

**CDN. \$40,000,000
TERM FACILITY**

- and -

**CDN. \$10,000,000
OPERATING FACILITY**

CREDIT AGREEMENT

among

DECIBEL CANNABIS COMPANY INC.

(as Borrower)

- and -

**ATB FINANCIAL AND EACH OF THE OTHER FINANCIAL INSTITUTIONS NAMED AS LENDERS
HEREUNDER FROM TIME TO TIME**

(as Lenders)

- and -

ATB FINANCIAL

(as Administrative Agent)

Dated effective as of February 9, 2026

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THIS CREDIT AGREEMENT is dated as of February 9, 2026,

AMONG:

DECIBEL CANNABIS COMPANY INC., a corporation amalgamated under the laws of Alberta, as Borrower

AND:

ATB FINANCIAL AND EACH OF THE OTHER FINANCIAL INSTITUTIONS SIGNATORIES HERETO AS LENDERS, OR AS FROM TIME TO TIME BECOME LENDERS HEREUNDER, in their capacities as Lenders

AND:

ATB FINANCIAL, in its capacity as Agent

WHEREAS the Borrower has requested and the Lenders have agreed to establish senior secured credit facilities on the terms and conditions set forth herein and ATB has agreed to act as Agent for the Lenders under such credit facilities;

NOW THEREFORE, in consideration of the premises, the covenants herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the parties hereto, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, including the recitals and the Schedules hereto and in all notices pursuant to this Agreement, unless something in the subject matter or context is inconsistent therewith, the following words and phrases shall have the following meanings:

“Acceleration Notice” has the meaning given to it in Section 10.2(b).

“Accommodations” means:

- (a) the advance of Loans by way of:
 - (i) Prime Loans; or
 - (ii) CORRA Loans,in each case, by the Term Facility Lenders
(collectively, **“Term Accommodations”**); and
- (b) the:
 - (i) advance of Loans by way of:
 - (A) Prime Loans; and

- (B) CORRA Loans;
 - (ii) issuance of Letters of Credit,
- in each case, by the Operating Lender
- (collectively, “**Operating Accommodations**”).

“**Account Receivable**” means any right of a Loan Party to payment for services rendered or goods sold in the ordinary course of business classified as an account receivable in accordance with IFRS.

“**Acquisition**” means, with respect to any Loan Party, any purchase or other acquisition, including any such purchase or other acquisition effected by way of amalgamation, merger, arrangement, business combination or other form of corporate reorganization, or by way of purchase, lease or other acquisition arrangements, of (a) any other Person (including by acquisition of equity securities of such other Person), (b) all or any substantial part of the property of any other Person, or (c) all or substantially all of any division, business, operations or undertaking of any other Person.

“**Additional Compensation**” has the meaning given to it in Section 11.2.

“**Adjusted Daily Compounded CORRA**” means, for purposes of any calculation, the rate per annum equal to (a) Daily Compounded CORRA for such calculation plus (b) the CORRA Adjustment; provided that if Adjusted Daily Compounded CORRA as so determined shall be less than the Floor, then Adjusted Daily Compounded CORRA shall be deemed to be the Floor.

“**Adjusted Term CORRA**” means, for purposes of any calculation, the rate per annum equal to (a) Term CORRA for such calculation plus (b) the CORRA Adjustment; provided that if Adjusted Term CORRA as so determined shall ever be less than the Floor, then Adjusted Term CORRA shall be deemed to be the Floor.

“**Adjustment Time**” means the time of occurrence of the last event necessary (being either the delivery of a Demand for Repayment or the occurrence of a Termination Event) to ensure that all Lender Outstandings are thereafter due and payable and such time shall conclusively be:

- (a) in the case where such last event is the delivery of a Demand for Repayment, the time of delivery for such Demand for Repayment or, where not delivered as required within a time period specified in Section 10.3, then the last day of such time period; and
- (b) in the case where such last event is the occurrence of a Termination Event, the time of occurrence of such Termination Event determined pursuant to the provisions of the agreement giving rise to such Termination Event.

“**Administrative Questionnaire**” means an administrative questionnaire in a form supplied by the Agent.

“**Affiliate**” means any Person which, directly or indirectly through one or more intermediaries Controls, is Controlled by, or is under common Control with another Person.

“**Agent**” means ATB and includes any successor agent appointed pursuant to Section 12.17.

“**Agent Parties**” has the meaning given to it in Section 14.13(b).

“Agent’s Account for Payments” means the following account maintained by the Agent to which payments and transfers are to be effected as follows:

Redacted - confidential banking information



or such other places or accounts as may be agreed upon by the Agent and the Borrower from time to time and notified in writing to the Lenders.

“Agent’s Branch of Account” means the office of the Agent located at the address set forth under ATB on Schedule “A” or such other office or branch of the Agent in Canada as the Agent may from time to time advise the Borrower and the Lenders in writing.

“AgMedica” means AgMedica Bioscience Inc., together with its successors and permitted assigns.

“Agreement” means this credit agreement, all Schedules attached hereto and any future amendments, restatements, replacements or supplements hereto.

“AML Legislation” has the meaning given to it in Section 14.12(a).

“Anti-Money Laundering Laws” has the meaning given to it in Section 2.1(bb)(i)(A).

“Applicable Law” means, in relation to any Person, property, transaction or event, all applicable provisions (or mandatory applicable provisions, if so specified) of federal, provincial, state, municipal or local laws, statutes, rules, regulations, by-laws, official directives and orders of all Governmental Authorities and all Governmental Actions in which the Person in question is a party or by which it is bound or having application to the Person, property, transaction or event, and includes Environmental Laws and Cannabis Laws.

“Applicable Lenders” means:

- (a) in the case of the Term Facility and in respect of a Borrowing Notice, Conversion Notice or Rollover Notice given under the Term Facility, all of the Term Facility Lenders; and
- (b) in the case of the Operating Facility and in respect of a Borrowing Notice given under the Operating Facility, means only the Operating Lender.

“Applicable Margin” means a margin, expressed as a rate per annum, payable (a) in the case of the Term Facility, to the Agent on behalf of all of the Term Facility Lenders, and (b) in the case of the Operating Facility, to the Operating Lender for its own account, in each case with respect to Borrowings, as set forth in the table below for the applicable Total Funded Debt to EBITDA Ratio:

Level	Total Funded Debt to EBITDA Ratio	Prime Loans (bps)	CORRA Loans, Financial Letters of Credit and Non-Financial Letters of Credit (bps)	Standby Fees (bps)
1	Redacted - commercially sensitive information			
2				
3				
4				

provided that changes in the Applicable Margin shall be effective and adjusted in accordance with Section 5.11; and provided further that, as at the Effective Date, the Applicable Margin shall be in accordance with the Compliance Certificate most recently delivered pursuant to Section 8.1(d)(ix). For the purposes of calculating the Applicable Margins for Prime Loans and CORRA Loans, the per annum rate is expressed on the basis of a 365-day year. Without duplication of interest on overdue amounts as provided in Section 5.5, upon the occurrence and during the continuance of any Event of Default, each of the above Applicable Margins will increase by **Redacted - commercially sensitive information** bps upon notice from the Agent (such increased interest rate, the “**Default Rate**”).

