mutandis* to the last sentence of Subsection 2.8(a).

- (f) Notwithstanding Section 2.8(a), if the Debentures are represented by one or more Global Debentures or Book-Based Only Debentures, then all payments of interest on the Global Debentures or Book-Based Only Debentures shall be made by electronic funds transfer or by cheque to the Depository or such other means as may be acceptable to the Depository or its nominee for subsequent payment to holders of interests in that Global Debenture or Book-Based Only Debenture, unless the Corporation and the Depository otherwise agree. None of the Corporation, the Indenture Trustee or any agent of the Indenture Trustee for any Debenture issued as a Global Debenture or Book-Based Only Debenture will be liable or responsible to any person for any aspect of the records related to or payments made on account of beneficial interests in any Global Debenture and Book-Based Only Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

2.9 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall be mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the Indenture Trustee shall certify and deliver, a new Debenture upon surrender and cancellation of the mutilated Debenture, or in the case of a lost, stolen or destroyed Debenture, in lieu of and in substitution for the same, and the substituted Debenture shall be in a form approved by the Indenture Trustee and shall be entitled to the benefit of this Trust Indenture equally with all other Debentures issued or to be issued hereunder without preference or priority of one over another. Every new Debenture issued pursuant to this section in lieu of any mutilated, lost, stolen or destroyed Debenture shall constitute an original additional contractual obligation of the Corporation whether or not the mutilated, lost, stolen or destroyed Debenture shall be at any time enforceable by anyone. In case of loss, theft or destruction the applicant for a substituted Debenture shall furnish to the Corporation and the Indenture Trustee such evidence of such loss, theft or destruction as shall be satisfactory to them in their discretion, acting reasonably, and shall also furnish an indemnity satisfactory to them in their discretion, acting reasonably. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

2.10 Exchange of Debentures

- (a) Other than Global Debentures, Debentures of any denomination may be exchanged for Debentures of any other authorized denomination or denominations, any such exchange to be for Debentures of an equivalent aggregate principal amount. Any exchange of Debentures may be made at the offices of the Indenture Trustee or at the offices of any registrar where registers are maintained for the Debentures pursuant to the provisions of Section 2.7. Any Debentures tendered for exchange shall be surrendered to the Indenture Trustee or appropriate registrar and shall be canceled.
- (b) Except as herein otherwise provided, upon any exchange of Debentures of any denomination for other Debentures and upon any transfer of Debentures, the Indenture Trustee or other registrar may make a sufficient charge to reimburse it for any stamp or security transfer taxes or other governmental charge required to be paid and, in addition, a reasonable charge for its services and payment of the said charge shall be made by the party requesting such exchange or transfer as a condition precedent thereto.

- (c) All Debentures issued upon any registration of transfer or exchange of Debentures shall be the valid obligations of the Corporation, evidencing the same debt, and entitled to the same benefits under this Trust Indenture, as the Debentures surrendered upon such registration of transfer or exchange

2.11 Option of Holder as to Place of Payment

Except as herein otherwise provided, all sums which may at any time become payable, whether at maturity or on a declaration or on redemption or otherwise, on account of any Debenture or any interest thereon shall be payable at the option of the Holder at any of the places at which interest on such Debenture is expressed to be payable herein.

2.12 Indenture Trustee Not Bound to Make Enquiries

The Indenture Trustee, under any of the provisions of this Article, shall not be bound to make any enquiry or investigation as to the correctness of the matters set out in any of the resolutions, opinions, certificates and other documents. The Indenture Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Further, no duty shall rest with the Indenture Trustee to determine compliance of the transferor or transferee with Applicable Securities Laws. The Indenture Trustee shall be entitled to assume that all transfers are legal and proper.

2.13 Issue of Global Debentures

The Corporation may specify that the Debentures be issued in whole or in part as one or more Global Debentures registered in the name of a Depository, or its nominee, designated by the Corporation in the Written Direction of the Corporation delivered to the Indenture Trustee at the time of issue of such Debentures, and in such event the Corporation shall execute and the Indenture Trustee shall certify and deliver one or more Global Debentures that shall:

- (a) represent an aggregate amount equal to the principal amount of the outstanding Debentures of such series to be represented by one or more Global Debentures;
- (b) be released by the Indenture Trustee as instructed by the Corporation for further delivery to such Depository or pursuant to such Depository's instructions; and
- (c) bear a legend substantially to the following effect, or as may otherwise be required by the Depository:

"THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE SECOND AMENDED AND RESTATED TRUST INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE SECOND AMENDED AND RESTATED TRUST INDENTURE DATED AS OF THE [●] DAY OF [●], 2024 BETWEEN CROWN CAPITAL PARTNERS INC.

AND TSX TRUST COMPANY (THE "INDENTURE"). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO CROWN CAPITAL PARTNERS INC. (THE "ISSUER") OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE."

2.14 Fully Registered Debentures

- (a) The Debentures shall initially be issued as Global Debentures or Book-Based Only Debentures, unless otherwise determined by the Corporation. In the event that any Debentures are issued as fully registered Debentures, the Corporation shall cause to be kept by and at the principal offices of the Indenture Trustee in Toronto, Ontario and by the Indenture Trustee or such other registrar as the Corporation, with the approval of the Indenture Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures or as the Corporation may designate with the approval of the Indenture Trustee, a register in which shall be entered the names and addresses of the holders of fully registered Debentures and particulars of the Debentures held by them respectively and of all transfers of fully registered Debentures. Such registration shall be noted on the Debentures by the Indenture Trustee or other registrar unless a new Debenture shall be issued upon such transfer.
- (b) No transfer of a fully registered Debenture shall be valid unless made on such register by the registered Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Indenture Trustee and upon compliance with such other reasonable requirements as the Indenture Trustee or other registrar may

prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Indenture Trustee or other registrar.

2.15 Global Debentures or Book-Based Only Debentures

- (a) With respect to each of the Debentures issuable in whole or in part as one or more Global Debentures or Book-Based Only Debentures, the Corporation shall cause to be kept by and at the principal office of the Indenture Trustee in Toronto, Ontario and by the Indenture Trustee or such other registrar as the Corporation, with the approval of the Indenture Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Indenture Trustee, a register in which shall be entered the name and address of the Holder of each such Global Debenture or Book-Based Only Debenture (being the Depository, or its nominee, for such Global Debenture or Book-Based Only Debenture) as Holder thereof and particulars of the Global Debenture or Book-Based Only Debenture held by it, and of all transfers thereof. If any Debentures at any time are not Global Debentures or Book-Based Only Debenture, the provisions of Section 2.14 shall govern with respect to registrations and transfers of such Debentures.
- (b) Beneficial interests in a Global Debenture or Book-Based Only Debenture will not be shown on the register or records maintained by the Indenture Trustee, but will be represented through book-entry accounts of participants on behalf of the beneficial owners of such Global Debenture or Book-Based Only Debenture.
- (c) Notwithstanding any other provision of this Trust Indenture, a Global Debenture or Book-Based Only Debenture may not be transferred by the registered Holder thereof and accordingly, no definitive certificates shall be issued to beneficial holders except in the following circumstances or as otherwise specified in a resolution of the directors of the Corporation or an officer's certificate:
 - (i) a Global Debenture or Book-Based Only Debenture may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;
 - (ii) a Global Debenture or Book-Based Only Debenture may be transferred at any time after the Depository for such Global Debenture or Book-Based Only Debenture (A) has notified the Corporation that it is unwilling or unable to continue as Depository for such Global Debenture or Book-Based Only Debenture, as the case may be; or (B) the Depository of such Global Debenture or Book-Based Only Debenture ceases to be eligible to be a Depository under Section 2.15(e), provided that at the time of such transfer the Corporation has not appointed a successor Depository for such Global Debenture or Book-Based Only Debenture, and at such time the beneficial holders of the Debentures represented by such Global Debenture or Book-Based Only Debenture shall receive certificates in registered and definitive form representing their Debentures;
 - (iii) a Global Debenture or Book-Based Only Debenture may be transferred at any time after the Corporation has determined, in its sole discretion, to terminate the book-entry only registration system in respect of such Global

Debenture or Book-Based Only Debenture and has communicated such determination to the Indenture Trustee in writing and at such time the beneficial holders of the Debentures represented by such Global Debenture or Book-Based Only Debenture shall receive certificates in registered and definitive form representing their Debentures;

- (iv) a Global Debenture or Book-Based Only Debenture may be transferred at any time after the Indenture Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures, provided that at the time of such transfer the Indenture Trustee has not waived the Event of Default; and
- (v) Notwithstanding any provisions made in this Indenture for the issuance, certification and Authentication of Debentures in physical form as fully registered Debentures or Global Debentures, the Debentures issued under the terms of this Indenture may also be issued to the Depository in book-based only form, non-certificated and appearing on the register of the Indenture Trustee as a book-based entry. In the absence of any physical securities being created for certification by the Corporation and Authentication by the Indenture Trustee both at the initial issuance of the Debentures and at the time of any subsequent additional issuance of Debentures pursuant to the terms of a supplemental indenture, confirmation of the due issuance and validity of any Debentures shall be based upon the comparison of the Debentures in quantity and description appearing under the relevant broker's instant deposit request identification number to the quantity and description of Debentures as detailed in the delivery order of the Corporation addressed to the Indenture Trustee and to the broker upon whose posting of the Book-Based Only Debentures to the book entry records of the Depository on a non-certificated basis on which both the Corporation and the Indenture Trustee shall depend. It is the responsibility of the Corporation to make the necessary arrangements with its broker or brokers to obtain, in a timely manner, the necessary instant deposit request identification number to facilitate the issuance of non-certificated Book-Based Only Debentures.
- (d) In the establishment and maintenance of a non-certificated Book-Based Only Debenture issue, the Indenture Trustee shall maintain such a record on its register for Debentures in book based form only. Transfers of Debentures appearing on the register of the Depository shall otherwise occur as provided for in this Indenture.
- (e) Each Depository designated for a Global Debenture or Book-Based Only Debenture must, at the time of its designation and at all times while it serves as such Depository, be a clearing agency registered or designated under the securities legislation of the jurisdiction applicable to the issue of such Global Debentures or Book-Based Only Debentures, and under any other Applicable Legislation.

2.16 Non-Certificated Inventory System

Notwithstanding anything to the contrary set out herein, all Global Debentures issued or to be issued to the Depository may, in the case of previously issued Debentures, be surrendered to the Indenture Trustee for, or, in the case of newly issued Debentures, may be directly registered as, an electronic position on the register of Debentureholders to be maintained by the Indenture Trustee in accordance with Section 2.15. In such case, the Debentures will be represented in the book based (electronic) register maintained by the Indenture Trustee and/or electronically through the NCI System. All Debentures maintained in such electronic position will be legal, valid, binding and enforceable obligations of the Corporation, entitling the registered holders thereof to the same benefits as those registered holders who hold Debentures in physical form. This Indenture and the provisions contained herein will apply, *mutatis mutandis*, to such Debentures held in such electronic position.

2.17 Debentures are Not Convertible

The Debentures are not convertible into any other securities of the Corporation.

ARTICLE 3 SUBORDINATION OF AND SECURITY FOR DEBENTURES

3.1 Security for Debentures and Negative Pledge

In consideration of the premises and of \$1.00 paid by the Indenture Trustee, the receipt and sufficiency of which are hereby acknowledged, and to secure the due payment of the principal and interest on the Debentures and all other moneys for the time being and from time to time owing on the security hereof, and the due performance of the obligations of the Corporation herein, the Corporation, subject to Section 3.6, hereby grants, conveys, assigns, mortgages and charges as and by way of a Security Interest to and in favour of the Indenture Trustee the undertaking and all the property and assets of the Corporation for the time being, both present and future, including, without limiting the generality of the foregoing, all real, personal, moveable and immoveable property now owned or hereafter acquired by the Corporation and all its present and future revenues, incomes, monies, rights, franchises, materials, supplies, book debts, accounts receivable, negotiable and non-negotiable instruments, judgments, securities, choses in action, lands, interests in lands and all other property and things of value of every kind and nature, tangible or intangible, legal or equitable of which the Corporation may be possessed or to which it may be entitled or which may hereafter be acquired by the Corporation (the "Mortgaged Property"); PROVIDED that such Security Interest shall in no way hinder or prevent the Corporation, until an Event of Default occurs and the Indenture Trustee has become bound to enforce or has commenced enforcing the Security Interest hereby constituted, from doing the matters or things referred to in Section 3.2 with respect to assets referred to therein which are from time to time subject to such Security Interest; BUT PROVIDED FURTHER that the Corporation shall not, without the consent in writing of the Holders by Extraordinary Resolution, create, assume or suffer to exist any Security Interest (other than Senior Security or Permitted Encumbrances) on or in respect of the Mortgaged Property or any part thereof which ranks or is capable of ranking or of being enforced so as to rank in priority to or *pari passu* with the Security Interest hereof; TO HAVE AND TO HOLD such assets and interest and all rights hereby conferred unto the Indenture Trustee forever but in trust, nevertheless, for the uses and purposes and with the powers and authorities and subject to the terms and conditions set forth in this Indenture. For greater certainty, each Debenture and the security hereby granted therefor shall rank *pari passu*

with *Pari Passu* Debt and any Security Interest securing the obligations under the *Pari Passu* Debt.

3.2 Possession Before Default

Notwithstanding the provisions of Section 3.1 and subject to Section 3.3, until an Event of Default occurs and the Indenture Trustee has become bound to enforce or has commenced enforcing the Security Interest hereby constituted, the Corporation, without the consent of the Indenture Trustee, shall be entitled:

- (a) to retain possession of the Mortgaged Property and operate, manage, develop, use and enjoy the same and every part thereof in accordance with and subject to the provisions hereof;
- (b) to create or suffer to exist Senior Security and Permitted Encumbrances;
- (c) to abandon or surrender in the ordinary course of business free from the Security Interest hereby constituted any items of Mortgaged Property;
- (d) to sell, transfer or assign in the ordinary course of business free from the Security Interest hereby constituted, any items of Mortgaged Property;
- (e) to sublease in the ordinary course of business free from the Security Interest hereby constituted (but only to the extent of the interest earned and retained by the sublessee, as the case may be) any items of Mortgaged Property; and
- (f) to sell, assign, transfer, abandon, surrender or otherwise dispose of free of the Security Interest hereby constituted any fixtures, equipment, machinery, tools, implements, apparatus, facilities or appliances, which may have become worn out, unserviceable, obsolete, unsuitable or unnecessary in the conduct of its business or in the operation of any of the Mortgaged Property provided that there shall have been or shall be substituted for the same other fixtures, equipment, machinery, tools, implements, apparatus, facilities or appliances not necessarily of the same character but at least of equal utility to the Corporation at the date of such substitution or replacement (which forthwith shall become subject to the Security Interest hereof) of and to the extent that such replacement or substitution if necessary or desirable for the proper and efficient conduct of the business of the Corporation or in the operation of the Mortgaged Property;

and the Indenture Trustee will, at the expense of the Corporation, execute and deliver from time to time releases and discharges necessary or required as advised by Counsel with respect to the foregoing Subsections including, without limitation, releases and discharges in respect of subleases, sales, transfers, assignments, abandonments and surrenders permitted in clauses (c), (d), (e) and (f), it being understood that any interest or property retained or acquired by the Corporation pursuant to any of the foregoing transactions shall be and become included in the Mortgaged Property. Except as is in this Indenture specifically permitted, the Corporation shall not dispose of its assets to any Person.