“**Approved Fund**” means any Fund that is administered or managed by:

- (a) a Lender,
- (b) an Affiliate of a Lender, or
- (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“**Approved Jurisdictions**” means a country in which it is legal in all political subdivisions therein (including for greater certainty on a federal, state and municipal basis) to undertake any Cannabis Activities and which satisfies the provisions of Section 9.6.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee, with the consent of any party whose consent is required by Article 13, and accepted by the Agent, substantially in the form attached hereto as Schedule “E”.

“**ATB**” means ATB Financial and its successors and permitted assigns.

“**Authorizations**” means all authorizations, permits, decisions, determinations, judgments, directions, entitlements, licences, orders, consents, approvals, notices, correspondence, directives, exemptions, registrations, rulings, advance rulings, rights and certifications, whether now existing or hereafter issued or obtained or required to be issued or obtained and which are or may be given or issued by any Governmental Authority pursuant to Applicable Law, including Cannabis Authorizations.

“**Available Tenor**” means, as of any date of determination and with respect to the then-current Benchmark, as applicable, (x) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an Interest Period pursuant to this Agreement or (y) otherwise, any payment period for interest calculated with reference to such Benchmark (or any component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of “Interest Period” pursuant to Section 11.4(e).

“Basel III” means the agreements on capital requirements, leverage ratios and liquidity standards contained in “Basel III: A global regulatory framework for more resilient banks and banking systems”, “Basel III: International framework for liquidity risk measurement, standards and monitoring” and “Guidance for national authorities operating the countercyclical capital buffer” published by the Basel Committee on Banking Supervision in December 2010, each as amended, modified, supplemented, reissued or replaced from time to time.

“Benchmark” means, initially, in respect of any CORRA Loan, the Term CORRA Reference Rate or Daily Compounded CORRA, as the case may be; provided in each case that if a Benchmark Transition Event has occurred with respect to any then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 11.4.

“Benchmark Loan” means any CORRA Loan, provided that if a Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA or the then-current Benchmark Replacement thereof, then “Benchmark Loan” means any loan made with reference to the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 11.4.

“Benchmark Replacement” means, with respect to any Benchmark Transition Event:

- (a) where a Benchmark Transition Event has occurred with respect to the Term CORRA Reference Rate, Daily Compounded CORRA; and
- (b) where a Benchmark Transition Event has occurred with respect to any Benchmark other than the Term CORRA Reference Rate, the sum of: (A) the alternate benchmark rate that has been selected by the Agent and the Borrower giving due consideration to (I) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (II) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for syndicated credit facilities denominated in Canadian Dollars and (B) the related Benchmark Replacement Adjustment,

provided that, if the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“Benchmark Replacement Adjustment” means, with respect to any replacement of any then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Canadian Dollar- denominated syndicated credit facilities (as applicable) at such time.

“Benchmark Replacement Date” means a date and time determined by the Agent, which date shall be no later than the earliest to occur of the following events with respect to the then-current Benchmark:

- (a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component

used in the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

- (b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative; provided that such non-representativeness will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Transition Event**” means the occurrence of one or more of the following events with respect to any then-current Benchmark:

- (a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);
- (b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Bank of Canada, the administrator of such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), in each case, which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or
- (c) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative of the underlying market and economic reality that such Benchmark is intended to measure and that representativeness will not be restored.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

“**Benchmark Unavailability Period**” means, in respect of any Benchmark, the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred in respect of Benchmark if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.4 and (b) ending at the time that a Benchmark

Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.4.

"Bilateral Financial Services Agreements" means each present and future agreement between a Creditcard Lender and a Loan Party with respect to Creditcard Facilities, and each present and future agreement between the Operating Lender and a Loan Party with respect to Cash Management Services, as such agreements may be amended, restated or otherwise in effect from time to time.

"Borrower" means Decibel Cannabis Company Inc., together with its successors and permitted assigns.

"Borrowing Notice" means a notice to effect an Accommodation delivered under Section 3.4 and substantially in the form of Schedule "B" with all applicable blanks completed and executed by any approved signing authority of the Borrower.

"Borrowings" means, at any time, the aggregate of:

- (a) the principal amount outstanding by way of Loans made by the Term Facility Lenders under the Term Facility (collectively, the **"Term Facility Borrowings"**); and
- (b) the principal amount outstanding by way of Loans made by the Operating Lender and the undrawn amount of all outstanding Letters of Credit issued by the Operating Lender under the Operating Facility (collectively, the **"Operating Borrowings"**).

"bps" means 1/100 of 1%.

"Branch of Account" means, with respect to each Lender, the branch or office of such Lender (being, in the case of the Operating Lender, the Operating Lender's Branch of Account) located at the address set forth under such Lender's name on Schedule "A" or in its Assignment and Assumption or such other branch or office in Canada as such Lender may from time to time advise the Borrower and the Agent in writing; provided that, for purposes of delivering any notice required to be delivered by the Agent to a Lender pursuant to Section 12.7 and for purposes of effecting any payments to a Lender in connection with this Agreement, a Lender may specify in writing to the Agent any other branch or office of such Lender in Canada and such branch or office shall thereafter be the Branch of Account of such Lender for such purpose.

"Business" means the Cannabis Activities of the Borrower and its Subsidiaries, including activities ancillary thereto.

"Business Day" means a day, excluding Saturday and Sunday, on which banking institutions are open for the transaction of commercial business in Calgary, Alberta and Toronto, Ontario.

"Canadian Dollars", **"Cdn. Dollars"** and the symbols **"Cdn. \$"** and **"\$"** each means the lawful money of Canada.

"Canadian Sanctions Designated Person" has the meaning given to it in Section 2.1(bb)(iii).

"Cannabis" means:

- (a) any plant or seed, whether live or dead, from any species or subspecies of genus Cannabis, including Cannabis sativa, Cannabis indica and Cannabis ruderalis, marijuana and Industrial Hemp and any part, whether live or dead, of the plant or seed thereof, including any stalk, branch, root, leaf, flower, or trichome;
- (b) any material obtained, extracted, isolated or purified, or is capable of being obtained, extracted, isolated or purified, from the plant or seed or the parts contemplated by clause

- (a) of this definition, including any oil, cannabinoid, terpene, genetic material or any combination thereof;
- (c) any organism engineered to biosynthetically produce the material contemplated by clause (b) of this definition or any analog thereof, including any micro-organism engineered for such purpose;
- (d) any biologically or chemically synthesized version of the material contemplated by clause (b) of this definition or any analog thereof, including any product made by any organism contemplated by clause (c) of this definition; and
- (e) any other meaning ascribed to the term “cannabis” under Cannabis Laws.