3.3 Delivery of Pledged Securities,

Subject to any competing delivery requirement under any Senior Security, the Corporation will deliver to the Indenture Trustee all such security certificates, documents, agreements and other materials as may be required from time to time to provide the Indenture Trustee with control over each "certificated security", "uncertificated security" and "security entitlement" (as such three terms are defined in the *Securities Transfer Act* (Alberta)) in the manner provided under such statute.

3.4 Security Effective Notwithstanding Date of Issue

The Security Interest hereby created or provided to be created shall be effective whether the monies thereby secured or any part thereof shall become owing by the Corporation before or after or upon the date of execution of this Indenture.

3.5 Registration of Security

The Corporation shall:

- (a) register, file or record or cause to be registered, filed or recorded this Indenture and all instruments supplemental or ancillary hereto at every office and place where the registration, filing or recording thereof may, in the opinion of Counsel to the Corporation, based upon a Certificate of the Corporation as to the jurisdictions in which it owns property, be necessary to preserve and protect the Security Interest hereby created;
- (b) renew or cause to be renewed such registrations, filings or recordings from time to time as and when required; and
- (c) if and when requested to do so by the Indenture Trustee, furnish to the Indenture Trustee an opinion of Counsel to the Corporation to establish compliance with the provisions of this Section 3.5.

3.6 Reservation of Last Day of Leasehold Terms

It is hereby declared that the last day of any term (or any executed term, as the case may be) reserved by any lease, verbal or written, or any agreement therefor, now held or hereafter acquired by the Corporation in any jurisdiction where mortgage by sub-demise may validly be given, is hereby and shall be excepted out of the Security Interest created hereby, and does not and shall not form part of the Mortgaged Property, but the Corporation shall stand possessed of the reversion remaining in the Corporation of any leasehold premises for the time being demised as aforesaid upon trust to assign and dispose thereof as the Indenture Trustee or any purchaser of such leasehold premises shall direct.

3.7 Covenants as to Security

The Corporation hereby covenants with the Indenture Trustee that:

- (a) it will at all times do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, mortgages, hypothecs, transfers, assignments and assurances in law (including consents,

approvals or waivers from third parties under applicable documents or Applicable Legislation) as the Indenture Trustee may require (or in the opinion of Counsel to the Indenture Trustee is advisable) for the better assuring, mortgaging, charging, transferring, assigning, granting, delivering and confirming unto the Indenture Trustee the Mortgaged Property, or property which the Corporation may now be or hereafter become bound to mortgage, charge, transfer, assign, grant or deliver in favour of the Indenture Trustee and for the better accomplishing and effectuating of this Indenture including, without limitation, the execution and delivery of indentures supplemental hereto more particularly describing the property and assets from time to time comprising the Mortgaged Property or to correct or amplify the description of any property or interests contained therein at any time or better to assure, convey and confirm unto the Indenture Trustee any property or interest, additional or otherwise herein subjected to or required herein to be subjected to the Security Interest hereby constituted. Upon the execution of any supplemental indenture under this Section 3.7, this Indenture shall be modified in accordance therewith, and each such supplemental indenture shall form part of this Indenture for all purposes; and

- (b) if the Security Interest hereby created shall have become enforceable and the Indenture Trustee shall have become bound to enforce or has commenced enforcing the same, it will from time to time execute and do all such assurances and things as the Indenture Trustee may reasonably require for facilitating the realization of the Mortgaged Property and for exercising all the powers, authorities and discretions hereby conferred upon the Indenture Trustee and for confirming to any purchaser of the Mortgaged Property, whether sold by the Indenture Trustee hereunder or by judicial proceedings, the title to the Mortgaged Property so sold, and will give all notices and directions as the Indenture Trustee may consider expedient.

3.8 Defeasance

These presents are upon the express condition that if the Corporation shall:

- (a) well and truly pay to the Debentureholders the principal and interest on the Debentures and all other sums payable hereunder by the Corporation and secured hereby;
- (b) keep, perform and observe the covenants in the Debentures and in this Indenture agreed to be kept, performed and observed by or on behalf of the Corporation; and
- (c) request in writing that these presents cease and become null and void;

then these presents and the Security Interest, estate and rights hereby constituted or created shall cease and become null and void, and the Mortgaged Property hereunder shall revert to the Corporation without the necessity of any release, acquittance, reconveyance, re-entry or other act or formality whatsoever. The Indenture Trustee shall, at the written request and expense of the Corporation, made at any time after these presents become null and void as aforesaid, execute and deliver all such deeds, documents and assurances as advised by Counsel are necessary or required to evidence or effect such reversion or revesting and reassignments of assignments contained herein.

3.9 Security Subject to Applicable Agreement

The Indenture Trustee agrees that it shall hold the Mortgaged Property from time to time hereunder subject to all of the terms and provisions of any existing agreements and other existing instruments relating thereto, to the extent applicable to such property, and upon realization of the security hereby created the Indenture Trustee, as trustee under this Indenture, or other parties in interest shall assume all further obligations of the Corporation under such existing agreements and other existing instruments applicable to the property so realized upon, provided that at all times prior to such realization:

- (a) the Corporation shall indemnify and save harmless the Indenture Trustee and the Debentureholders with respect to the terms and provisions of such agreements and instruments; and
- (b) nothing herein contained shall be construed to render the Indenture Trustee or the Debentureholders liable for the obligations of the Corporation.

3.10 Applicability of Article

The indebtedness evidenced by any Debentures issued hereunder, including the principal thereof and interest thereon, shall be subordinate and subject in right of payment, to the extent and in the manner hereinafter set forth in the following Sections of this Article 3, to the prior payment in full of all Senior Indebtedness of the Corporation, and each Holder of a Debenture by its acceptance thereof agrees to and shall be bound by the provisions of this Article 3. All provisions of this Article 3 shall be subject to any Subordination Agreement entered into by the Corporation.

3.11 Order of Payment

Upon any distribution of the assets of the Corporation on any dissolution, winding up, total liquidation or reorganization of or other similar proceedings relative to the Corporation (whether in bankruptcy, insolvency or receivership proceedings, or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Corporation, or otherwise, whether or not involving insolvency or bankruptcy):

- (a) all Senior Indebtedness shall first be paid in full before any payment is made on account of the principal of or interest on the indebtedness evidenced by the Debentures; and
- (b) any payment or distribution of assets of the Corporation, whether in cash, property or securities, to which the Debentureholders or the Indenture Trustee on behalf of such Holders would be entitled except for the provisions of this Article 3, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other liquidating agent making such payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of the Senior Indebtedness. For greater certainty, and without limitation of the foregoing, the

Corporation will not make any payment, and neither the Debentureholders nor the Indenture Trustee on behalf of the Debentureholders will be entitled to demand, institute proceedings for the collection of or receive any payment or benefit (including, without limitation, by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures in a manner inconsistent with the terms of any Subordination Agreement.

3.12 Obligation to Pay Not Impaired

Nothing contained in this Article 3 or elsewhere in this Indenture or in the Debentures is intended to or shall impair, as between the Corporation, its creditors other than the holders of Senior Indebtedness, and the Debentureholders, the obligation of the Corporation, which is absolute and unconditional, to pay to the Holders of the Debentures the principal of and interest on the Debentures, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the Debentureholders and creditors of the Corporation other than the holders of the Senior Indebtedness, nor shall anything herein or in the documents relating to the Senior Indebtedness prevent the Indenture Trustee or the Holder of any Debenture from exercising all remedies otherwise permitted by applicable law upon default under this Indenture, subject to the rights, if any, under this Article 3 or any Subordination Agreement of the holders of Senior Indebtedness in respect of cash, property or securities of the Corporation received upon the exercise of any such remedy.

3.13 No Payment if Senior Indebtedness in Default

- (a) Upon the maturity of any Senior Indebtedness by lapse of time, acceleration or otherwise, then, all principal of, or premium, if any, or interest, if any, on all such matured Senior Indebtedness shall first be paid in full before any payment is made on account of principal of or interest on the Debentures.
- (b) In case that an Event of Default (as defined in the Credit Agreement) has occurred and is continuing, unless and until such Event of Default shall have been cured or waived in writing or the lender under the Credit Agreement has specifically approved such payment in writing, no payment (by purchase of Debentures or otherwise) shall be made by the Corporation with respect to the principal of, or premium, if any, or interest, if any, or any other amount on the Debentures after the happening and during the continuance of such Event of Default, and unless and until such Event of Default shall have been cured or waived or shall have ceased to exist, or the lender under the Credit Agreement has specifically approved such payment in writing, such payments shall be held in trust for the benefit of, and, if and when any Senior Indebtedness shall have become due and payable, shall be paid over to, the holders of the Senior Indebtedness or their representative or representatives or to the trustee or trustees under any indenture under which any instruments evidencing any of the Senior Indebtedness remaining unpaid have been issued until all Senior Indebtedness shall have been paid in full, after giving effect to any concurrent payment or distribution to the holders of Senior Indebtedness.
- (c) The fact that any payment hereunder is prohibited by this Section shall not prevent the failure to make such payment from being an Event of Default (as defined in the Credit Agreement).

3.14 Payment on Debentures Permitted

Nothing contained in this Article 3 or elsewhere in this Indenture, or in any of the Debentures, shall affect the obligation of the Corporation to make, or prevent the Corporation from making at any time any payment of principal of or interest on the Debentures, except that the Corporation shall not make any such payment if such payment is not permitted under a Subordination Agreement. The fact that any such payment is prohibited by this Section 3.14 shall not prevent the failure to make such payment from being an Event of Default hereunder. Nothing contained in this Article 3 or elsewhere in this Indenture, or in any of the Debentures, shall prevent the application by the Indenture Trustee of any moneys deposited with the Indenture Trustee hereunder for the purpose, to the payment of or on account of the principal of, premium, if any, or interest, if any, on the Debentures.

3.15 Confirmation of Subordination

The Corporation covenants and agrees, and each Holder of a Debenture, by acceptance thereof, likewise agrees, that the payment of the principal amount of and interest on the Debentures is hereby expressly postponed and restricted, and the security constituted in this Trust Indenture is hereby subordinated to the Senior Security, to the extent and in the manner set forth in a Subordination Agreement, in right of payment to the prior payment in full of all Senior Indebtedness, and that the rights of the Holders are otherwise restricted as set out in a Subordination Agreement.

Nothing contained in this Trust Indenture or in any of the Debentures shall prevent the Corporation at any time from making payments of the principal of or interest on the Debentures except under the conditions described in a Subordination Agreement.

Until written notice shall be given to the Indenture Trustee by the Corporation or on behalf of any holder of any Senior Indebtedness of the occurrence of any default with respect to such Senior Indebtedness or of the existence of any other facts which would result in any payment with respect to the Debentures being in contravention of the provisions of this Article 3 or a Subordination Agreement, the Indenture Trustee shall be entitled to assume that no such default has occurred and that no such facts exist. Subject to any Subordination Agreement, nothing in this Trust Indenture shall prevent the Indenture Trustee, prior to receipt of such notice, from applying any moneys received by it pursuant to this Trust Indenture, to the purposes for which the same were received, notwithstanding the occurrence or continuance of a default with respect to, or the existence of such facts with respect to, such Senior Indebtedness.

3.16 Authorization of Holders to Indenture Trustee to Effect Subordination

Each Holder of a Debenture, by its acceptance thereof, authorizes and directs the Indenture Trustee on such Holder's behalf to take such action as may be necessary or appropriate to: (i) effect the subordination provided for in Section 3.15; (ii) acknowledge and confirm such subordination to any holder of Senior Indebtedness; and (iii) execute, deliver and perform the obligations of the Indenture Trustee and the Holders under the Subordination Agreement among the Indenture Trustee, Canadian Western Bank and the Corporation dated February 7, 2023 or any additional or replacement Subordination Agreement as may be required by any holder of Senior Indebtedness during the term of this Agreement from time to time, and appoints the Indenture Trustee its attorney-in-fact for any and all such purposes, including the execution and delivery by the Indenture Trustee of confirmations that the holders of any Senior Security are entitled to all the rights and benefits of Section 3.15 and that such holder of Senior Security may

rely on and enforce Section 3.15 of this Trust Indenture. Forthwith upon the written request of any holder of Senior Security or its representative or the trustee under any indenture under which any instruments evidencing any Senior Security may have been issued, the Indenture Trustee shall execute and deliver to the Person making that request a form of such confirmation or, with the advice of Counsel, any such Subordination Agreement, on its own behalf and on behalf of all Holders.

3.17 Indenture Trustee May Hold Senior Indebtedness

The Indenture Trustee is entitled to all the rights set forth in this Article 3 with respect to any Senior Indebtedness at the time held by it or for which it acts as trustee, to the same extent as any other holder of Senior Indebtedness, and nothing in this Indenture deprives the Indenture Trustee of any of its rights as such holder.

3.18 Rights of Holders of Senior Indebtedness Not Impaired

No right of any present or future holder of any Senior Indebtedness to enforce the subordination herein will at any time or in any way be prejudiced or impaired by any act or failure to act on the part of the Corporation or by any non-compliance by the Corporation with the terms, provisions and covenants of this Indenture, regardless of any knowledge thereof which any such holder may have or be otherwise charged with.

3.19 Altering the Senior Indebtedness

The holders of the Senior Indebtedness have the right to extend, renew, modify or amend the terms of the Senior Indebtedness or any security therefor and to release, sell or exchange such security and otherwise to deal freely with the Corporation, all without notice to or consent of the Debentureholders or the Indenture Trustee and without affecting the liabilities and obligations of the parties to this Indenture or the Debentureholders or the Indenture Trustee.

3.20 Additional Indebtedness

This Indenture does not restrict the Corporation from incurring additional Senior Indebtedness or any other indebtedness or otherwise or mortgaging, pledging or charging its properties to secure any indebtedness.

3.21 Paramountcy of Article 3

To the extent of any conflict or inconsistency between any provision of this Article 3 and any other provision of this Indenture, the relevant provision of this Article 3 shall govern and prevail. To the extent of any conflict or inconsistency between any provision of this Article 3 and any Subordination Agreement, the relevant provision of such Subordination Agreement shall govern and prevail.

ARTICLE 4 REDEMPTION OR REPURCHASE OF DEBENTURES

4.1 Redemption of Debentures

The Debentures are redeemable, in whole or in part, at the option of the Corporation (in the manner hereinafter provided and in accordance with and subject to the provisions hereinafter set forth) upon payment of 100% of the Redemption Price.

4.2 Redemption Notice

Notice of intention to redeem the Debentures under this Article shall be given by or on behalf of the Corporation to the Holders of the Debentures which are to be redeemed and to the Indenture Trustee, not more than 60 days and not less than 30 days prior to the date fixed for redemption, in the manner provided in Section 12.2 hereof. The Redemption Notice shall specify the redemption date, the Redemption Price and places of payment and shall state that all interest thereon shall cease from and after such redemption date.

4.3 Debentures Due on Redemption Dates

- (a) Upon notice having been given as aforesaid, the Debentures shall thereupon be and become due and payable at the Redemption Price, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the date of maturity specified in such Debentures, anything therein or herein to the contrary notwithstanding. From and after such redemption date, if the moneys necessary to redeem such Debentures shall have been irrevocably deposited with the Indenture Trustee or any paying agent as hereinafter provided and affidavits or other proof satisfactory to the Indenture Trustee or any paying agent as to the mailing of such notices shall have been lodged with it, such Debentures shall not be considered as outstanding hereunder and interest upon such Debentures shall cease to accrue after said date.
- (b) In case any question shall arise as to whether any notice has been given as above provided and any such deposit made, such question shall be decided by the Indenture Trustee whose decision shall be final and binding upon all parties interested.