“**Cannabis Act**” means the *Cannabis Act*, SC 2018 c. 16, as amended or replaced from time to time.

“**Cannabis Activities**” means any activities (including advertising or promotional activities) relating to or in connection with the possession, storage, transportation, exportation, importation, cultivation, production, processing, purchase, use, distribution or sale of Cannabis or Cannabis products, whether such activities are for medical, scientific, recreational or any other purpose. Notwithstanding the foregoing, the acquisition of services, assets, undertaking or property to facilitate such activities which are acquired or used in accordance with Applicable Laws shall not constitute “Cannabis Activities”.

“**Cannabis Authorizations**” means, at any time, all Authorizations necessary or advisable for the conduct of Cannabis Activities by any party. For the avoidance of doubt, each of the Health Canada Licenses and EU-GMP Certifications shall constitute a Cannabis Authorization.

“**Cannabis Laws**” means Applicable Laws with respect to Cannabis Activities (other than Applicable Laws of general application), including without limitation, the Cannabis Act, the *Criminal Code* (Canada), the *Controlled Drugs and Substances Act* (Canada) and the regulations made from time to time thereunder and any other statutes in an Approved Jurisdiction with respect to Cannabis Activities.

“**Cash Collateral Account**” means an account with the Agent, or such other financial institution as designated by the Agent, from which the Loan Parties do not have any withdrawal rights or privileges except as contemplated in this Agreement, which account and all funds credited thereto and interest earned thereon (which interest shall be at the prevailing rate of the Agent or such other financial institution, as the case may be, for demand deposits of comparable amounts) shall be the subject of a Security Interest in favour of the Agent on behalf of the Lenders.

“**Cash Equivalents**” means, as of the date of any determination thereof, the following:

- (a) marketable direct obligations issued or unconditionally guaranteed by the Government of Canada or any agency or instrumentality thereof, a government of a province of Canada or, in each case, any agency thereof, maturing no more than one year after the date of acquisition thereof;
- (b) commercial paper maturing no more than one year after the date of acquisition thereof and having, at the time of acquisition, a rating of at least A1 by Standard & Poor's Ratings Services or at least Prime 1 by Moody's Investors Service, Inc. or at least R1 (low) by DBRS Ltd.;
- (c) certificates of deposit, deposit notes, term deposit receipts, or time deposits, maturing no more than one year after the date of acquisition thereof, issued by the Lender or by commercial banks incorporated under the laws of Canada, each having a rating of at least A1 by Standard & Poor's Ratings Services or at least Prime 1 by Moody's Investors Service, Inc. or at least R1 (low) by DBRS Ltd.; and

- (d) investments in any investment company, money market or fund which invests substantially all of their assets in Cash Equivalents of a kind described in (a) through (c) of this definition.

“Cash Management Lender” means a Lender or an Affiliate of a Lender which is providing or has provided Cash Management Services to a Loan Party.

“Cash Management Obligations” mean, collectively, any and all direct and indirect, contingent and absolute obligations and liabilities, and any indemnity given in connection with any of the foregoing, of each Loan Party to a Cash Management Lender in respect of any Cash Management Services as the Loan Parties may from time to time receive from a Cash Management Lender; provided, that a liability shall constitute a “Cash Management Obligation” if the arrangement or agreement under which it arose was entered into with the Person who was Cash Management Lender at the time such arrangement or agreement was entered into, regardless of whether such Cash Management Lender ceased to be the Cash Management Lender hereunder.

“Cash Management Services” means cash or treasury management services, which may include daylight credit, controlled disbursement, automated clearinghouse transactions, return items, overdrafts, interstate depository network services, wire payments, account netting and pooling services and foreign exchange settlement or any similar services arrangements.

“Change of Control” shall be deemed to have occurred if any Person (or group of Persons), acting jointly or in concert (within the meaning of the *Securities Act (Alberta)*), acquires, over a period of time or at any one time:

- (a) Voting Securities in the capital of the Borrower aggregating in excess of 50% of all of its then issued and outstanding Voting Securities; or
- (b) the right to elect or appoint a majority of the directors of the Borrower.

“Change of Management” means a Key Person has ceased to perform the functions and services of their role as a chief executive officer or chief financial officer, as applicable, for any reason (including termination of employment, death or disability).

“Circumstance” has the meaning given to it in Section 11.2.

“Claim” has the meaning given to it in Section 11.7(b).

“Commitment” means each Lender’s Term Facility Commitment or Operating Facility Commitment, as the case may be, or if the context so requires, the aggregate thereof.

“Communications” has the meaning given to it in Section 14.13(b).

“Compliance Certificate” means a compliance certificate substantially in the form attached hereto as Schedule “D” executed by any senior officer of the Borrower.

“Conforming Changes” means, with respect to either the use or administration of a Benchmark (or any interest rate based upon a Benchmark), or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definitions of “Prime Rate”, “Business Day,” “Interest Period”, or any similar or analogous definition in respect of the foregoing, the timing and frequency of determining rates and making payments of interest, the timing of Borrowing Notice, Conversion Notice or Rollover Notice, the applicability and length of lookback periods, the applicability of breakage provisions and other technical, administrative or operational matters) that the Agent decides, acting reasonably, may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Agent in a manner substantially consistent with market practice (or, if the Agent decides that adoption of any portion of such

market practice is not administratively feasible or if the Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Agent decides, acting reasonably, is necessary in connection with the administration of this Agreement and the other Loan Documents).

“Control” (including with correlative meanings, the terms **“Controlled by”** or **“under common Control with”**) means, with respect to a Person, possession by another Person, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of Voting Securities, by contract or otherwise.

“Conversion” means a conversion of a Borrowing (other than a Letter of Credit) or part thereof from one basis of Borrowing to another (other than a Letter of Credit), and **“Convert”** and other derivations thereof shall have a corresponding meaning.

“Conversion Date” means each Business Day that the Borrower has notified the Agent as the date on which the conversion of a Borrowing or a portion thereof is to be made pursuant to a request from the Borrower under Section 3.14.

“Conversion Notice” means a notice to effect a Conversion delivered under Section 3.14 and substantially in the form of Schedule “C” with all applicable blanks completed.

“CORRA” means the Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).