4.4 Deposit of Redemption Moneys

Redemption of Debentures shall be provided for by the Corporation depositing with the Indenture Trustee or any paying agent to the order of the Indenture Trustee, at least one Business Day prior to the redemption date specified in such notice, such sums of money as may be sufficient to pay the Redemption Price of the Debentures so called for redemption, including accrued interest thereon to the date of redemption. The Corporation shall also deposit with the Indenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Indenture Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Indenture Trustee shall pay or cause to be paid, or issue or cause to be issued, to the Holders of such Debentures so called for redemption, upon surrender of such Debentures, the Redemption Price to which they are entitled on redemption.

4.5 Failure to Surrender Debentures

In case the Holder of any such Debentures called for redemption under this Article shall within 30 days from the date fixed for redemption fail to surrender any of his Debentures or shall not within such time accept payment for the redemption moneys payable with respect thereto or give such receipt therefor, if any, as the Indenture Trustee may require, such redemption moneys shall be set aside by the Indenture Trustee or any paying agent in trust for such Holder, and no interest shall be payable to such Holder as and from the date of redemption, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum set aside. The Debentureholder shall thereupon have no further rights hereunder except to receive payment of the Redemption Price of his Debenture or Debentures out of the moneys paid and deposited, upon surrender and delivery of such Debenture or Debentures.

4.6 Cancellation of Debentures

All Debentures redeemed by the Corporation under this Article shall forthwith be delivered to the Indenture Trustee and shall be cancelled by the Indenture Trustee and no Debentures shall be issued in substitution thereof.

4.7 Surrender of Debentures for Cancellation

If the principal moneys due upon any Debentures issued hereunder shall become payable by redemption or otherwise before the date of maturity thereof, the person presenting such Debentures for payment must surrender the same for cancellation against payment therefor, the Corporation nevertheless paying or causing to be paid the interest accrued and unpaid thereon (computed on a *per diem* basis if the date fixed for payment is not an interest due date).

4.8 Purchase of Debentures

The Corporation may, if it is not at the time in default hereunder, at any time and from time to time, purchase Debentures in the market (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by tender or by contract at any price, subject to compliance with all Applicable Securities Laws regarding issuer bid requirements. All Debentures so purchased may, at the option of the Corporation, be delivered to the Indenture Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

4.9 Deposit of Maturity Moneys

Payment on maturity of Debentures shall be provided for by the Corporation depositing with the Indenture Trustee or any paying agent to the order of the Indenture Trustee, on or before 11:00 a.m. (Toronto Time) on the Business Day immediately prior to the Maturity Date such sums of money, as may be sufficient to pay the principal amount of Debentures, together with accrued interest thereon up to but excluding the Maturity Date, provided the Corporation may elect to satisfy this requirement by providing the Indenture Trustee with a certified cheque for such amounts required under this Section 4.9 post-dated to the Maturity Date. The Corporation shall also deposit with the Indenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Indenture Trustee in connection therewith. Every such deposit shall be irrevocable. From the sums so deposited, the Indenture Trustee shall pay or cause to be paid, or issue or cause to be issued, to the Holders of such Debentures, upon surrender of such

Debentures, the principal, premium (if any) and interest (if any) to which they are respectively entitled on maturity.

4.10 Change of Control

- (a) If a Change of Control occurs, the Corporation will be required to make an offer to repurchase all or, at the option of the Holder, any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Debentures pursuant to the offer described in this Section 4.10 (the "**Change of Control Offer**") on the terms set forth herein. In the Change of Control Offer, the Corporation will be required to offer payment in cash equal to 101% of the aggregate principal amount of Debentures outstanding together with accrued and unpaid interest on the Debentures to the date of purchase (the "**Change of Control Payment**").
- (b) Upon any Change of Control, the Corporation will give written notice to Holders and the Indenture Trustee describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Debentures on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "**Change of Control Payment Date**"). The Corporation must comply with the requirements of Applicable Securities Laws and regulations in connection with the repurchase of the Debentures as a result of a Change of Control. To the extent that the provisions hereof governing the requirement to make or the method of making a Change of Control Offer conflict with any such Applicable Securities Laws or regulations, the Corporation will be required to comply with such laws and regulations and will not be deemed to have breached such provisions hereof by virtue of compliance with such laws and regulations.
- (c) A Debentureholder may exercise its rights specified in this Section 4.10 upon delivery of a written notice of the exercise of such rights, in the form attached hereto as Schedule B, to the Corporation and the Indenture Trustee not less than five Business Days prior to the Change of Control Payment Date.
- (d) On the Change of Control Payment Date, the Corporation will:
 - (i) accept for payment all Debentures or portions of such Debentures properly tendered pursuant to the Change of Control Offer;
 - (ii) deposit with the Indenture Trustee or any paying agent an amount of money sufficient to pay the Change of Control Payment in respect of all Debentures or portions of such Debentures properly tendered; and
 - (iii) deliver or cause to be delivered to the Indenture Trustee the Debentures properly accepted, together with a Certificate of the Corporation stating the aggregate principal amount of such Debentures or portions of such Debentures being purchased by the Corporation.
- (e) The Indenture Trustee will as soon as is reasonably practicable mail to each Holder of properly tendered Debentures the Change of Control Payment for such Debentures, and in the case of Debentures purchased only in part, the Corporation shall execute and the Indenture Trustee will as soon as is reasonably practicable

certify and mail (or cause to be transferred by book-entry) to each such Holder, without charge, a new Debenture equal in principal amount to the unpurchased portion of any such Debenture surrendered; provided that each new Debenture will be in a principal amount of \$1,000 and integral multiples thereof.

- (f) If 90% or more of the aggregate principal amount of the Debentures outstanding on the date that the Corporation gives notice of a Change of Control to the Indenture Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation shall have the right to redeem all of the remaining Debentures on such date for an amount equal to the Change of Control Payment in respect of such Debentures. Notice of such redemption must be given to the Indenture Trustee by the Corporation within 10 days following the expiry of the Change of Control Offer and, as soon as possible thereafter, by the Indenture Trustee to the Debentureholders not tendered for purchase.

ARTICLE 5 COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Indenture Trustee for the benefit of the Indenture Trustee and the Debentureholders that it will fulfill the covenants hereinafter set forth.

5.1 To Pay Principal and Interest

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of and interest accrued on the Debentures of which such Debentureholder is the Holder with respect thereto on the dates, at the places, in the amounts, and in the manner mentioned herein and in the Debentures.

5.2 To Carry On Business

Subject to the express provisions hereof, the Corporation will carry on and conduct its business in a proper and efficient manner and at all reasonable times it will furnish or cause to be furnished to the Indenture Trustee or its duly authorized agent or attorney such information relating to the business of the Corporation and its Subsidiaries as the Indenture Trustee may reasonably require for the performance of its duties hereunder.

5.3 To Pay Indenture Trustee's Remuneration

The Corporation will pay the Indenture Trustee's reasonable remuneration for services hereunder and will repay to the Indenture Trustee on demand all moneys which shall have been paid by the Indenture Trustee in and about the administration and execution of the trusts hereby created (including reasonable compensation and disbursements of its Counsel and other advisors not regularly in its employ) with interest at the rate of 2% per month (26.82% per annum) from 30 days after the date of the invoice from the Indenture Trustee to the Corporation with respect to such expenditure until repayment, and such moneys and the interest thereon, including the Indenture Trustee's remuneration, shall be payable out of any funds coming into the possession of the Indenture Trustee in priority to any of the Debentures or interest thereon. Notwithstanding any other provision hereof, the obligations provided for in this Section shall survive any termination of this Agreement created hereby, whether by reason of removal or resignation of the Indenture Trustee, termination or discharge of this Indenture or otherwise.

5.4 Restrictive Covenant

Subject to the terms hereof, the Corporation shall not, without the prior approval of the Holders given by Extraordinary Resolution, declare or pay any dividend (other than a cash dividend on the Shares of the Corporation, provided that such cash dividend is not in excess of the Dividend Threshold) on any Shares of the Corporation, or call for redemption or purchase for cancellation or make any capital distribution with respect to any Shares of the Corporation, at any time when the Corporation is in arrears in payment of any principal or interest on the Debentures.

5.5 Not to Extend Time for Payment of Interest

In order to prevent any accumulation after maturity of unpaid interest, the Corporation will not directly or indirectly extend or assent to the extension of time for payment of any interest upon any Debentures and it will not directly or indirectly be or become a party to or approve any such arrangement by purchasing or funding any interest on Debentures or in any other manner.

5.6 To Preserve Rights

The Corporation shall diligently preserve such rights, powers, privileges, franchises and goodwill as are necessary or advisable, and such qualifications to do business and own property in all jurisdictions in which such qualification is necessary or advisable, in respect of the Mortgaged Property.

5.7 To Comply with Laws

The Corporation shall observe and comply in all respects with all governing laws and other requirements relating to the Mortgaged Property (including without limitation, applicable statutes, regulations, orders and restrictions relating to environmental standards or controls or to energy regulations).

5.8 To Comply with Covenants

The Corporation shall ensure that all covenants, conditions, stipulations and provisions contained in this Indenture and the Debentures are duly performed.

5.9 To Maintain Property

The Corporation shall maintain or cause to be maintained (to the extent that the nature of its interest permits) the Mortgaged Property in good standing, free and clear of any liens, charges and encumbrances ranking or capable of ranking prior to or *pari passu* with the charge created by this Indenture, other than Senior Security and Permitted Encumbrances.

5.10 To Advise of Material Adverse Changes

The Corporation shall promptly notify the Debentureholders of any material adverse change in its business.

5.11 To Maintain Insurance

The Corporation shall maintain with financially sound and reputable insurers, insurance with respect to its properties against such liabilities, casual risks and contingencies and in such

types and amounts as is customary in the case of corporations holding properties of a similar nature and similarly situated.

5.12 To Pay Liens

The Corporation shall pay and discharge or cause to be paid and discharged, promptly when due, all taxes, assessments and governmental charges or levies imposed upon it in respect of the Mortgaged Property or upon the income or profits therefrom as well as all claims of any kind (including claims for labour, materials, supplies and rent) which, if unpaid, might become a lien thereupon; provided however, that it shall not be required to pay or cause to be paid any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall concurrently be contested in good faith by appropriate proceedings diligently conducted.

5.13 To Defend Property

The Corporation shall cause all necessary and proper steps to be taken diligently to protect and defend the Mortgaged Property against any material adverse claim or demand, including without limitation, the employment or use of Counsel for the prosecution or defence of litigation and the contest, settlement, release or discharge of any such claim or demand.

5.14 To Limit Senior Indebtedness

Subject to the terms hereof, the Corporation shall not, without the prior approval of the Holders given by Extraordinary Resolution, permit the amount of Senior Indebtedness of the Corporation to exceed \$30,000,000.

5.15 To Maintain Stock Exchange Listings

The Corporation shall use its best efforts to maintain the listing of the Shares and the Debentures on the Exchange and any other stock exchange(s) upon which the Shares or Debentures may become listed.

5.16 Indenture Trustee May Perform Covenants

If the Corporation shall fail to perform any covenants on its part herein contained, the Indenture Trustee may in its discretion, but (subject to Section 6.2) need not, notify the Debentureholders of such failure or itself may perform any of the said covenants capable of being performed by it and if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purposes, but shall be under no obligation so to do and all sums so expended or advanced shall be payable by the Corporation in the manner provided in Section 5.3, but no such performance or payment shall be deemed to relieve the Corporation from any default hereunder.

5.17 To Indemnify

In addition to and without limiting any other protection hereunder or otherwise by law of the Indenture Trustee and its respective officers, trustees, directors, employees, agents, representatives, successors and assigns (collectively, "**Representatives**"), the Corporation indemnifies, defends and saves harmless the Indenture Trustee and its respective Representatives from and against any and all liabilities, losses, claims, damages, penalties, fines,

actions, suits, demands, levies, assessments, costs, charges, expenses and disbursements (including, without limitation, any and all legal and advisor fees and disbursements) (collectively, “**Liabilities**”) of whatever kind or nature which may at any time be suffered by, imposed upon, incurred by or asserted against the Indenture Trustee and its Representatives, whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Indenture Trustee made in connection with its acting as Indenture Trustee hereunder. Without limiting the generality of the foregoing, the obligation to indemnify, defend and save harmless in accordance herewith shall apply in respect of Liabilities suffered by, imposed upon, incurred in any way connected with or arising from, directly or indirectly, any Environmental Laws. For greater certainty, the Corporation agrees to indemnify and save harmless the Representatives against and from any present and future taxes (other than income taxes), duties, assessments or other charges imposed or levied on behalf of any governmental authority having the power to tax in connection with the Indenture Trustee’s duties hereunder. In addition, the Corporation agrees to reimburse, indemnify and save harmless the Representatives for, against and from all legal fees and disbursements (on a substantial indemnity, or solicitor and client, basis) incurred by a Representative if the Corporation commences an action, or cross claims or counterclaims, against the Representative and the Representative is successful in defending such claim. Notwithstanding any other provision hereof, the obligations provided for in this Section shall survive any termination of this Agreement created hereby, whether by reason of removal or resignation of the Indenture Trustee, termination or discharge of this Indenture or otherwise.

ARTICLE 6 DEFAULT

6.1 Acceleration of Maturity

Upon the happening of any one or more of the following events, namely:

- (a) if the Corporation makes default in payment of the principal on any Debenture when the same becomes due and payable under any provision hereof or of the Debentures;
- (b) if the Corporation makes default in payment of any interest due on any Debenture and such default continues for a period of 30 days;
- (c) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Corporation bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against all or any substantial part of the property of, the Corporation, or appointing a Receiver of, or of any substantial part of the property of the Corporation or ordering the winding-up or liquidation of its affairs;
- (d) if a resolution is passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction with respect to which the conditions of Section 8.1 are duly observed and performed, or if the Corporation institutes proceedings to be adjudicated bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or consents to the filing of any such petition, or if a Receiver is appointed over

all or any substantial part of the property of the Corporation, or the Corporation makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any of the aforesaid purposes; or

- (e) if the Corporation shall neglect to observe or perform any other covenant or condition herein contained (which, for greater certainty, excludes subsections (a) to (d) above) on its part to be observed or performed and, after notice in writing has been given by the Indenture Trustee to the Corporation specifying such default and requiring the Corporation to rectify the same (which said notice may be given by the Indenture Trustee upon receipt of a Debentureholders' Request), the Corporation shall fail to make good such default within a period of 30 days, unless the Indenture Trustee (having regard to the subject matter of the default) shall have agreed to a longer period, and in such event, within the period agreed to by the Indenture Trustee;

then in each and every event the Indenture Trustee may in its discretion and shall upon receipt of a Debentureholders' Request, subject to the provisions of Article 3, Section 6.3 and Section 13.14 hereof, by notice in writing to the Corporation declare the principal of and interest on all Debentures then outstanding and all other moneys outstanding hereunder, to be due and payable and the same shall forthwith become immediately due and payable to the Indenture Trustee, anything therein or herein to the contrary notwithstanding, and the Corporation shall forthwith pay to the Indenture Trustee for the benefit of the Debentureholders the principal amount outstanding under, and all accrued and unpaid interest under, the Debentures, together with interest at the rate borne by the Debentures on such principal, interest and such other moneys from the date of the said declaration until payment is received by the Indenture Trustee. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any moneys so received by the Indenture Trustee shall be applied in the manner provided in Section 6.6.