“CORRA Adjustment” means a percentage equal to (i) [Redacted - comment by counsel] % ([Redacted - comment by counsel] basis points) per annum for an Available Tenor of one-month’s duration and (ii) [Redacted - comment by counsel] % ([Redacted - comment by counsel] basis points) per annum for an Available Tenor of three-months’ duration.

“CORRA Loans” means Term CORRA Loans and Daily Compounded CORRA Loans.

“Creditcard Facilities” means any corporate credit card facilities for commercial purposes (including “commercial credit cards” and “purchasing cards”).

“Creditcard Lender” means a Lender or an Affiliate of a Lender which has provided Creditcard Facilities to a Loan Party.

“Creditcard Obligations” means indebtedness, liabilities and obligations of any Loan Party to a Creditcard Lender arising under any Creditcard Facilities.

“Currency Swap” means a transaction entered into between a Person and a counterparty pursuant to an ISDA Master Agreement that is a forward rate, currency swap or currency exchange or other similar currency related transaction, the purpose of which is to manage such Person’s exposure to fluctuations in exchange rates.

“Daily Compounded CORRA” means, for any day in an Interest Period, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a 5 Business Day lookback) being established by the Agent in accordance with the methodology and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded CORRA for business loans; provided that if the Agent decides that any such methodology or convention is not administratively feasible for the Agent, then the Agent may establish another methodology or convention in its discretion, acting reasonably; and provided that if the administrator has not provided or published CORRA and a Benchmark Transition Event with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA.

“Daily Compounded CORRA Loan” means a Borrowing in Canadian Dollars which bears interest at a rate based on Adjusted Daily Compounded CORRA.

“Debt” means, with respect to a Person at any time but without duplication, all obligations, indebtedness and liabilities:

- (a) for borrowed money;
- (b) arising pursuant to note purchase facilities and commercial paper programs, or the stated amount of letters of credit, letters of guarantee and surety bonds supporting obligations which would otherwise constitute Debt within the meaning of this definition or indemnities issued in connection therewith;
- (c) that are evidenced by bonds, debentures, notes or other similar instruments (whether or not with respect to the borrowing of money, and whether or not payable by, or convertible into, equity);
- (d) arising pursuant to surety and performance bonds to the extent that a Security Interest has been granted by such Person to secure obligations related to the same;
- (e) arising under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the indebtedness or other obligations of any other Person which would otherwise constitute Debt within the meaning of this definition and all other obligations incurred for the purpose of or having the effect of providing Financial Assistance;
- (f) arising in respect of the deferred purchase or acquisition price of property in excess of 120 days, and excluding, for certainty, accounts payable arising in the ordinary course of business;
- (g) arising under a Purchase Money Security Interest, a Sale/Leaseback or a Financial Lease;
- (h) arising in respect of the purchase from another Person of any such other Person’s property, assets or undertaking, the purchase price in respect of which has been prepaid by the purchaser;
- (i) arising in respect of redemption obligations of any Loan Party with respect to any shares issued by such Loan Party (excluding shares of a Loan Party that may be redeemed in whole or in part in specie) which are not held by another Loan Party and which are by their terms or pursuant to any contract, agreement or arrangement:
 - (i) redeemable, retractable, payable or required to be purchased or otherwise retired or extinguished, or convertible into Debt of a Loan Party, in any case, prior to the Maturity Date (A) at a fixed or determinable date, (B) at the option of any holder thereof, or (C) upon the occurrence of a condition not solely within the control and discretion of the Loan Parties, or
 - (ii) convertible into any other shares described in (i) above; and
- (j) arising in respect of decommissioning liabilities that exceed Cdn. \$ Redacted - commercially sensitive information in the aggregate,

but excluding, for certainty (i) accounts payable and accrued liabilities incurred in the ordinary course of business, (ii) the unrealized portion of any hedging gains or losses, (iii) decommissioning liabilities that do

not exceed \$ [REDACTED] in aggregate, and (iv) all Surety Obligations to the extent it would not otherwise constitute Debt.

"Default" shall mean the occurrence of any of the events specified in Section 10.1, whether or not any requirement for notice or lapse of time or other condition precedent has been satisfied.

"Default Rate" has the meaning given to it in the definition of Applicable Margin.

"Defaulting Lender" means any Lender:

- (a) that has failed to fund any payment or its portion of any Accommodations required to be made by it hereunder or to purchase any participation required to be purchased by it hereunder or under the other Loan Documents;
- (b) that has notified the Borrower, the Agent or any Lender (verbally or in writing) that it does not intend to or is unable to comply with any of its funding obligations under this Agreement or has made a public statement to that effect or to the effect that it does not intend to or is unable to fund advances generally under credit arrangements to which it is a party;
- (c) that has failed, within three Business Days after written request by the Agent or the Borrower, to confirm in writing to the Agent and the Borrower that it will comply with the terms of this Agreement relating to its obligations to fund prospective Accommodations;
- (d) that has otherwise failed to pay over to the Agent or any other Lender any other amount required to be paid by it hereunder within three Business Days of the date when due, unless the subject of a good faith dispute;
- (e) in respect of which a Lender Insolvency Event or a Lender Distress Event has occurred in respect of such Lender or its Lender Parent; or
- (f) that is generally in default of its obligations under other credit or loan documents under which it has commitments to extend credit.

"Demand for Repayment" means delivery of an Acceleration Notice or a Swap Demand for Repayment.

"Director" means a director of a corporation and reference to action by the "Directors" or "Board of Directors" when used with respect to a corporation means action by the directors of such corporation as a board or, whenever duly empowered, by an executive committee or any other duly authorized committee of the board.

"Disposition" means, with respect to any Loan Party, any sale, transfer or disposition of (a) any other Person (including by disposition of equity securities of such other Person), (b) all or any substantial part of the property of any such Loan Party, or (c) all or substantially all of any division, business, operations or undertaking of such Loan Party.

"Dissenting Lender" has the meaning given to it in Section 14.2.

"Distribution" by a Person means:

- (a) any declaration, payment or setting aside for payment of any dividend, return of capital or other distribution on or in respect of any of the share, partnership or trust capital of such Person;
- (b) any redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any of the share, partnership or trust capital of such Person or any securities, instruments

or contractual rights capable of being converted into, exchanged or exercised for share, partnership or trust capital of such Person, including options, warrants, conversion or exchange privileges and similar rights;

- (c) the payment of any principal, interest, fees, redemption amounts or other amounts on or in respect of any loans, advances or other indebtedness owing at any time by such Person to a holder of shares, partnership interests or trust units of such Person or to an Affiliate of such holder;
- (d) any loan, advance, payment of management or consulting fees or reimbursement of costs which is made by the Person to or in favour of a holder of shares, partnership interests or trust units of such Person or an Affiliate of such holder (including for certainty, and whether or not an Affiliate of such holder) except where any such payment is made to any such holder in such holder's capacity as an officer, director or employee of such Person in the ordinary course of business; or
- (e) the transfer by the Person of any property or assets for consideration of less than its or their fair market value or on non-arms' length terms and conditions to a holder of shares, partnership interests or trust units of such Person or an Affiliate of such holder;

whether any of the foregoing is made, paid or satisfied in or for cash, property or both.