6.2 Notice of Events of Default

If an Event of Default shall occur and be continuing, the Indenture Trustee shall, within 10 days after it receives written notice or where the Indenture Trustee acts as paying agent, after non-payment of interest or principal, give notice of such Event of Default to the Debentureholders in the manner provided in Section 12.2, provided that, notwithstanding the foregoing, the Indenture Trustee shall not be required to give such notice if the Indenture Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

6.3 Waiver of Default

Upon the happening of any Event of Default hereunder:

- (a) the Holders of not less than 51% of the principal amount of the Debentures then outstanding shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing to instruct the Indenture Trustee to waive any Event of Default and to cancel any declaration made by the Indenture Trustee pursuant to Section 6.1 and the Indenture Trustee shall thereupon waive the Event of Default and cancel such

declaration upon such terms and conditions as shall be prescribed in such requisition; and

- (b) the Indenture Trustee, so long as it has not become bound to declare the principal of and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive any Event of Default if, in the Indenture Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Indenture Trustee in the exercise of its discretion, upon such terms and conditions as the Indenture Trustee may deem advisable;

provided that no act or omission either of the Indenture Trustee or of the Debentureholders in the premises shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

6.4 Enforcement by the Indenture Trustee

- (a) Subject to the provisions of Section 6.3 and to the provisions of any Extraordinary Resolution, if the Corporation shall fail to pay to the Indenture Trustee, forthwith after the same shall have been declared to be due and payable under Section 6.1, the principal and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Indenture Trustee may in its discretion and shall upon receipt of a Debentureholders' Request, and upon being indemnified and funded to its satisfaction, acting reasonably, against all costs, expenses and liabilities to be incurred, proceed in its name as Indenture Trustee hereunder to obtain or enforce payment of the said principal of and interest on all the Debentures then outstanding together with any other amounts due hereunder, and enforce the Security Interest hereby constituted, by such proceedings authorized by this Indenture or by law or equity as the Indenture Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Indenture Trustee shall act without such request, shall by such proceedings authorized by this Indenture or by suit at law or in equity as the Indenture Trustee shall deem expedient.
- (b) The Indenture Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the Debentureholders, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Indenture Trustee and of the Holders allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Indenture Trustee is hereby irrevocably appointed (and the successive respective Holders by taking and holding the same shall be conclusively deemed to have so appointed the Indenture Trustee) the true and lawful attorney-in-fact of the respective Holders with authority to make and file in the respective names of the Holders or on behalf of the Holders as a class, subject to deduction from any such claims of the amounts filed by any of the Holders themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such acts and things for and on behalf of such Holders, as may be necessary

or advisable in the opinion of the Indenture Trustee, acting and relying upon the opinion of Counsel, in order to have the respective claims of the Indenture Trustee and of the Holders against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that nothing contained in this Indenture shall be deemed to give to the Indenture Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan or reorganization or otherwise by action of any character in such proceeding or waive or change in any way any right of the Debentureholders.

- (c) The Indenture Trustee shall have power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.
- (d) All rights of action hereunder may be enforced by the Indenture Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relative thereto. Any such suit or proceeding instituted by the Indenture Trustee shall be brought in the name of the Indenture Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the Holders subject to the provisions of this Indenture. In any proceeding brought by the Indenture Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Indenture Trustee shall be a party) the Indenture Trustee shall be held to represent all the Holders of the Debentures, and it shall not be necessary to make any Holders party to any such proceeding.
- (e) If the Indenture Trustee has become entitled to enforce the Security Interest hereby constituted:
 - (i) the Indenture Trustee, by itself, its officers, its agents or its attorneys, may, in its discretion, and either with or without notice as it in its absolute discretion determines, enter into and upon and take possession of the Mortgaged Property with full power to exclude the Corporation and additionally shall have full power and authority:
 - (A) to carry on, manage and conduct the business operations of the Corporation relating to the Mortgaged Property and to borrow money in its own name or advance its own monies for the purpose of the conduct of such business operations, the maintenance and preservation of the Mortgaged Property or any part thereof, the making of such replacements of and additions to the Mortgaged Property as the Indenture Trustee shall deem desirable, and the payment of taxes, wages and other charges ranking in priority to the Security Interest constituted hereby and of current operating expenses incurred not more than 45 Business Days prior to such taking of possession, and monies so borrowed or advanced shall be repaid by the Corporation on demand and until repaid shall (with interest thereon at the Interest Rate) be secured by the Security Interest hereby constituted in priority to sums otherwise secured hereby; and

- (B) to receive and give notifications of and receipts for the revenues, incomes, issues and profits in respect of the Mortgaged Property and to pay therefrom the reasonable costs, charges and expenses of the Indenture Trustee incurred in connection with carrying on the said business operations, and all taxes, assessments and other charges against such property ranking in priority to the Security Interest hereby constituted or the payment of which may be necessary to preserve such property, and to apply the remainder of the monies so received in the same manner as if the same arose from a sale or realization of such property. If so requested in a Debentureholders' Request, the Indenture Trustee and such agents and attorneys shall return such business and property to the Corporation without prejudice to the rights of the Indenture Trustee and the Debentureholders hereunder with respect to the same Event of Default (if not then waived or remedied) or any other subsequent Event of Default, and in such event, the balance of income received by the Indenture Trustee pursuant hereto, after payment in full of all amounts due to or property payable to the Indenture Trustee hereunder, shall be returned to the Corporation and the Security Interest hereby constituted shall no longer be deemed to have become enforceable by reason of the Event of Default which theretofore existed, but the rights arising out of the same Event of Default (if not then waived or remedied) or any other subsequent Event of Default shall not be affected thereby;
- (ii) the Indenture Trustee, either after entry as aforesaid or after other entries by itself or its agents, or without any entry, may in its discretion sell or dispose of the Mortgaged Property either as a whole or in separate parcels (to the extent permitted by Applicable Legislation):
 - (A) by private contract upon notice to the Corporation given prior thereto of such length as the Indenture Trustee may deem proper; or
 - (B) at public auction or by public tender, having first given such notice of the time and place of such sale to the Corporation and otherwise as the Indenture Trustee may deem proper.

The Indenture Trustee may make any such sale either for cash or upon credit and upon such reasonable conditions as to upset or reserve bid or price and terms of payment as it may deem proper, rescind or vary any contract or sale that may have been entered into and re-sell with or under any of the powers conferred herein, adjourn such sale from time to time, and execute and deliver to the purchaser or purchasers of the said property or any part thereof good and sufficient deed or deeds for the same, the Indenture Trustee being hereby irrevocably constituted the attorney of the Corporation for the purpose of making such sale and executing such deeds, and any such sale made as aforesaid shall be a perpetual bar at law and in equity against the Corporation, its successors and assigns and all other Persons claiming the said property or any part or parcel thereof by, from, through or under the Corporation or its successors or assigns,

and the proceeds of any such sale shall be distributed in the manner hereinafter provided;

- (iii) the Indenture Trustee may, with or without entry or sale as aforesaid, in its discretion proceed to protect and enforce its rights under this Indenture by sale under judgment or order in any judicial proceeding or by foreclosure or a suit or suits in equity or at law or otherwise whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of this Indenture or for the enforcement of any other legal or equitable remedy as the Indenture Trustee shall deem most effective to protect and enforce any of the rights or duties of the Indenture Trustee and Debentureholders;
- (iv) the Indenture Trustee may in its discretion appoint a Receiver of the Mortgaged Property or any part thereof and of the rents, issues, profits, revenues and income thereof and in respect thereto the following provisions shall apply:
 - (A) such appointment shall be made in writing signed by the Indenture Trustee and such writing shall be conclusive evidence for all purposes of such appointment. The Indenture Trustee may from time to time in the same manner remove any Receiver so appointed and appoint another in his stead; in making any such appointment the Indenture Trustee shall be deemed to be acting as the attorney for the Corporation;
 - (B) any such appointment may be limited to any part or parts of the Mortgaged Property or may extend to the whole thereof;
 - (C) every such Receiver may, in the discretion of the Indenture Trustee, be vested with all or any of the powers and discretions of the Indenture Trustee;
 - (D) the Indenture Trustee may from time to time fix the reasonable remuneration of every such Receiver and direct the payment thereof out of the Mortgaged Property, the income therefrom or the proceeds thereof (in priority to the Indenture Trustee);
 - (E) the Indenture Trustee may from time to time require any such Receiver to give security for the performance of its duties and may fix the nature and amount thereof, but shall not be bound to require such security;
 - (F) every such Receiver may, with the consent in writing of the Indenture Trustee, borrow money for the purposes of carrying on the business of the Corporation in respect of any part of the Mortgaged Property or for the maintenance, protection or preservation of the Mortgaged Property or any part thereof, and any Receiver may issue certificates (in this Section called "**Receiver's Certificates**") for such sums as will, in the opinion of the Indenture Trustee, be sufficient for obtaining upon the security of the

Mortgaged Property or any part thereof the amounts from time to time required, and such Receiver's Certificates may be payable either to order or bearer and may be payable at such time or times as the Indenture Trustee may consider expedient, and shall bear interest at the Interest Rate and the Receiver may sell, pledge or otherwise dispose of the same in such manner as the Indenture Trustee may consider advisable and may pay such commission on the sale thereof as the Indenture Trustee may consider reasonable, and the amount from time to time payable by virtue of such Receiver's Certificates shall at the option of the Indenture Trustee be entitled to the Security Interest hereby constituted in priority to the principal, interest and other amounts secured by this Indenture;

- (G) every such Receiver shall, so far as concerns responsibility for his acts or omissions, be deemed the agent of the Corporation, and in no event the agent of the Indenture Trustee or any Debentureholder, and the Indenture Trustee shall not, in making or consenting to such appointment, incur any liability to any Receiver for his remuneration or otherwise howsoever;
- (H) except as may be otherwise directed by the Indenture Trustee all monies from time to time received by any Receiver shall be paid over to the Indenture Trustee at the principal office of the Indenture Trustee in Toronto, Ontario as hereinbefore provided, to be held by it as part of the Mortgaged Property; and
- (I) the Indenture Trustee may pay over to any Receiver any monies constituting part of the Mortgaged Property to the extent that the same may be applied for the purposes hereof by such Receiver, and the Indenture Trustee may from time to time determine what funds any Receiver shall be at liberty to keep on hand with a view to the performance of his duties as such Receiver;
- (v) the Indenture Trustee may, in its discretion in lieu of appointing a Receiver as provided in paragraph 6.4(e)(iv) herein, and without regard to the adequacy of the Security Interest hereby constituted or the solvency of the Corporation, apply to any court or courts of competent jurisdiction for the appointment of a Receiver of the Mortgaged Property, and of the rents, issues, profits, revenues and income thereof, with such powers as the court or courts making such appointment or appointments shall confer; and
- (vi) the Corporation shall on demand by the Indenture Trustee yield up possession of the Mortgaged Properties whenever the Indenture Trustee shall have a right of entry under the foregoing provisions and agrees to put no obstacle in the way of, but to facilitate by all legal means, the actions of the Indenture Trustee or any Receiver hereunder and not to interfere with the carrying out of the powers granted hereby or conferred by any court or courts hereunder to or upon the Indenture Trustee or any Receiver.

6.5 No Suits by Debentureholders

No Holder shall have any right to institute any action, suit or proceeding at law or in equity for the purposes of enforcing payment of the principal of the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or Receiver for a receiving order under the *Bankruptcy and Insolvency Act* (Canada) or to have the Corporation wound up or to file or prove a claim in any liquidation or bankruptcy proceeding or for any other remedy hereunder, unless (i) such Holder shall previously have given to the Indenture Trustee written notice of the happening of an Event of Default hereunder; (ii) the Debentureholders by Extraordinary Resolution or by Debentureholders' Request shall have made a request to the Indenture Trustee and the Indenture Trustee shall have been afforded reasonable opportunity either itself to proceed to exercise the powers hereinbefore granted or to institute an action, suit or proceeding in its name for such purpose; (iii) the Debentureholders or any of them shall have furnished to the Indenture Trustee, when so requested by the Indenture Trustee, sufficient funds and security and indemnity satisfactory to it, acting reasonably, against the costs, expenses and liabilities to be incurred therein or thereby; and (iv) the Indenture Trustee shall have failed to act within a reasonable time after such notification, request and offer of indemnity and such notification, request and offer of indemnity are hereby declared in every such case, at the option of the Indenture Trustee, to be conditions precedent to any such proceedings.

6.6 Application of Moneys by Indenture Trustee

Except as herein otherwise expressly provided, any money received by the Indenture Trustee from the Corporation pursuant to the foregoing provisions of this Article, or as a result of legal or other proceedings or from any trustee in bankruptcy or liquidator of the Corporation, shall be applied, together with any other moneys in the hands of the Indenture Trustee available for such purpose, as follows:

- (a) firstly, if and to the extent that the Indenture Trustee deems it in the interest of the Debentureholders generally, to pay all liens, Security Interests and other encumbrances (if any) on the Mortgaged Property ranking or capable of ranking in priority to the Security Interest granted herein or to keep in good standing any such prior encumbrances, including without limitation the Senior Security;
- (b) secondly, in payment or in reimbursement of the Indenture Trustee of its compensation, costs, charges, expenses, borrowings, advances or other moneys furnished or provided by or at the instance of the Indenture Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture with interest thereon as herein provided *pari passu* with corresponding payments in respect of any *Pari Passu* Debt;
- (c) thirdly, but subject as hereinafter in this Section 6.6 provided, in payment, rateably and proportionately to the Debentureholders, *pari passu* with corresponding payments in respect of any *Pari Passu* Debt, of the principal of and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal and interest as may be directed by such resolution;

- (d) fourthly, to pay the amount owing on any mortgages, charges, liens, Security Interests and other encumbrances ranking junior to the Security Interest hereof; and
- (e) fifthly, in payment of the surplus, if any, of such moneys to the Corporation or its assigns;

provided, however, that no payment shall be made pursuant to clause (b) above with respect to the principal or interest of any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary (other than any Debenture pledged or deposited for value and in good faith to a Person other than the Corporation or any Subsidiary but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal and interest of all Debentures which are not so held.

6.7 Distribution of Proceeds

Payments to Holders pursuant to Subsection 6.6(c) shall be made as follows:

- (a) at least 15 days' notice of every such payment shall be given in the manner provided in Section 12.2 specifying the time when and the place or places where the Debentures are to be presented and the amount of the payment and the application thereof as between principal and interest;
- (b) payment of any Debenture shall be made upon presentation thereof at any one of the places specified in such notice and any such Debenture thereby paid in full shall be surrendered, otherwise a memorandum for such payment shall be endorsed thereon; the Indenture Trustee may in its discretion dispense with presentation and surrender for endorsement in any special case upon such indemnity being given as it shall deem sufficient;
- (c) from and after the date of payment specified in the notice, interest shall accrue only on the amount owing on each Debenture after giving credit for the amount of the payment specified in such notice unless the Debenture with respect to which such amount is owing be duly presented on or after the date so specified and payment of such amount be not made; and
- (d) the Indenture Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least 5% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 13.9 until the money or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall not, however, apply to a final payment in distribution hereunder.

6.8 Remedies Cumulative

No remedy herein conferred upon or reserved to the Indenture Trustee, or upon or to the Debentureholders is intended to be exclusive of any other remedy, but each and every such

remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

6.9 Judgment Against the Corporation

The Corporation covenants and agrees with the Indenture Trustee that in case of any judicial or other proceedings to enforce the rights of the Debentureholders, judgment may be rendered against it in favour of the Debentureholders or in favour of the Indenture Trustee, as trustee for the Debentureholders for any amount which may be proved to remain due with respect to the Debentures and the interest thereon and any other moneys owing hereunder.

6.10 Immunity of Shareholders and Others

The Debentureholders and the Indenture Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future Shareholder, director or officer of the Corporation or of any Successor Entity for the payment of the principal of, or interest on, any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation herein or in the Debentures contained.