"Drawdown" means the advance of a Borrowing other than as a result of a Conversion, Rollover or a drawing under a Letter of Credit.

"Drawdown Date" means each Business Day on which Accommodations are to be made pursuant to a request from the Borrower under Section 3.4.

"EBITDA" means, without duplication, in respect of the period ending on the last day of a Fiscal Quarter and as determined on a consolidated basis in respect of the Borrower, Net Income for such period, plus:

- (a) Financing Charges to the extent deducted in the calculation of Net Income;
- (b) all amounts deducted in the calculation of Net Income in respect of the provision for income taxes (in accordance with IFRS);
- (c) all amounts deducted in the calculation of Net Income in respect of non-cash items, including (to the extent non-cash) depletion, accretion (to the extent not included in clause (a) above), depreciation, amortization and future income tax liabilities;
- (d) any non-capitalized transaction costs and expenses associated with the closing of this Agreement up to a maximum of \$ [REDACTED];
- (e) all amounts deducted in the calculation of Net Income in respect of minority equity losses, non-cash impairment charges and any other non-cash charges;
- (f) all amounts deducted in the calculation of Net Income in respect of extraordinary, non-recurring losses including for greater certainty one-time expenses (including financing costs and severance), temporary staffing costs, chief executive officer recruitment and search expenses, machine trimming costs, litigation expenses and run-rate savings to selling, general and administrative expenses, up to an aggregate maximum for all such amounts of \$ [REDACTED] (or such greater amount as may be agreed to by the Agent on the instruction of the Majority Lenders) for any Fiscal Year;

- (g) to the extent deducted from Net Income, non-cash expenses and losses (including resulting from (i) realized changes in fair market value of biological assets and (ii) Marking-to-Market the outstanding Swaps of the Loan Parties for such period in accordance with IFRS) for such period in accordance with IFRS;
- (h) all amounts deducted in the calculation of Net Income in respect of share-based compensation;

less:

- (i) earnings attributable to minority interests except to the extent of cash distributions actually received by the Loan Parties therefrom;
- (j) extraordinary and non-recurring earnings and gains of the Borrower on a consolidated basis, in each case, to the extent included in the calculation of Net Income; and
- (k) to the extent included in Net Income, non-cash income and gains (including resulting from (i) unrealized changes in the fair market value of biological assets for such period in accordance with IFRS and (ii) Marking-to-Market the outstanding Swaps of the Loan Parties) for such period in accordance with IFRS.

“Effective Date” means the date on which all of the conditions precedent under Section 8.1 have been satisfied.

“Eligible Assignee” means any Person that meets the requirements to be an assignee under Sections 13.1(b)(v) and 13.1(b)(vi) (subject to such consents, if any, as may be required under Section 13.1(b)(iii)).

“Environmental Laws” means all Applicable Law regarding the environment or occupational health and safety, or pursuant to which Environmental Liabilities would arise or have arisen, including relating to the Release or threatened Release of any Hazardous Substances or the generation, use, storage or transportation of any Hazardous Substances.

“Environmental Liabilities” means any and all obligations and liabilities for any Release, any environmental damage, any contamination or any other environmental problem caused or alleged to have been caused to any Person, property or the environment as a result of any Release or the condition of any Property, whether or not caused by a breach of Applicable Law, including all obligations and liabilities arising from or related to: any surface, underground, air, groundwater, or surface water contamination; the abandonment or plugging of any well; restorations and reclamations; the removal of or failure to remove any foundations, structures or equipment; the cleaning up, remediation or reclamation of storage sites; any Release; violation of pollution standards; and personal injury (including sickness, disease or death) and property damage arising from the foregoing.

“Equipment” means all vehicles, plant, machinery, equipment and other tangible personal Property now owned or hereafter acquired by any Loan Party, and all substitutions, replacements, additions and accessories thereto, but specifically excluding Property constituting inventory and any goodwill and other intangible assets.

“Escrow Funds” has the meaning given to it in Section 10.4.

“EU-GMP Certification” means the Certificate of GMP Compliance of a Manufacturer with licence no. Redacted - confidential information issued to AgMedica in accordance with Art. 111 (5) of Directive 2001/83/EC.

“Event of Default” means any of the events or circumstances specified in Section 10.1.

“Excluded Taxes” means, with respect to the Agent, any Lender or any other recipient of any payment to be made by or on account of any obligation of a Loan Party hereunder, (a) Taxes imposed on or measured by its net income or capital or purchases, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, and (b) any branch profits taxes or any similar tax imposed by any jurisdiction in which the Agent or Lender is located.

“Existing Credit Agreement” means the commitment letter dated January 13, 2022 between Decibel Cannabis Company Inc., as borrower, and Connect First Credit Union Ltd., as lender, as amended or otherwise modified to the date hereof.

“Facilities” means collectively, the Term Facility and the Operating Facility and **“Facility”** means either of them.

“Financial Assistance” means, with respect to any Person and without duplication, any loan, Guarantee, indemnity, assurance, acceptance, extension of credit, loan purchase, share purchase, equity or capital contribution, investment or other form of direct or indirect financial assistance or support of any other Person or any obligation (contingent or otherwise) primarily for the purpose of enabling another Person to incur or pay any Debt or to comply with agreements relating thereto, or to assure or protect creditors of the other Person against loss and includes any Guarantee of or indemnity in respect of the Debt of the other Person and any absolute or contingent obligation to (directly or indirectly):

- (a) advance or supply funds for the payment or purchase of any Debt of any other Person;
- (b) purchase, sell or lease (as lessee or lessor) any property, assets, goods, services, materials or supplies primarily for the purpose of enabling any Person to make payment of Debt or to assure a creditor against loss;
- (c) Guarantee, indemnify, hold harmless or otherwise become liable to any creditor of any other person from or against any losses, liabilities or damages of the Person;
- (d) make a payment to another for goods, property or services regardless of the non-delivery or non-furnishing thereof; or
- (e) make an advance, loan or other extension of credit to or to make any subscription for equity, equity or capital contribution, or investment in or to maintain the capital, working capital, solvency or general financial condition of another Person.

The amount of any Financial Assistance is the amount of any loan or direct or indirect financial assistance or support, without duplication, given, or all Debt of the obligor to which the Financial Assistance relates, unless the Financial Assistance is limited to a determinable amount, in which case the amount of the Financial Assistance is the determinable amount.

“Financial Covenants” means the covenants set out in Section 9.1.

“Financial LC” means a stand-by letter of credit if it serves as a payment guarantee of a Borrower’s financial obligations and is treated as a direct credit substitute for purposes of applicable capital adequacy guidelines.

“Financial Lease” means any lease of property, real or personal, which would, in accordance with IFRS, be required to be classified and accounted for as a lease on a balance sheet of the Borrower.

“Financing Charges” means, for any fiscal period, without duplication, interest expense of Borrower (including standby fees and letter of credit fees) determined on a consolidated basis in accordance with IFRS, as the same would be set forth or reflected in a consolidated statement of income (loss) and deficit

of the Borrower and, in any event shall include, all net amounts charged, or shall exclude all amounts credited to, interest expense under any Interest Swap in respect of such period.

“Financing Obligations” means, in respect of the 12-month period ending on the last day of a Fiscal Quarter, and as determined on a consolidated basis in respect of the Borrower:

- (a) Financing Charges; plus
- (b) the aggregate amount of all scheduled payments of Funded Debt during such period (other than the scheduled payments of the NFS Debt during the Fiscal Quarters ending June 30, 2026 and September 30, 2026 that result in the NFS Debt being repaid in full on July 31, 2026).

“Fiscal Quarter” means the three-month period commencing on the first day of each Fiscal Year and each successive three-month period thereafter during such Fiscal Year.

“Fiscal Year” means the Borrower’s fiscal year, currently commencing on January 1 of each year and ending on December 31 of such year.

“Fixed Charge Coverage Ratio” means, measured as at the end of each Fiscal Quarter of the Borrower, the ratio of:

- (a) EBITDA during the twelve-month period ending on the last day of such Fiscal Quarter less (i) cash taxes of the Borrower (on a consolidated basis) to the extent paid during such period and (ii) Unfunded Capital Expenditures of the Borrower (on a consolidated basis) made during such period;
- to
- (b) the sum of Financing Obligations paid during such twelve-month period.

“Floor” means Redacted - co per annum.

“Fund” means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

“Funded Debt” means, with respect to the Borrower and the other Loan Parties, without duplication and on a consolidated basis, all Debt for borrowed money, including for certainty, Financial Lease obligations and Surety Obligations to the extent the Borrower or Westleaf Labs LP fails to make any payment when such payment is due and payable to the Surety.

“Governmental Action” means any authorization, consent, approval, waiver, order, decree, license, exemption, permit, registration, filing, qualification or declaration of or with any Governmental Authority (other than routine reporting requirements) or the giving of notice to any Governmental Authority or any other action in respect of a Governmental Authority.

“Governmental Authority” means any federal, state, provincial, county, local or municipal government; any governmental body, agency, authority, board, bureau, department or commission (including any taxing authority); any instrumentality or office of any of the foregoing (including any court or tribunal) exercising executive, legislative, judicial, regulatory or administrative functions; or any entity directly or indirectly controlled by any of the foregoing. Without limiting the foregoing, **“Governmental Authority”** shall be deemed to include Health Canada.

“Guarantee” means any undertaking to assume, guarantee, indemnify, endorse (other than the routine endorsement of cheques in the ordinary course of business), contingently agree to purchase or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness, financial obligations or financial liabilities of any Person; provided that the amount of each Guarantee shall be deemed to be the amount of the indebtedness, financial obligations or financial liabilities guaranteed thereby, unless the Guarantee is limited to a specified amount or to realization exclusively on specified assets in which case the amount of such Guarantee shall be deemed to be the lesser of such specified amount or the fair market value of such specified assets, as the case may be, or the amount of such indebtedness, obligations or liabilities.

“Guarantors” means, collectively, all Material Subsidiaries from time to time and their respective successors and assigns, and **“Guarantor”** means any one of them. As of the Effective Date, the Material Subsidiaries are db Thunderchild Cultivation LP, Thunderchild Holdings Inc., db Thunderchild Cultivation Inc., Decibel Labs Holdings Inc., Westleaf Labs Inc., Westleaf Labs LP, We Grow BC Ltd., 1070582 BC Ltd., R. Spetifore & Sons Ltd. and AgMedica.

“Hazardous Substances” means, collectively, any materials, compounds, pollutants, contaminants, chemicals, substances (including dangerous substances, noxious substances, toxic substances, and deleterious substances), wastes and recyclables (including industrial wastes, toxic wastes, hazardous wastes, special wastes, dangerous or non-dangerous oilfield wastes, recyclable wastes and subject wastes), flammable or explosive materials, radioactive materials, petroleum or petroleum products, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, or any other substances, materials or wastes now or in the future declared or defined to be regulated or controlled in or pursuant to Environmental Laws.

“Head Office” means the leased premises located at 1440, 140-4th Avenue SW, Calgary AB T2P 3N3, pursuant to the office lease between Redacted - confidential information as landlord, and the Borrower, as tenant, dated January 19, 2021, as amended by a lease amending and extension agreement dated October 7, 2025.

“Health Canada Licenses” means all Authorizations issued by Health Canada to any of the Loan Parties in respect of its Cannabis Activities, including (i) license no. Redacted - confidential information issued to db Thunderchild Cultivation LP; (ii) license no. Redacted - confidential information issued to We Grow BC Ltd.; (iii) license no. Redacted - confidential information issued to AgMedica; and (iv) license no. Redacted - confidential information issued to Westleaf Labs LP.

“IFRS” means International Financial Reporting Standards including International Accounting Standards and Interpretations together with their accompanying documents which are set by the International Accounting Standards Board to the extent adopted by The Canadian Institute of Chartered Accountants.

“including” means including, without limitation, and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it, and **“includes”** shall be construed in a like manner.

“Indemnified Party” has the meaning given to it in Section 11.7(a).

“Industrial Hemp” has the meaning ascribed to such term or the term “hemp” under the Applicable Law of any Approved Jurisdiction, including the *Industrial Hemp Regulations* (Canada) issued under the Cannabis Act.

“Information” has the meaning given to it in Section 13.4.

“Insolvency Event” means an Event of Default specified in Sections 10.1(l) or 10.1(m).

"Intellectual Property" means all patents, trademarks, tradenames, copyrights, technology, software and other property customarily considered to be intellectual property and used in or necessary for the conduct of the Business of the Loan Parties.

"Interest Date" means, in respect of Prime Loans, the last Business Day of each month and in respect of Benchmark Loans, the last day of the Interest Period applicable thereto.