6.11 Indenture Trustee Appointed Attorney

The Corporation hereby irrevocably appoints the Indenture Trustee to be the attorney of the Corporation in the name and on behalf of the Corporation to execute any instruments and do any acts and things which the Corporation ought to execute and do and has not executed or done, under the covenants and provisions contained in this Indenture and generally to use the name of the Corporation in the exercise of all or any of the powers hereby conferred on the Indenture Trustee with full powers of substitution and revocation.

ARTICLE 7 SATISFACTION AND DISCHARGE

7.1 Cancellation and Destruction of Debentures

All Debentures shall forthwith after payment thereof be delivered to the Indenture Trustee and cancelled by the Indenture Trustee. All Debentures cancelled or required to be cancelled under this or any other provision of this Trust Indenture shall be destroyed by the Indenture Trustee and if requested by the Corporation in writing the Indenture Trustee shall furnish to it a destruction certificate setting out the designating numbers and letters of the Debentures so destroyed.

7.2 Non-Presentation of Debentures

In case the Holder of any Debenture shall fail to present the same for payment on the date on which the principal thereof or the interest thereon or represented thereby becomes payable either at maturity or otherwise or shall not accept payment on account thereof and give such receipt therefor, if any, as the Indenture Trustee may require:

- (a) the Corporation shall be entitled to pay or deliver to the Indenture Trustee and direct it to set aside; or

- (b) in respect of moneys in the hands of the Indenture Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Indenture Trustee to set aside; or
- (c) if the redemption was pursuant to notice given by the Indenture Trustee, the Indenture Trustee may itself set aside;

the principal moneys or the interest, as the case may be, in trust to be paid to the Holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal moneys or the interest payable on or represented by each Debenture in respect whereof such moneys have been set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the moneys so set aside by the Indenture Trustee upon due presentation and surrender thereof subject always to the provisions of Section 7.3.

7.3 Repayment of Unclaimed Moneys

Subject to applicable escheat laws, any moneys set aside under Section 7.2 and not claimed by and paid to Holders of Debentures as provided in Section 7.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Indenture Trustee on demand and thereupon the Indenture Trustee shall be released from all further liability with respect to such moneys and thereafter the Holders of the Debentures in respect of which such moneys were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the moneys due thereon from the Corporation up to such time as the right to proceed against the Corporation for recovery of such moneys has become statute barred under the laws of the Province of Alberta or other applicable laws.

7.4 Discharge

The Indenture Trustee shall upon the written request and at the expense of the Corporation release and discharge this Indenture and execute and deliver such instruments as it shall be advised by Counsel are requisite for that purpose and to release the Corporation from its covenants herein contained (other than the provisions relating to the indemnification of the Indenture Trustee) upon proof being given to the satisfaction of the Indenture Trustee, acting reasonably, that the principal of and interest (including interest on amounts in default, if any) on all the Debentures and all other moneys payable hereunder has been paid or satisfied or that all the Debentures having matured, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and on all other moneys payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

ARTICLE 8 SUCCESSOR ENTITIES

8.1 Certain Requirements

The Corporation shall not, directly or indirectly, sell, lease, transfer or otherwise dispose of all or substantially all of its property and assets as an entirety to any other entity, and shall not amalgamate or merge with or into any other entity (any such other entity being herein referred to as a **"Successor Entity"**) unless:

- (a) the Successor Entity shall execute, prior to or contemporaneously with the consummation of any such transaction, an indenture supplemental hereto together with such other instruments as are satisfactory to the Indenture Trustee and in the opinion of Counsel are necessary or advisable to evidence the assumption by the Successor Entity of the due and punctual payment of all the Debentures, the interest thereon and all other moneys payable hereunder and the covenant of the Successor Entity to pay the same and its agreement to observe and perform all the covenants and obligations of the Corporation under this Trust Indenture;
- (b) such transaction shall, to the satisfaction of the Indenture Trustee and in the opinion of Counsel, be upon such terms as to preserve and not impair any of the rights or powers of the Indenture Trustee and the Debentureholders hereunder and upon terms as are in no way prejudicial to the interests of the Debentureholders;
- (c) no condition or event shall exist as to the Corporation or the Successor Entity either at the time or immediately after the consummation of any such transaction and after giving full effect thereto or immediately after the Successor Entity complying with the provisions of Subsection 8.1(a) which constitutes or would constitute, after notice or lapse of time or both, an Event of Default; and
- (d) such Successor Entity is incorporated or formed, as applicable, under the laws of Canada or one of its provinces or territories.

8.2 Vesting of Powers in Successor

Whenever the conditions of Section 8.1 have been duly observed and performed, the Successor Entity shall possess and from time to time may exercise each and every right and power of the Corporation under this Trust Indenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Trust Indenture required to be done or performed by any directors or officers of the Corporation may be done and performed with like force and effect by the directors or officers of the Successor Entity.

ARTICLE 9 COMPULSORY ACQUISITION

9.1 Definitions

In this Article:

- (a) “Affiliate” and “Associate” shall have their respective meanings set forth in the *Securities Act* (Alberta);
- (b) “Dissenting Debentureholder” means a Debentureholder who does not accept an Offer referred to in Section 9.2 and includes any assignee of the Debenture of a Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;
- (c) “Offer” means an offer to acquire outstanding Debentures where, as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offeror’s Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures;

- (d) “offer to acquire” includes an acceptance of an offer to sell;
- (e) “Offeror” means a Person, or two or more Persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (f) “Offeror’s Debentures” means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any person or company acting jointly or in concert with the Offeror; and
- (g) “Offeror’s Notice” means the notice described in Section 9.3.

9.2 Offer for Debentures

If an Offer for all of the outstanding Debentures (other than Debentures held by or on behalf of the Offeror or an Affiliate or Associate of the Offeror) is made and:

- (a) within the time provided in the Offer for its acceptance or within 45 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders representing at least 90% of the outstanding principal amount of the Debentures, other than the Offeror’s Debentures;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for the Debentures of the Debentureholders who accepted the Offer; and
- (c) the Offeror complies with Sections 9.3 and 9.5;

the Offeror is entitled to acquire, and the Dissenting Debentureholders are required to sell to the Offeror, the Debentures held by the Dissenting Debentureholder for the same consideration per Debenture payable or paid, as the case may be, under the Offer.

9.3 Offeror’s Notice to Dissenting Debentureholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 9.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 60 days after the date of termination of the Offer and 180 days after the date of the Offer a notice (the “**Offeror’s Notice**”) to each Dissenting Debentureholder stating that:

- (a) Debentureholders holding at least 90% of the principal amount of all outstanding Debentures, other than Offeror’s Debentures, have accepted the Offer;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for, the Debentures of the Debentureholders who accepted the Offer;
- (c) Dissenting Debentureholders must transfer their respective Debentures to the Offeror on the terms on which the Offeror acquired the Debentures of the Debentureholders who accepted the Offer within 21 days after the date of the sending of the Offeror’s Notice; and

- (d) Dissenting Debentureholders must send their respective Debenture certificate(s) to such person as the Offeror may direct within 21 days after the date of the sending of the Offeror's Notice.

9.4 Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 9.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture certificate(s) to such person as the Offeror may direct duly endorsed for transfer.

9.5 Payment of Consideration

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 9.3, the Offeror shall pay or transfer to such person as the Offeror may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 9.2.

9.6 Consideration to be held in Trust

Such Person as the Offeror may direct shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 9.5. Such persons shall deposit cash in a separate account in a Canadian chartered bank, or other body corporate, any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place other consideration in the custody of a Canadian chartered bank or such other body corporate.

9.7 Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 9.3, the Indenture Trustee or such other Person as the Offeror may direct, if the Offeror has complied with Section 9.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the Indenture Trustee's opinion may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offeror;
- (b) send to each Dissenting Debentureholder who has complied with Section 9.4 the consideration to which such Dissenting Debentureholder is entitled under this Article; and
- (c) send to each Dissenting Debentureholder who has not complied with Section 9.4 a notice (provided by the Offeror) stating that:
 - (i) his or her Debentures have been transferred to the Offeror;
 - (ii) the Indenture Trustee or some other Person designated by the Offeror in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Indenture Trustee, or such other Person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholders Debenture certificate(s) or such other

documents as the Indenture Trustee or such other Person may require in lieu thereof;

and the Indenture Trustee or such other person directed by the Offeror is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions.

9.8 Communication of Offer to Corporation

An Offeror cannot make an Offer for Debentures unless, concurrent with the communication of the Offer to any Debentureholder, a copy of the Offer is provided to the Corporation and the Indenture Trustee.

9.9 Appointment of Indenture Trustee

If the Offeror chooses to appoint the Indenture Trustee to provide the services outlined in this Article, the Offeror and the Indenture Trustee shall enter into an agreement providing for the terms and conditions of such appointment (including without limitation remuneration, indemnification and the return of cash or other consideration that is payable to the Dissenting Debentureholders who have not complied with Section 9.4).

ARTICLE 10 SHARE INTEREST PAYMENT ELECTION

10.1 Share Interest Payment Election

- (a) Provided that the Corporation is not in default under this Indenture and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Debentures or Shares are then listed), the Corporation shall have the right, from time to time, to make a Share Interest Payment Election in respect of any interest payment obligations on the Debentures by delivering a Share Interest Payment Election Notice to the Indenture Trustee in substantially the form set out in Schedule C hereto no later than the earlier of (i) the date required by applicable law or the rules of any stock exchange on which the Debentures or Shares are then listed, and (ii) 15 days preceding the relevant interest payment date. Any Shares issued pursuant to this Article 10 shall be Freely Tradeable Shares.
- (b) Upon receipt of a Share Interest Payment Election Notice, the Indenture Trustee shall, in accordance with this Article 10 and such Share Interest Payment Election Notice, deliver Share Bid Requests to the investment banks, brokers or dealers identified by the Corporation, in its absolute discretion, in the Share Interest Payment Election Notice. In connection with the Share Interest Payment Election, the Indenture Trustee shall have the power to: (i) accept delivery of the Shares from the Corporation and process the Shares in accordance with the Share Interest Payment Election Notice, (ii) accept bids with respect to, and deliver for settlement, such Shares, each as the Corporation shall direct in its absolute discretion, through the investment banks, brokers or dealers identified by the Corporation in the Share Interest Payment Election Notice, (iii) invest the proceeds of such sales on the direction in writing of the Corporation in Government Obligations which mature prior to an applicable interest payment date and use such proceeds to pay the

interest obligations in respect of which the Share Interest Payment Election was made, (iv) deliver proceeds to the Debentureholders, in accordance with the terms hereof, sufficient to satisfy the Corporation's interest payment obligations; and (v) perform any other reasonable action necessarily incidental thereto as directed in writing by the Corporation with the Indenture Trustee's consent. The Share Interest Payment Election Notice shall direct the Indenture Trustee to deliver and receive only, and each Share Bid Request shall provide that the acceptance of any bid is conditional on the acceptance of sufficient bids to result in aggregate proceeds from such issue and sale of Shares which, together with the cash payments by the Corporation in lieu of fractional Shares, if any, equal the applicable interest obligation on the Share Delivery Date.

- (c) The Share Interest Payment Election Notice shall provide for, and all bids shall be subject to, the right of the Corporation, by delivering written notice to the Indenture Trustee at any time prior to the consummation of such delivery and sale of the Shares on the Share Delivery Date, to withdraw the Share Interest Payment Election (which shall have the effect of withdrawing each related Share Bid Request), whereupon the Corporation shall be obliged to pay in cash the interest obligation in respect of which the Share Interest Payment Election Notice has been delivered.
- (d) Any sale of Shares pursuant to this Article 10 may be made to one or more Persons whose bids are solicited, but all such sales with respect to a particular Share Interest Payment Election shall take place concurrently on the Share Delivery Date.
- (e) The amount received by a Holder of a Debenture in respect of the Interest Obligation will not be affected by whether or not the Corporation elects to satisfy an interest obligation pursuant to a Share Interest Payment Election.
- (f) The Indenture Trustee shall inform the Corporation promptly following receipt of any bid or bids for Shares solicited pursuant to the Share Bid Requests. The Indenture Trustee shall accept such bid or bids as the Corporation (in its absolute discretion) shall direct by Written Direction of the Corporation, provided that the aggregate proceeds of all sales of Shares resulting from the acceptance of such bids (together with the amount of any cash payment by the Corporation in lieu of any fractional Shares), on the Share Delivery Date, must be equal to the related Share Interest Payment Election Amount. In connection with any bids so accepted, the Corporation, and the applicable bidders shall, not later than the Share Delivery Date, enter into Share Purchase Agreements and shall comply with all Applicable Securities Laws, including the securities rules and regulations of any stock exchange on which the Debentures or Shares are then listed. The Corporation shall pay all fees and expenses in connection with the Share Purchase Agreements including the fees and commissions charged by the investment banks, brokers and dealers and the fees of the Indenture Trustee.
- (g) Provided that (i) all conditions specified in each Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Shares to be sold thereunder against payment of the purchase price thereof, and (ii) the purchasers under each Share Purchase Agreement shall be ready, willing and able to perform thereunder, in each case on the Share Delivery Date, the

Corporation shall, on the Share Delivery Date, deliver to the Indenture Trustee the Shares to be delivered for settlement and cash equal to the value of any fractional Shares and a Certificate of the Corporation to the effect that all conditions precedent to such sales, including those set forth in this Indenture and in each Share Purchase Agreement, have been satisfied. Upon such deliveries, the Indenture Trustee shall deliver such Shares for settlement on such Share Delivery Date by the delivery of the Share to such purchasers against payment to the Indenture Trustee in immediately available funds of the purchase price therefor in an aggregate amount equal to the Share Interest Payment Election Amount (less any amount attributable to any fractional Shares), whereupon the sole right of a Holder to receive such Holder's portion of the Share Interest Payment Election Amount will be to receive same from the Indenture Trustee out of the proceeds of such sales of Shares plus any amount received by the Indenture Trustee from the Corporation attributable to any fractional Shares in full satisfaction of the applicable interest obligation and the Holder will have no further recourse to the Corporation in respect of such interest obligation.

- (h) The Indenture Trustee shall, on the Share Delivery Date, use the sale proceeds of the Shares (together with any cash received from the Corporation in lieu of any fractional Shares) to purchase, on the direction of the Corporation in writing, Government Obligations which mature prior to the applicable interest payment date and which the Indenture Trustee is required to hold until maturity (the "**Share Proceeds Investment**") and shall, on such date, deposit the balance, if any, of such sale proceeds in an account for the Debentures. The Indenture Trustee shall hold such Share Proceeds Investment (but not income earned thereon) under its exclusive control in an irrevocable trust for the benefit of the Holders of the Debentures. At least one Business Day prior to the applicable interest payment date, the Indenture Trustee shall deposit amounts from the proceeds of the Share Proceeds Investment in the account for the Debentures to bring the balance of the account to the Share Interest Payment Election Amount. On the applicable interest payment date, the Indenture Trustee shall pay the funds held in the account to the Holders of record of the Debentures on the interest payment date and, provided that there is no Event of Default, shall remit amounts, if any, in respect of income earned on the Share Proceeds Investment or otherwise in excess of the Share Interest Payment Election Amount to the Corporation.
- (i) Neither the making of a Share Interest Payment Election nor the consummation of sales of Shares on a Share Delivery Date will (i) result in the Holders of the Debentures not being entitled to receive on the applicable interest payment date cash in an aggregate amount equal to the amount of interest payable on such date or (ii) entitle such Holders to receive any Shares in satisfaction of such interest owing.