"Interest Period" means, in respect of each CORRA Loan, a period of one or three months (in each case, subject to the market availability thereof), with respect to such CORRA Loan, provided that (1) the Interest Period shall commence on the date of an Drawdown or Rollover of, or a Conversion to, a Benchmark Loan and, in the case of immediately successive Interest Periods, each successive Interest Period shall commence on the date on which the next preceding Interest Period expires; (2) if any Interest Period would otherwise expire on a day that is not a Business Day, such Interest Period shall expire on the next succeeding Business Day; provided, that if any Interest Period with respect to a Benchmark Loan would otherwise expire on a day that is not a Business Day but is a day of the month after which no further Business Day occurs in such month, such Interest Period shall expire on the next preceding Business Day; (3) any Interest Period with respect to a Benchmark Loan that begins on the last Business Day of a calendar month (or on a day for which there is not numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of the relevant calendar month at the end of such Interest Period; (4) no Interest Period shall extend beyond the Maturity Date; and (5) no tenor that has been removed from this definition pursuant to Section 11.4(e) shall be available for specification in such Borrowing Notice, Rollover Notice or Conversion Notice or interest election.

"Interest Swap" means a transaction entered into between a Person and a counterparty pursuant to an ISDA Master Agreement that is an interest rate swap transaction, interest rate option, cap transaction, floor transaction, collar transaction or other similar interest rate related transactions, the purpose of which is to manage such Person's exposure to fluctuations in interest rates.

"Investment" in any Person means any direct or indirect (a) acquisition of any equity interest in any other Person, or (b) any loan or advance made to any other Person. In determining the amount of any Investment involving a transfer of any property other than cash, such property shall be valued at its fair market value at the time of such transfer.

"ISDA Master Agreement" means either the 1992 form of Master Agreement (Multi Currency-Cross Border) or the 2002 form of Master Agreement or any successor form thereof, in each case published and as from time to time amended, restated or replaced by the International Swaps and Derivatives Association, Inc. (or its predecessor) and as used in this Agreement in relation to Lender Swaps means the form of such agreement as entered into between the applicable Loan Party and the applicable Swap Lender.

"ISP98" means the International Standby Practices ISP98, as published by the International Chamber of Commerce and in effect from time to time.

"Issue Date" means, as to any Letter of Credit, the date on which such Letter of Credit is issued.

"Judgment Currency" has the meaning given to it in Section 13.2.

"Judicial Order" has the meaning given to it in Section 3.11(c).

"Key Persons" means: (a) **Redacted - confidential information** or his successor in accordance with Section 9.2(y), and (b) **Redacted - confidential information** or his successor in accordance with Section 9.2(y).

"LC Application" means an application on the Operating Lender's standard form of letter of credit application submitted to the Operating Lender by the Borrower requesting such Lender to issue a Letter of

Credit hereunder subject to such changes thereto as are requested by the Borrower and agreed to by such Lender, and in any event consistent with the terms of this Agreement.

“LC Disbursement” means any payment by the Operating Lender under a Letter of Credit plus all Taxes and reasonable and customary fees, charges and other costs and expenses incurred by the Operating Lender in connection with such payment.

“LC Expenses” has the meaning given to it in Section 3.9(a).

“LC Obligations” means the obligation of the Borrower at any time for an amount equal to the aggregate undrawn amount of all Letters of Credit then outstanding.

“LC Payment Period” has the meaning given to it in Section 5.3.

“Lender Distress Event” means, in respect of a given Lender, such Lender or its Lender Parent (a) is subject to a forced liquidation, merger, sale or other change of control supported in whole or in part by Guarantees or other support (including the nationalization or assumption of ownership or operating control by the Government of the United States, Canada or any other Governmental Authority); or (b) is otherwise adjudicated as, or determined to be, insolvent or bankrupt, in each case, by any Governmental Authority having regulatory authority over such Lender or Lender Parent or their respective assets; provided that, for certainty, a Lender Distress Event shall not have occurred solely by virtue of the ownership or acquisition of any equity interest in such Lender or its Lender Parent by any Governmental Authority provided that such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender.

“Lender Insolvency Event” means, in respect of a given Lender, such Lender or its Lender Parent:

- (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger);
- (b) becomes insolvent, is deemed insolvent by Applicable Law or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due;
- (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors;
- (d) (i) institutes, or has instituted against it by a regulator, supervisor or any similar Governmental Authority with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, (A) a proceeding pursuant to which such Governmental Authority takes control of such Lender’s or Lender Parent’s assets, (B) a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or (C) a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar Governmental Authority; or (ii) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy, insolvency or winding-up law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a Person or entity not described in clause (i) above and either (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 15 days of the institution or presentation thereof;

- (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger);
- (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or a substantial portion of all of its assets;
- (g) has a secured party take possession of all or a substantial portion of all of its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case, within 15 days thereafter;
- (h) causes or is subject to any event with respect to it which, under the Applicable Law of any jurisdiction, has an analogous effect to any of the events specified in paragraphs (a) through (g) above, inclusive; or
- (i) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing.

“Lender Outstandings” means collectively all Borrowings and Permitted Swap Indebtedness.

“Lender Parent” means any Person that directly or indirectly Controls a Lender.

“Lender’s Proportion” shall mean the Lender’s Proportion of such Lender in effect immediately prior to such cancellation or termination; provided however, that when such term is used in reference to or in relation to:

- (a) the Term Facility Lenders, the Lender’s Proportion for a Term Facility Lender shall be the proportion that the Term Facility Commitment of such Term Facility Lender bears to the Total Term Facility Commitment at such time; and
- (b) the Operating Facility, the Lender’s Proportion for the Operating Lender shall be 100% and for all other Lenders shall be 0%.

After the Adjustment Time, the Lender’s Proportion of each Lender shall be calculated based on its Commitment as a proportion of the Total Commitment and without any distinction as to which Facility may be relevant to such Lender, and when used in Section 12.12(b) in relation to both Lenders and Swap Lenders, the “Lender Outstandings” of Swap Lenders for the purposes of such calculation shall be their Permitted Swap Indebtedness as calculated after the Adjustment Time.

“Lender Swap” means any Swap entered into by a Loan Party with a Swap Lender, whether or not such Lender remains a Lender thereafter.

“Lenders” means each of the financial institutions named on the signature pages hereto as Lenders (including ATB, except in its capacity as the Agent), any other financial institution which is an Eligible Assignee that has executed an Assignment and Assumption pursuant to Section 13.1, which Assignment and Assumption has been executed by the assignee and the Agent, and **“Lender”** means any one of them.

“Letter of Credit” means any letter of credit or bank letter of guarantee issued by the Operating Lender, as the same may be amended, supplemented, extended or otherwise modified from time to time in accordance with the terms hereof and thereof. Each such Letter of Credit shall be designated as either:

- (a) a Financial LC; or

- (b) a Non-Financial LC;

and “**Letters of Credit**” shall refer collectively to all Letters of Credit outstanding at any time.