ARTICLE 11 MEETINGS OF DEBENTUREHOLDERS

11.1 Right to Convene Meeting

The Indenture Trustee or the Corporation may at any time and from time to time and the Indenture Trustee shall on receipt of a written Request of the Corporation or a Debentureholders' Request and upon being indemnified and funded to its satisfaction, acting reasonably, by the

Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Indenture Trustee failing within 30 days after receipt of any such request and such indemnity to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Calgary, Alberta, Canada or at such other place as may be approved or determined by the Indenture Trustee. For the purposes of this Section, Debentures owned directly or indirectly, legally or equitably, by the Corporation or any Subsidiary shall be disregarded as provided in Section 1.2. The Corporation shall furnish the Indenture Trustee of a list of its holdings of Debentures upon request.

11.2 Notice of Meetings

At least 25 days' notice of any meeting shall be given to the Debentureholders by the Corporation or the Indenture Trustee, as the case may be, in the manner provided in Section 12.2 and a copy thereof shall be sent by post to the Indenture Trustee, unless the meeting has been called by it. Such notice shall state the time when, and the place where, the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any Holder of Debentures shall not invalidate any resolution passed at any such meeting.

11.3 Chairman

A person, who need not be a Debentureholder, nominated by the Indenture Trustee shall be chairman of the meeting and if no person is so nominated, or if the person so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, the Debentureholders present in person or by proxy shall choose some person present to be chairman.

11.4 Quorum

Subject to the provisions of Section 11.12, at any meeting of the Debentureholders a quorum shall consist of: (i) at least one Debentureholder present in person or represented by proxy; and (ii) Debentureholders representing at least 20% of the principal amount of the outstanding Debentures. If a quorum of the Debentureholders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if summoned by the Debentureholders or pursuant to a Debentureholders' Request, shall be dissolved; but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the first Business Day thereafter) at the same time and place and no notice shall be required to be given with respect to such adjourned meeting. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 20% of the principal amount of the outstanding Debentures. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum is present at the commencement of business.

11.5 Power to Adjourn

The chairman of any meeting at which a quorum of the Debentureholders is present may, with the consent of the Holders of a majority in principal amount of the Debentures represented thereat, adjourn any such meeting and no notice of such adjournment need be given except such notice, if any, as the meeting may prescribe.

11.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 11.7, be decided in the first place by a majority of the votes given on a show of hands. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of that fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote with respect to the Debentures, if any, held by him.

11.7 Poll

On every Extraordinary Resolution, and on any other question submitted to a meeting, when demanded by the chairman or by one or more Debentureholders or proxies for Debentureholders, a poll shall be taken in such manner and either at once or after an adjournment as the chairman shall direct. Questions other than Extraordinary Resolutions shall, if a poll be taken, be decided by the votes of the Holders of a majority of the principal amount of the Debentures represented at the meeting and voted on the poll.

11.8 Voting

On a show of hands every person who is present and entitled to vote, whether as a Debentureholder or as proxy for one or more Debentureholders or both, shall have one vote. On a poll each Debentureholder present in person or represented by a proxy duly appointed by an instrument in writing shall be entitled to one vote with respect to each \$1,000 principal amount of Debentures of which he shall then be the Holder. A proxy need not be a Debentureholder. In the case of joint registered Holders, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together with respect to the Debentures of which they are joint registered Holders.

11.9 Regulations

The Indenture Trustee, or the Corporation with the approval of the Indenture Trustee, may from time to time make and from time to time vary or revoke such regulations as it shall from time to time think fit providing for and governing:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and for the production of the authority of any Person signing on behalf of a Debentureholder;
- (b) the deposit of instruments appointing proxies at such place as the Indenture Trustee, the Corporation or the Debentureholder convening the meeting as the case may be, may, in the notice convening the meeting direct, and the time, if any,

before the holding of the meeting or any adjournment thereof by which the same shall be deposited;

- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, or sent by facsimile, e-mail or other electronic transmission before the meeting to the Corporation or to the Indenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and
- (d) generally for the calling of meetings of Debentureholders and the conduct of business thereat.

Any regulations as made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only Persons who shall be recognized at any meeting as the Holders of any Debentures, or as entitled to vote or be present at the meeting with respect thereto, shall be Debentureholders and Persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

11.10 Persons Entitled to Attend at Meetings

The Corporation and the Indenture Trustee (by their respective employees, officers and directors, as applicable) and the legal advisors of the Corporation, the Indenture Trustee, and any Debentureholder may attend any meeting of the Debentureholders, but shall have no vote as such.

11.11 Powers Exercisable by Extraordinary Resolution

In addition to the powers conferred upon them by any other provisions of this Trust Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution:

- (a) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Indenture Trustee (subject to the prior consent of the Indenture Trustee) against the Corporation, or against its property, whether such rights arise under this Trust Indenture, the Debentures or otherwise;
- (b) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Trust Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Indenture Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;
- (c) power to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other entity or for the sale, leasing, transfer or other disposition of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary with respect to any such transaction if the provisions of Section 8.1 shall have been complied with;

- (d) power to direct or authorize the Indenture Trustee to exercise any power, right, remedy or authority given to it by this Trust Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
- (e) power to waive and direct the Indenture Trustee to waive any default hereunder or cancel any declaration made by the Indenture Trustee pursuant to Section 6.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;
- (f) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal of or interest on the Debentures, or for the execution of any Corporation or power hereunder;
- (g) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 6.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;
- (h) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any other securities of the Corporation;
- (i) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in such Extraordinary Resolution) to exercise, and to direct the Indenture Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filing of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;
- (j) power to authorize the distribution *in specie* of any Shares, shares, bonds, debentures or other securities or obligations or cash or other consideration received hereunder or the use or disposal of the whole or any part of such Shares, shares, bonds, debentures or other securities or obligations or cash or other consideration in such manner and for such purpose as may be deemed advisable and specified in such Extraordinary Resolution;

- (k) power to authorize the Indenture Trustee or any other person or persons to bid at any sale of the Corporation's properties or assets or any part thereof and to borrow the moneys required to take any deposit at said sale or pay the balance of the purchase price and to hypothecate, mortgage, pledge, charge, cede and transfer the property or assets so purchased as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien upon the property or assets so purchased for the amount so advanced and interest thereon) and to hold any property or assets so purchased (subject to any hypothec, mortgage, pledge, charge or lien to secure any moneys so borrowed or advanced) in trust for all the Holders of the Debentures outstanding at the time of such sale *pro rata* in proportion to the amounts due to them thereon respectively for principal, if any, and interest before such sale, and to sell, transfer and convey the whole or any part or parts of the property or assets so purchased for such consideration in cash or in the Shares, shares, bonds, debentures or other securities or obligations of any entity formed or to be formed, or partly in cash and partly in such securities or obligations, and upon such terms and conditions as may be determined by such Extraordinary Resolution of the Debentureholders and, subject to such terms and conditions, to dispose of such cash, Shares, bonds, debentures or other securities or obligations pursuant to the provisions of Subsection 11.11(j), and until the sale, transfer or conveyance of the whole of such property or assets so purchased to maintain and operate such part of said property and assets as has not been disposed of, and for such purposes to borrow the moneys required to make any deposit at said sale or pay the balance of the purchase price and to hypothecate, mortgage, pledge, charge, cede and transfer the property or assets so purchased, or any part thereof, as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien upon the property or assets so purchased for the amount so advanced and interest thereon), and otherwise deal with such property and assets and the proceeds of any sale, transfer or conveyance thereof as the Debentureholders may by such Extraordinary Resolution direct;
- (l) power to remove the Indenture Trustee from office and to appoint a new Indenture Trustee or Indenture Trustees, subject to the requirement to enter into a supplemental indenture with respect to any such removal;
- (m) power, notwithstanding Section 5.5, to authorize the Corporation and the Indenture Trustee to grant extensions of time for payment of interest on any of the Debentures whether or not the interest the payment with respect to which is extended, is at the time due or overdue; and
- (n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Subsection 11.11(i).

11.12 Meaning of "Extraordinary Resolution"

- (a) The expression "**Extraordinary Resolution**" when used in this Trust Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders

(including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the Holders of more than 20% of the principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favorable votes of the Holders of not less than 66 2/3% of the principal amount of Debentures represented at the meeting and voted on a poll upon such resolution.

- (b) If, at any such meeting, the Holders of more than 20% of the principal amount of the Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 21 nor more than 60 days later, and to such place and time, all as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 12.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Subsection 11.12(a) shall be an Extraordinary Resolution within the meaning of this Trust Indenture, notwithstanding that the Holders of more than 20% of the principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

11.13 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers of this Trust Indenture stated to be exercisable by the Debentureholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Debentureholders to exercise the same or any other such power or powers thereafter from time to time.

11.14 Minutes

Minutes of all resolutions and proceedings at every meeting as aforesaid shall be made and duly entered in books to be from time to time provided for that purpose by the Indenture Trustee at the expense of the Corporation, and any such minutes as aforesaid, if signed by the chairman of the meeting at which such resolutions were passed or proceedings had, or by the chairman of the next succeeding meeting of the Debentureholders, shall be *prima facie* evidence of the matter therein stated and, until the contrary is proved, every such meeting, with respect to the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

11.15 Instrument in Writing

All actions which may be taken and all powers that may be exercised by the Debentureholders at a meeting held as hereinbefore in this Article provided may also be taken and exercised by the Holders of 66 2/3% of the principal amount of all the outstanding Debentures, by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Trust Indenture shall include an instrument so signed.

11.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 11.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Indenture Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

11.17 Evidence of Rights of Debentureholders

- (a) Any request, direction, notice, consent or other instrument which this Trust Indenture may require or permit to be signed or executed by such Debentureholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Debentureholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article with regard to voting at meetings of Debentureholders) of the holding by any person of Debentures shall be sufficient for any purpose of this Trust Indenture if made in the following manner, namely, the fact and date of execution by any Person of such request or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is made that the Person signing such request or other instrument in writing acknowledged to him the execution thereof or by affidavit of a witness of such execution or in any other manner which the Indenture Trustee may consider adequate.
- (b) The Indenture Trustee may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

ARTICLE 12 NOTICES

12.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective, subject to Section 12.4 if given by mail, postage prepaid, addressed to the Corporation at: Crown Capital Partners Inc., Suite 19-131, 700 – 2nd Street S.W., Calgary, Alberta, T2P 2W2 Attention: Chief Financial Officer, telephone: (403) 775-2554, facsimile: (416) 640-6722, email: michael.overvelde@crowncapital.ca, and shall be deemed to have been effectively given on the

third Business Day after mailing or if sent by facsimile, email, or other electronic transmission, when transmitted or, if such day is not a Business Day, on the first Business Day following the date of transmission. For any notices sent by facsimile, e-mail or other electronic transmission the original will be subsequently delivered or mailed postage prepaid. The Corporation may from time to time notify the Indenture Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Trust Indenture.

12.2 Notice to Debentureholders

- (a) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the Holders, subject to Section 12.4, if sent by mail, postage prepaid, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been given on the third day after mailing. In addition to the foregoing, all notices to a Debentureholder who is registered as owning 25% or more of the Debentures outstanding at the time of giving notice shall be given notice by delivery to an address in Canada designated by such Holder as a notice address. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.
- (b) All notices with respect to any Debenture may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of and Persons interested in such Debenture.

12.3 Notice to Indenture Trustee

Except as set forth below, any notice to the Indenture Trustee under the provisions of this Trust Indenture shall be valid and effective, subject to Section 12.4, if given by mail, postage prepaid, addressed to the Indenture Trustee at its principal office in the City of Toronto, Ontario, at Suite 301, 100 Adelaide Street West, Toronto, Ontario M5H 4H1, Attention: Vice President, Trust Services, facsimile: (416) 361-0470, email: tmxestaff-corporatetrust@tmx.com, and shall be deemed to have been effectively given on the third Business Day after mailing or if sent by facsimile, email, or other electronic transmission, when transmitted or, if such day is not a Business Day, on the first Business Day following the date of transmission. The Indenture Trustee may from time to time notify the Corporation in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Trust Indenture.

The Indenture Trustee shall be entitled to treat a facsimile, PDF or email communication or communication by other similar electronic means in a form satisfactory to the Indenture Trustee from a person purporting to be (and whom such Indenture Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Corporation, as sufficient instructions and authority of the Corporation for the Indenture Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Indenture Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Corporation agrees: (a) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Indenture Trustee,

including without limitation the risk of the Indenture Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (b) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Indenture Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Corporation; and (c) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

12.4 Mail Service Interruption

- (a) If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Debentureholders, the Indenture Trustee or the Corporation would be unlikely to reach its destination in the ordinary course of mail, such notice shall be valid and effective only if:
 - (i) in the case of the Indenture Trustee or the Corporation, delivered to an officer of the party to which it is addressed or if sent to such party, at the appropriate address in accordance with Section 12.1 and Section 12.3, by facsimile, email, or other means of electronic transmission; and
 - (ii) in the case of Debentureholders, if published once (A) in the national edition of The Globe & Mail; and (B) in such other place or places and manner, if any, as the Indenture Trustee may require.
- (b) Any notice given to Debentureholders by publication shall be deemed to have been given on the last day on which publication shall have been effected in all of the cities in which publication is required pursuant to Subsection 12.4(a).

ARTICLE 13 CONCERNING THE INDENTURE TRUSTEE

13.1 No Conflict of Interest

- (a) The Indenture Trustee represents to the Corporation that at the date of execution and delivery by it of this Trust Indenture there exists no material conflict of interest in the role of the Indenture Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 13.1, such a material conflict of interest exists, the validity and enforceability of this Trust Indenture, and the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists but the Indenture Trustee shall, within 90 days after ascertaining that it has a material conflict of interest, either eliminate such a material conflict of interest or resign in the manner and with the effect specified in Section 13.2.

13.2 Replacement of Indenture Trustee

- (a) The Indenture Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. If at any time a material conflict of interest exists in the Indenture Trustee's role as a fiduciary hereunder the Indenture Trustee shall, within 90 days after ascertaining that such

a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section. The validity and enforceability of this Trust Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists. In the event of the Indenture Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Indenture Trustee unless a new Indenture Trustee has already been appointed by the Debentureholders; failing such appointment by the Corporation, the retiring Indenture Trustee at the Corporation's expense or any Debentureholder may apply to a Justice of the Court of King's Bench of Alberta, on such notice as such Justice may direct, for the appointment of a new Indenture Trustee; but any new Indenture Trustee so appointed by the Corporation or by the Court shall be subject to removal as herein provided by the Debentureholders. Any new Indenture Trustee appointed under any provision of this Section shall be a corporation authorized to carry on the business of a trust company in the Province of Alberta. On any new appointment the new Indenture Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Indenture Trustee.

- (b) Any company into which the Indenture Trustee may be merged or with which it may be consolidated or amalgamated or any company resulting from any merger, consolidation or amalgamation to which the Indenture Trustee shall be a party, or any company to which the Indenture Trustee may transfer substantially all of its corporate trust business, shall be the successor Indenture Trustee under this Trust Indenture without the execution of any instrument or any further act other than a supplemental indenture between the successor Indenture Trustee and the Corporation. Nevertheless, upon the written request of the successor Indenture Trustee or of the Corporation, the Indenture Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Indenture Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Indenture Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Indenture Trustee to the successor Indenture Trustee so appointed in its place, subject to receipt by the Indenture Trustee of any remuneration owing to the Indenture Trustee pursuant to Section 5.3. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Indenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Indenture Trustee, be made, executed, acknowledged and delivered by the Corporation.
- (c) In case at any time the name of the Indenture Trustee is changed and at such time any of the Debenture certificates have been certified but not delivered, the Indenture Trustee may adopt the certification under its prior name and deliver Debenture certificates so certified; and in case at that time any of the Debenture certificates have not been certified, the Indenture Trustee may certify such Debenture certificates either in its prior name or in its changed name; and in all such cases such Debenture certificates will have the full force provided in the Debenture certificates and in this Indenture.

13.3 Duties of Indenture Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Indenture Trustee shall act honestly and in good faith with a view to the best interests of the Debentureholders and shall exercise that degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances.

13.4 Reliance upon Declarations

The Indenture Trustee may, if acting in good faith, act and rely and shall be protected in acting and relying upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, letter, telegram, cablegram, facsimile or other paper document believed by it to be genuine and to have been signed, sent or presented by or on behalf of the proper party or parties.

13.5 Evidence and Authority to Indenture Trustee

- (a) The Corporation shall furnish to the Indenture Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Indenture Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Indenture Trustee at the request of or on the application of the Corporation, forthwith if and when (i) such evidence is required by any other Section of this Indenture to be furnished by the Indenture Trustee in accordance with the terms of this Section 13.5, or (ii) the Indenture Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.
- (b) Such evidence shall consist of:
 - (i) a Certificate of the Corporation stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
 - (ii) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
 - (iii) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Indenture Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.
- (c) Whenever such evidence relates to a matter other than the certification and delivery of Debentures and the satisfaction and discharge of this Indenture and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any

other Person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate in accordance with the immediately preceding paragraph of this Section.

- (d) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include: (i) a statement by the Person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that in the belief of the Person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, (iv) a statement whether in the opinion of such Person the conditions precedent in question have been complied with or satisfied; and (v) a statement that no default or Event of Default has occurred or will occur by reason of the action taken.
- (e) The Corporation shall furnish to the Indenture Trustee annually, within 120 days of the end of each calendar year, and at any other reasonable time if the Indenture Trustee so requires, its certificate that the Corporation has complied with all covenants, conditions and other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Indenture Trustee so requires, furnish the Indenture Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Indenture Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

13.6 Certificate of the Corporation as Evidence

Except as otherwise specifically provided or prescribed by this Indenture, whenever in the administration of the provisions of this Indenture the Indenture Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or omitting any action hereunder, the Indenture Trustee, if acting in good faith, may rely upon a Certificate of the Corporation.

13.7 Experts, Advisors and Agents

The Indenture Trustee may:

- (a) in relation to these presents act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert, whether obtained by the Indenture Trustee or by the Corporation, or otherwise, and may employ such assistants as may be necessary to the proper determination and discharge of its duties and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid and shall be protected in acting and relying on such advice in good faith. The

Corporation shall pay or reimburse the Indenture Trustee for any reasonable fees, expenses and disbursements of such counsel or advisors;

- (b) employ such agents and other experts as it may reasonably require for the proper determination and discharge of its duties hereunder and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof. Any solicitors employed or consulted by the Indenture Trustee may, but need not be, solicitors for the Corporation.
- (c) In addition to the reports, certificates, opinions and other evidence required by this Indenture, the Corporation shall furnish to the Indenture Trustee such additional evidence of compliance with any provision hereof, and in such form as may be prescribed by Applicable Legislation or as the Indenture Trustee may reasonably require by written notice to the Corporation.
- (d) The Indenture Trustee shall be protected in acting and relying upon any written notice, opinions, reports, certificates, direction, instruction, order, certificate, confirmation, request, waiver, consent, receipt, statutory declaration or other paper or document (collectively referred to as "**Documents**") furnished to it and signed by any person required to or entitled to execute and deliver to the Indenture Trustee any such Documents in connection with this Indenture, not only as to its due execution and the validity and effectiveness of its provisions, but also as to the truth and accuracy of any information therein contained, which it in good faith believes to be genuine.
- (e) Whenever Applicable Legislation requires that evidence referred to in Section 13.5 be in the form of a statutory declaration, the Indenture Trustee may accept such statutory declaration in lieu of a certificate of the Corporation required by any provision hereof. Any such statutory declaration may be made by one or more of the Chairman of the Board and Chief Executive Officer, President and Chief Operating Officer, Executive Vice-President, Vice-President, Secretary, Controller, Treasurer, or any Assistant-Secretary or Assistant-Treasurer of the Corporation.
- (f) The Indenture Trustee shall not be required to give any bond or security in respect of the execution of the duties, obligations and powers of this Indenture or otherwise in respect of the premises.

13.8 Indenture Trustee May Deal in Debentures

Subject to Section 13.3, the Indenture Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise without being liable to account for any profits made thereby.

13.9 Investment of Moneys Held by Indenture Trustee

- (a) Unless herein otherwise expressly provided, any of the funds held by the Indenture Trustee may be deposited in a trust account in the name of the Indenture Trustee

(which may be held with the Indenture Trustee or an affiliate of the Indenture Trustee), which account shall be non-interest bearing. Upon the Written Direction of the Corporation, the Indenture Trustee shall invest in its name such funds in Authorized Investments in accordance with such direction. Any direction by the Corporation to the Indenture Trustee as to the investment of the funds shall be in writing and shall be provided to the Indenture Trustee no later than 9:00 a.m. EST on the day on which the investment is to be made. Any such direction received by the Indenture Trustee after 9:00 a.m. EST or received on a non-Business Day, shall be deemed to have been given prior to 9:00 a.m. EST the next Business Day. Any direction from the Corporation for the release of the trust funds must be received prior to 11:00 a.m. EST on the day on which the release of funds is to be made. Any such direction for the release of funds received after 11:00 a.m. EST or on a non-Business Day will be handled on a commercially reasonable efforts basis and may result in trust funds being released on the next Business Day.

- (b) In the event that the Indenture Trustee does not receive a Written Direction or only a partial Written Direction from the Corporation to invest any trust funds, the Indenture Trustee may hold cash balances constituting part or all of the trust fund and may, but need not, invest same in its deposit department or the deposit department of one of its Affiliates or the deposit department of a Canadian chartered bank; but the Indenture Trustee, its Affiliates or a Canadian chartered bank shall not be liable to account for any profit to any parties to this Trust Indenture or to any person or entity other than at a rate, if any, established from time to time by the Indenture Trustee, its Affiliates or a Canadian chartered bank.
- (c) Unless and until the Indenture Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Indenture Trustee shall pay over to the Corporation all interest received by the Indenture Trustee with respect to any investments or deposits made pursuant to the provisions of this Section.

13.10 Indenture Trustee Not Ordinarily Bound

Except as provided in Section 6.2 and as otherwise specifically provided herein, the Indenture Trustee shall not, subject to Section 13.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Indenture Trustee shall have been required to do so by a Debentureholders' Request or by an Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 11, and then only after it shall have been indemnified and funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

13.11 Indenture Trustee Not Required To Give Security

The Indenture Trustee shall not be required to give any bonds or security with respect to the execution of the trusts and powers of this Trust Indenture or otherwise in respect of the premises.

13.12 Indenture Trustee Not Bound to Act On Corporation's Request

Except as in this Indenture otherwise specifically provided, the Indenture Trustee shall not be bound to act in accordance with any Written Direction of the Corporation or Request of the Corporation or of the Directors until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Indenture Trustee, and the Indenture Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Indenture Trustee to be genuine.

13.13 Indenture Trustee Not Bound to Take Notice of Default

The Indenture Trustee shall not be bound to do or give any notice or take any act, action, proceeding for the enforcement of any of the obligations of the Corporation under this Indenture unless and until it shall have received a Debentureholders' Request specifying the act, action or proceeding which the Indenture Trustee is requested to take, nor shall the Indenture Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Indenture Trustee and, in the absence of any such notice, the Indenture Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representations, debentures, covenants, agreements, or conditions contained herein

13.14 Conditions Precedent to Indenture Trustee's Obligation to Act Hereunder

- (a) The obligation of the Indenture Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Indenture Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing, when required by notice in writing by the Indenture Trustee, sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Indenture Trustee to protect and hold harmless the Indenture Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (b) None of the provisions contained in this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Indenture Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Debentureholders at whose instance it is acting to deposit with the Indenture Trustee the Debentures held by them and the Indenture Trustee shall issue receipts for such Debentures to such Debentureholders.
- (d) The Indenture Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms hereof; nor shall the Indenture Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Indenture Trustee and in the absence

of any such notice the Indenture Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representation, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Indenture Trustee to determine whether or not the Indenture Trustee shall take action with respect to any default.

13.15 Tax Compliance

In order to comply with applicable tax laws (inclusive of any current and future laws, rules, regulations, intergovernmental agreements and interpretations thereof promulgated by competent authorities, whether domestic or foreign) related to the Debentures and/or any matters contemplated by this Trust Indenture that are in effect from time to time (in this Section, “**Applicable Tax Law**”) that a financial institution (whether domestic or foreign), issuer, trustee, paying agent or other party is or has agreed to be subject to, the Corporation agrees:

- (a) to provide to the Indenture Trustee sufficient information about the parties and/or transactions (including any modification to the terms of such transactions) so that the Indenture Trustee can determine whether it has tax related obligations under Applicable Tax Law;
- (b) that the Indenture Trustee shall be entitled to make any withholding or deduction from payments to comply with Applicable Tax Law for which the Indenture Trustee shall not have any liability; and
- (c) to hold harmless the Indenture Trustee for any losses it may suffer due to the actions it takes to comply with Applicable Tax Law.

The terms of this Section shall survive the termination of this Agreement.

13.16 Authority to Carry on Business

The Indenture Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Province of Alberta but if, notwithstanding the provisions of this Section, it ceases to be so authorized to carry on business, the validity and enforceability of this Trust Indenture and the Debentures shall not be affected in any manner whatsoever by reason only of such event but the Indenture Trustee shall, within 30 days after ceasing to be authorized to carry on the business of a trust company in the Province of Alberta either become so authorized or resign in the manner and with the effect specified in Section 13.2.

13.17 Acceptance of Trust

The Indenture Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various Persons who shall from time to time be Debentureholders, subject to all the terms and conditions herein set forth.

13.18 Trust Indenture Legislation

- (a) If and to the extent that any provision of this Indenture limits, qualifies or conflicts with a mandatory requirement of Applicable Legislation, such mandatory requirement shall prevail.
- (b) The Corporation and the Indenture Trustee agree that each will at all times in relation to this Indenture and any action to be taken hereunder, observe and comply with and be entitled to the benefits of Applicable Legislation.

13.19 Protection of Indenture Trustee

- (a) Nothing herein contained shall impose any obligation on the Indenture Trustee to see to or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental hereto;
- (b) The Indenture Trustee shall not be appointed receiver or receiver manager of the assets of the Corporation.
- (c) The Indenture Trustee shall not incur any liability or responsibility whatever or be in any way responsible for the consequence of any breach on the part of the Corporation of any of the covenants herein contained or of any acts of any directors, officers, employees, trustees or servants of the Corporation.

13.20 Additional Rights of Indenture Trustee

- (a) The Indenture Trustee shall retain the right not to act and shall not be held liable for refusing to act unless it received clear and reasonable documentation which complies with the terms of this Indenture. Such documentation must not require the exercise of any discretion or independent judgment, except as otherwise provided herein.
- (b) The Indenture Trustee shall be entitled to rely, and act upon, on any direction, order, instruction, notice or other communication provided to it hereunder which is sent to it by facsimile, e-mail or other electronic transmission.
- (c) The Corporation shall provide to the Indenture Trustee an incumbency certificate setting out the names and sample signatures of persons authorized to give instructions to the Indenture Trustee hereunder. The Indenture Trustee shall be entitled to rely on such certificate until a revised certificate is provided to it hereunder. The Indenture Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any person other than a person described in the incumbency certificate provided to it pursuant to this Section.
- (d) The Indenture Trustee shall not be liable for any consequential, punitive or special damages or lost profits suffered by the Corporation.
- (e) The Indenture Trustee shall not be liable for errors in judgment made in good faith unless negligent in ascertaining pertinent facts.

- (f) The Indenture Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Indenture Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war).

ARTICLE 14 FURTHER PROVISIONS CONCERNING THE INDENTURE TRUSTEE

14.1 Responsibility of Indenture Trustee

- (a) At all times while any Debentures are outstanding, the Indenture Trustee shall have the following responsibilities hereunder:
 - (i) to keep the Corporation's Debenture ledgers, registers and branch registers of transfers and unissued Debenture certificates and, subject to such general and particular instructions as may from time to time be given to it by or under the authority of the Board of Directors of the Corporation (which shall be in the form of a Written Direction of the Corporation), the Indenture Trustee shall:
 - (A) record the particulars of all transfers of Debentures upon the appropriate register of transfers or branch register(s) of transfers;
 - (B) issue Debenture certificates to the Debentureholders entitled thereto, representing Debentures held by or transferred to them, respectively;
 - (C) maintain the registers of Holders and make such entries from time to time in the registers as may be necessary in order that the account of each Debentureholder may be properly and accurately maintained;
 - (D) furnish to the Corporation, at the Corporation's expense, upon its request, true and complete copies of such registers of Holders as it has in its possession or control for the purposes of carrying out the duties and obligations imposed on the Indenture Trustee by this Trust Indenture; and
 - (E) furnish to the Corporation, at the Corporation's expense, at all times such statements, lists, entries, information and material concerning transfers and other matters herein prepared and undertaken by it, including all documents, papers, information and material as it may have and the Corporation may require;
 - (ii) forthwith upon receipt of sufficient moneys from the Corporation, to forward cheques representing payments of interest upon the Debentures to the Holders thereof in accordance with the provisions of Section 2.8 hereof;

- (iii) upon receipt of sufficient moneys upon the stated or accelerated maturity of the Debentures, to make all payments of principal or interest on the Debentures to the Holders thereof as provided in this Indenture;
 - (iv) promptly as and when due to make such recordings and filings as may be required to satisfy any statutory or regulatory duty imposed upon the Indenture Trustee; and
 - (v) to carry out any and all other obligations and responsibilities expressly imposed upon the Indenture Trustee pursuant to the provisions of this Indenture.
- (b) All Debentures shall be effectively and interchangeably transferable on the appropriate principal register of transfers or on any appropriate branch register of transfers, regardless of where or when the certificates therefor shall have been issued, and entry of the transfer of any Debentures in the appropriate register of transfers or in any one appropriate branch register of transfers shall for all purposes be a complete and valid transfer.
 - (c) The Indenture Trustee may use its own judgment in the performance of its duties as agent for the Corporation, but at any time it may apply to the Board of Directors of the Corporation or an officer of the Corporation or to such Counsel as the Corporation may from time to time determine, at the expense of the Corporation, for instructions or advice, and the Corporation will fully protect and hold the Indenture Trustee harmless from all liability for any action taken, or not taken, by the Indenture Trustee in accordance with or pursuant to such, instructions or advice that may be given to it.
 - (d) The transfer of any Debentures in respect of a certificate presented to the Indenture Trustee may be refused by it until it is satisfied that such certificate is valid, that the endorsement thereon is genuine and that the transfer requested is legally authorized. The Indenture Trustee shall not incur any liability by refusing in good faith to effect any transfer which, in its judgment, is improper or unauthorized.
 - (e) The Indenture Trustee agrees to faithfully carry out and perform its duties hereunder and, on termination hereof and upon payment by the Corporation to the Indenture Trustee of all monies owing to the Indenture Trustee hereunder, to deliver over to the Corporation the registers and branch registers maintained by it and any documents connected therewith or with the Corporation transacted hereunder, and a receipt signed by an officer of the Corporation shall be a valid discharge of the Indenture Trustee.

14.2 Compliance with Anti-Money Laundering Legislation

The Indenture Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Indenture Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any sanctions legislation or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Indenture Trustee, in its sole judgment, determine at any time that its acting under this Trust Indenture has resulted in its being in non-compliance with any sanctions legislation

or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days' written notice to the Corporation provided: (a) that the Indenture Trustee's written notice shall describe the circumstances of such non-compliance to the extent permitted by sanctions legislation or regulation or applicable anti-money laundering or anti-terrorist legislation, regulation or guideline; and (b) that if such circumstances are rectified to the Indenture Trustee's satisfaction within such 10-day period, then such resignation shall not be effective.

ARTICLE 15 SUPPLEMENTAL INDENTURES

15.1 Supplemental Indentures

- (a) From time to time the Indenture Trustee, and when authorized by a resolution of the Directors of the Corporation, may, and they shall when required by this Trust Indenture, execute, acknowledge and deliver by their proper officers, deeds or indentures supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:
 - (i) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Indenture Trustee, relying on Counsel, prejudicial to the interest of the Holders;
 - (ii) giving effect to any Extraordinary Resolution passed as provided in Article 11 hereof;
 - (iii) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Debentures on any stock exchange, provided that such provisions are not, in the opinion of the Indenture Trustee, relying on Counsel, prejudicial to the interests of the Holders;
 - (iv) adding to or altering the provisions hereof in respect of the ownership and transfer of Debentures, making provision for the exchange of Debentures, and making any modification in the form of the Debentures which does not affect the substance thereof;
 - (v) modifying any of the provisions of this Indenture or relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or becomes operative or effective if, in the opinion of the Indenture Trustee, relying on Counsel, such modification or relief impairs any of the rights of the Holders or of the Indenture Trustee, and provided that the Indenture Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Indenture Trustee when the same shall become operative; and
 - (vi) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein, provided that in the opinion of the

Indenture Trustee acting on the advice of Counsel, the rights of the Indenture Trustee and of the Holders are in no way prejudiced thereby.

[THE REMAINDER OF THIS PAGE LEFT INTENTIONALLY BLANK]

ARTICLE 16
EXECUTION AND EFFECTIVE DATE

16.1 Execution

This Indenture may be executed in several counterparts, both as to the signing authorities for each party and for the parties themselves, all of which counterparts when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed those presents under their respective corporate seals and the hands of their proper officers in that behalf to be effective as at the date first above written.

CROWN CAPITAL PARTNERS INC.

Per: _____

TSX TRUST COMPANY

Per: _____

Per: _____

SCHEDULE A

FORM OF DEBENTURE

The form of Debentures, the Certificate of the Indenture Trustee and the registration and transfer panels thereon shall be in the English language substantially as follows:

(Form of Debenture)

[If a global certificate registered in the name of CDS & Co., the following legend is applied]

THIS DEBENTURE IS A GLOBAL DEBENTURE WITHIN THE MEANING OF THE SECOND AMENDED AND RESTATED TRUST INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS DEBENTURE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR DEBENTURES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE SECOND AMENDED AND RESTATED TRUST INDENTURE DATED AS OF THE [●] DAY OF [●], 2024 BETWEEN CROWN CAPITAL PARTNERS INC. AND TSX TRUST COMPANY (THE “INDENTURE”). EVERY DEBENTURE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS DEBENTURE SHALL BE A GLOBAL DEBENTURE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO CROWN CAPITAL PARTNERS INC. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

CROWN CAPITAL PARTNERS INC.
(existing under the laws of Canada)

11% Secured Subordinated Debentures
(the “Debenture(s)”)

CUSIP No. [●]

ISIN No. [●]

Certificate Number: [●]

\$[●]

Crown Capital Partners Inc. (herein referred to as the “Corporation”), for value received, hereby

promises to pay to the registered holder (the “Holder”), CDS & Co., on December 31, 2026, or on such earlier date as the principal amount hereof may become payable in accordance with the conditions herein set out and with the provisions of the Trust Indenture hereinafter mentioned, on presentation and surrender of this Debenture, the sum of

\$[●]

in lawful money of Canada, at the office of the Indenture Trustee in Toronto, Ontario or any paying agent, and to pay interest thereon from and including the date hereof at the Interest Rate, payable after as well as before maturity and after as well as before default and judgment until paid in full, with interest on amounts in default at the same rate, on each interest payment date commencing on December 31, 2025. Payments of interest shall be made annually on the interest payment dates. Any adjustments to the principal amount of this Debenture may be set forth and recorded in the table at Exhibit A hereto. For greater certainty, the next interest payment on this Debenture which is payable on December 31, 2025 will be in the amount of \$[●] per \$1,000 principal amount of this Debenture.

As interest becomes due on this Debenture on December 31 in each year commencing on December 31, 2025 (except interest payable at maturity which may be paid upon presentation and surrender of such Debentures for payment at the office of the Indenture Trustee in Toronto, Ontario or any paying agent), the Corporation shall cause to be sent by prepaid first class mail a cheque for such interest (less any tax required by law to be withheld therefrom) payable to the order of the Holder (as appearing on the registers maintained by the Indenture Trustee at the close of business on the last Business Day of the month preceding the month of the applicable interest payment date) and addressed to it at its last address appearing on the register, unless the Holder otherwise directs. In the case of joint Holders, the cheque shall be payable to or issued to the order of all such joint Holders and addressed to them at the last address appearing on the register, unless such other joint Holders otherwise direct. If more than one address appears on the register in respect of such joint Holders, the cheque shall be mailed to the first address so appearing. In the event of non-receipt of any cheque for interest by the Holder, the Corporation will cause to be issued a replacement cheque for like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction, acting reasonably.

This Debenture is one of the Debentures in lawful money of Canada issued under a Second Amended and Restated Trust Indenture (herein referred to as the “Trust Indenture”) dated as of [●], 2024, between the Corporation and TSX Trust Company, as Indenture Trustee. The aggregate principal amount of Debentures which may be authorized and issued under the Trust Indenture is \$20,000,000. Reference is made hereby to the Trust Indenture and any instruments supplemental thereto for a statement and description of the terms and conditions upon which this Debenture is issued and the rights and remedies of the Holders of the Debentures, the Corporation and the Indenture Trustee with respect thereto, all with the same effect as if the provisions of the Trust Indenture and of any instruments supplemental thereto were herein set forth, to all of which provisions the registered Holder of this Debenture, by acceptance hereof assents. In the event of any inconsistency between the provisions of this Debenture and the provisions of the Trust Indenture, the provisions of the Trust Indenture shall prevail.

The Debentures are issuable in book-entry form, and each Debenture is issuable in denominations of \$1,000 and integral multiples thereof. Upon compliance with the provisions of the Trust Indenture, Debentures of any authorized denominations may be exchanged for an equal

aggregate principal amount of Debentures in any other authorized denomination or denominations.

All Debentures issued under the Trust Indenture rank equally and rateably without priority or preference. The Debentures issued under the Trust Indenture are secured as set forth in the Trust Indenture, are subordinate to the Senior Security and rank *pari passu* with the *Pari Passu* Debt.

The Debentures are not convertible into any other securities of the Corporation.

Prior to the Maturity Date, the Debentures will be redeemable at a price equal to the principal amount thereof, plus accrued and unpaid interest (subject to any tax required by law to be withheld on such interest), at the Corporation's sole option on not more than 60 days' and not less than 30 days' prior notice.

Upon the occurrence of a Change of Control of the Corporation involving the acquisition of voting control or direction over 66 2/3% or more of the outstanding Shares and securities convertible into or carrying the right to acquire Shares by any person or group of persons acting jointly or in concert, the Corporation will be required to make an offer to repurchase all of the Debentures at a price equal to 101% of the principal amount of the Debentures, plus accrued and unpaid interest thereon.

If 90% or more of the aggregate principal amount of Debentures outstanding on the date that the Corporation gives notice of a Change of Control to the Indenture Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation shall have the right to redeem all the remaining Debentures at the same price plus accrued and unpaid interest.

Unless an Event of Default has occurred and is continuing, the Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy all or part of its interest payment obligations on the Debentures by delivering sufficient Freely Tradeable Shares to the Indenture Trustee in accordance with the Trust Indenture for sale by the Indenture Trustee (the "Share Interest Payment Election"), in which event Debentureholders will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Shares by the Indenture Trustee. The amount received by a Debentureholder in respect of interest will not be affected by whether or not the Corporation elects to utilize the Share Interest Payment Election.

The Debenture may only be transferred upon compliance with the conditions prescribed in the Trust Indenture on the register to be kept at the principal office of the Indenture Trustee in the City of Toronto, Ontario, and at such other place or places (if any) and/or by such other registrar or registrars (if any) as the Corporation with the approval of the Indenture Trustee may designate, by the registered Holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee and/or other registrar may prescribe, and then, only if such transfer shall have been duly entered on one of the appropriate registers or noted on this Debenture by a proper registrar.

The Trust Indenture contains provisions making binding upon all Holders of Debentures outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments in writing signed by the Holders of a specified percentage of the principal amount of the Debentures outstanding.

This Debenture shall not become obligatory for any purpose until it shall have been certified by

the Indenture Trustee for the time being under the Trust Indenture.

Unless otherwise defined, all initially capitalized terms used herein shall have the meaning ascribed to such terms in the Trust Indenture. To the extent that the terms and conditions stated in this Debenture conflict with the terms and conditions of the Trust Indenture, the latter shall prevail.

In witness whereof Crown Capital Partners Inc. has caused this Debenture to be signed by its duly authorized officer effective as of the [●] day of [●], 2024.

CROWN CAPITAL PARTNERS INC.

Per: _____

THIS DEBENTURE IS NOT VALID UNTIL CERTIFIED BY THE INDENTURE TRUSTEE.

INDENTURE TRUSTEE'S CERTIFICATE

This Debenture is one of the 11% Secured Subordinated Debentures referred to in the Trust Indenture within mentioned.

**TSX TRUST COMPANY,
Indenture Trustee**

By: _____
(Authorized Signature)

THIS CERTIFICATE OF THE INDENTURE TRUSTEE SIGNED ON THE SECURITIES WILL NOT BE CONSTRUED AS A REPRESENTATION OR WARRANTY BY THE INDENTURE TRUSTEE AS TO THE VALIDITY OF THE INDENTURE OR OF THE SECURITIES OR OF THEIR ISSUANCE AND THE INDENTURE TRUSTEE WILL IN NO RESPECT BE LIABLE OR ANSWERABLE FOR THE USE MADE OF SUCH SECURITIES OR ANY OF THEM OR THE PROCEEDS THEREOF. THIS CERTIFICATE OF THE INDENTURE TRUSTEE SIGNED ON THE SECURITIES WILL, HOWEVER, BE A REPRESENTATION AND WARRANTY BY THE INDENTURE TRUSTEE THAT THE SECURITIES HAVE BEEN DULY CERTIFIED BY OR ON BEHALF OF THE INDENTURE TRUSTEE PURSUANT TO THE PROVISIONS OF THE INDENTURE.

REGISTRATION PANEL

(No writing hereon except by Indenture Trustee or other registrar)

Date of Registration	In Whose Name Registered	Signature of Indenture Trustee or Registrar

(Form of Transfer Panel)

TRANSFER FORM

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Debenture (or \$_____ * principal amount hereof) of CROWN CAPITAL PARTNERS INC. standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Debenture and does hereby irrevocably authorize and direct the Indenture Trustee to transfer such Debenture in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

*If less than the full principal amount of the within Debenture is to be transferred, indicate in the space provided the principal amount (which must be \$1,000 or an integral multiple thereof, unless you hold a Debenture in a non-integral multiple of \$1,000, in which case such Debenture is transferable only in its entirety) to be transferred.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Debenture in every particular without alteration or any change whatsoever.
2. The registered holder of this Debenture is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Debenture.
3. The signature on the Transfer Form shall be Signature Guaranteed by a Schedule I Canadian chartered bank or a member of a recognized Medallion Guarantee program.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

EXHIBIT "A"

CROWN CAPITAL PARTNERS INC.
(existing under the laws of Canada)

11% Secured Subordinated Debentures

CUSIP No. [●]

ISIN No. [●]

Initial Principal Amount: \$20,000,000

ADJUSTMENTS

[illegible]

SCHEDULE B

NOTICE OF ACCEPTANCE OF CHANGE OF CONTROL OFFER

(Pursuant to Section 4.10 (c) of the Trust Indenture)

TO: CROWN CAPITAL PARTNERS INC.

Note: All capitalized terms used herein have the meaning ascribed thereto in the Trust Indenture mentioned below, unless otherwise indicated.

The undersigned registered holder of 11% Secured Subordinated Debentures bearing Certificate No. _____ irrevocably accepts the offer by the Corporation to purchase such Debentures (or \$ _____* principal amount thereof) on the Change of Control Payment Date in accordance with the terms of the Trust Indenture referred to in such Debentures at a price of \$1,000 for each \$1,000 principal amount of Debentures plus all accrued and unpaid interest thereon to, but excluding, the Change of Control Payment Date (collectively, the “**Change of Control Payment**”) and tenders herewith the Debentures in respect of which the Change of Control is being accepted,

Dated: _____
(Signature of Registered Holder)

* If less than the full principal amount of the Debentures, indicate in the space provided the principal amount (which must be \$1,000 or integral multiples thereof).

The Change of Control Payment will be payable upon presentation and surrender of the Debentures with this form on or after the Change of Control Payment Date at the following corporate trust office:

TSX Trust Company
Suite 301, 100 Adelaide Street West
Toronto, Ontario
M5H 4H1
Attn: Vice President, Corporate Trust
Email: tmxestaff-corporatetrust@tmx.com
Fax: (416) 361-0470

The interest upon the principal amount of Debentures purchased by the Corporation shall cease to be payable from and after the Change of Control Payment Date unless payment of the Change of Control Payment shall not be made on presentation for surrender of such Debentures at the above mentioned corporate trust office on or after the Change of Control Payment Date or prior to the setting aside of the Change of Control Payment pursuant to the Second Amended and Restated Trust Indenture dated [●], 2024 between the Corporation and TSX Trust Company, as indenture trustee.

SCHEDULE C

SHARE INTEREST PAYMENT ELECTION NOTICE

(Payment of Interest Obligation in Shares)

TO: TSX TRUST COMPANY

Note: All capitalized terms used herein have the meaning ascribed thereto in the Trust Indenture mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Article 10 of the second amended and restated trust indenture dated [●], 2024 (the "Trust Indenture"), between the Corporation and TSX Trust Company, as indenture trustee (the "Indenture Trustee"), that the Corporation hereby elects to pay its interest obligation on the 11% Secured Subordinated Debentures of the undersigned for the period commencing on _____ and ending on _____, which is due and payable on _____, in Shares

You are hereby authorized to deliver Share Bid Requests to the following investment banks, brokers and dealers and on the following terms and conditions:

and each Share Bid Request shall provide that the acceptance of any bid by the Corporation is conditional on the acceptance of, sufficient bids to result in aggregate proceeds from such issue and sale of Shares which, together with the cash payment by the Corporation in lieu of fractional Shares, if any, equals the interest owing on the Share Delivery Date.

Pursuant to the Trust Indenture, the Corporation retains the right, by delivering written notice to the Indenture Trustee at any time prior to the consummation of such delivery and sale of the Shares and the Share Delivery Date, to withdraw the Share Interest Payment Election which shall have the effect of withdrawing each relating Share Bid Request, whereupon the Corporation shall be obligated to pay the Interest Obligation in respect of which the Share Interest Payment Election Notice has been delivered.

DATED:

CROWN CAPITAL PARTNERS INC.

(Authorized Signatory)

(Authorized Signatory)