“**Letter of Credit Fee**” means a fee based on the applicable Total Funded Debt to EBITDA Ratio as set out in the definition of “Applicable Margin” and expressed as a rate per 365-day period with respect to Letters of Credit.

“**Limited Availability Date**” means the date that all conditions precedent set forth in Section 8.2 are satisfied or waived by all of the Lenders.

“**Loan Documents**” means, collectively, this Agreement, the Security, each LC Application, all Lender Swaps, all Bilateral Financial Services Agreements, arrangement/syndication fee agreements, agency agreements, and all other agreements, certificates, instruments and documents delivered by or on behalf of any Loan Party in connection herewith or therewith from time to time and all future renewals, extensions, or restatements of, or amendments, modifications or supplements to, all or any part of the foregoing, and, “**Loan Document**” means any one of them, and, when used in relation to any Person, the term “**Loan Documents**” shall mean and refer to the Loan Documents executed and delivered by such Person.

“**Loan Parties**” means, collectively, the Borrower and each Guarantor and “**Loan Party**” means any one of them.

“**Loan Party Guarantee**” means a Guarantee in the form included in Schedule “F” and executed by a Guarantor with such changes as the Agent may approve.

“**Loans**” means Prime Loans and CORRA Loans.

“**Loss**” has the meaning given to it in Section 11.7(a).

“**Majority Lenders**” means:

- (a) during the continuance of a Default or an Event of Default when there are any Borrowings, and subject to Section 10.5(a), those Lenders to whom there is owing 66⅔% or more of the aggregate Borrowings under the Facilities; and
- (b) at any other time, those Lenders whose Commitments are, in the aggregate, at least 66⅔% of the Total Commitment;

provided that at all times when there are two or less Lenders, Majority Lenders shall mean all Lenders.

“**Mark-to-Market**” means, in respect of any Swap and for any day on which the Mark-to-Market is calculated, the amount, if any, that would be payable by any Loan Party to a counterparty (expressed as a positive number, a “**Positive Mark-to-Market**”) or by such counterparty to such Loan Party (expressed as a negative number, a “**Negative Mark-to-Market**”), estimated by making at mid-market the calculations contemplated by the ISDA Master Agreement between such counterparty, on the one hand, and such Loan Party, on the other hand, as if such ISDA Master Agreement were being terminated as a result of a Termination Event (as defined in the ISDA Master Agreement) with two Affected Parties (as defined in the ISDA Master Agreement) on that day of calculation and “**Marking-to-Market**” has a corresponding meaning.

“**Material Adverse Effect**” means any event, circumstance, occurrence or change which would reasonably be expected to:

- (a) impair in any material manner the ability of any Loan Party to perform any material obligation under any Loan Document;

- (b) have any material and adverse effect upon the validity or enforceability of any of the Security or upon the ranking of any of the Security Interests granted thereby or the material rights or remedies intended or purported to be granted to the Agent under or pursuant to the Security; or
- (c) be material and adverse to the Business, operations, assets, condition (financial or otherwise) or results of operations of the Loan Parties, on a consolidated basis.

“Material Agreement” means: (a) any contract, undertaking, agreement or other instrument to which any Loan Party is a party or by which it or any of its Property is bound or to which it or any of its Property is subject, pursuant to which any Loan Party (i) generated revenues or incurred expenditures, in either case, greater than or equal to \$[REDACTED] during the immediately preceding Fiscal Year or (ii) is projected to generate revenues or incur expenditures, in either case greater than or equal to \$[REDACTED] during the then current or immediately succeeding Fiscal Year; (b) any premise lease of a Loan Party (other than the head office lease); and (c) any other contract, undertaking, agreement or other instrument applicable to a Loan Party which if terminated or if the counterparty thereunder failed to perform its material obligation thereunder, would have or would reasonably be expected to have a Material Adverse Effect.

“Material Subsidiary” means:

- (a) any Subsidiary of the Borrower which, directly or indirectly (i) owns 5% or more of Total Assets as shown on the consolidated balance sheet in the financial statements of the Borrower most recently provided to the Agent, (ii) accounts for 5% or more of EBITDA for the period covered by the financial statements of the Borrower most recently provided to the Agent, or (iii) owns or leases any interests in real property, whether freehold or leasehold;
- (b) any Subsidiary of the Borrower which (i) has a direct or indirect ownership interest in a Material Subsidiary or (ii) holds Debt of any Material Subsidiary;
- (c) any Subsidiary of the Borrower a Guarantee of any Debt other than under the Facilities; and
- (d) any other Subsidiary of the Borrower designated (and not de-designated) as a Material Subsidiary by the Borrower from time to time pursuant to, and in compliance with, Section 9.5.

“Maturity Date” means February 9, 2030, as extended from time to time pursuant to Section 3.5.

“More Favourable Provision” has the meaning given to it in Section 9.7(a).

“Negative Mark-to-Market” has the meaning given to it in the definition of Mark-to-Market.

“Net Income” means, for any fiscal period, the comprehensive income, net of income tax, of the Borrower determined on a consolidated basis in accordance with IFRS, as shown on a consolidated statement of income (loss) and deficit in the financial statements of the Borrower most recently provided to the Agent for such period.

“New Rules” has the meaning given to it in Section 11.2.

“NFS Confirmation and Acknowledgement” means the confirmation and acknowledgement of security dated as of the date hereof granted by the Agent to, *inter alios*, NFS Leasing Canada Ltd. and Westleaf Labs LP.

"NFS Debt" means all Debt arising from time to time under or in connection with the NFS Lease Agreement and the other NFS Debt Documents.

"NFS Debt Documents" means the NFS Lease Agreement and all security agreements, guarantees and any other agreement or instrument evidencing, governing or entered into in connection with NFS Debt.

"NFS Lease Agreement" means the master equipment lease dated as of June 7, 2022 between NFS Leasing Canada Ltd., as lessor, and Westleaf Labs LP, as lessee, as amended by an amendment to lease agreement dated as of the date hereof.

"NFS Subordination Agreement" means the subordination agreement dated as of the date hereof between the Agent, as first lien agent, ATB Financial, dba ATB Capital, as second lien agent, NFS Leasing Canada Ltd., as subordinate creditor, the Borrower and Westleaf Labs LP, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"Non-Financial LC" means a Letter of Credit that is not a Financial LC.

"Non-Material Subsidiary" means any Subsidiary of the Borrower which is not a Material Subsidiary.

"Ontario Landlord Consent" has the meaning given to it in Section 8.2(d)(ii).

"Ontario Mortgage" has the meaning given to it in Section 8.2(d)(i).

"Ontario Real Estate" means the lands leased to AgMedica pursuant to an industrial lease agreement dated October 28, 2024 between 5047346 Ontario Inc., as landlord, and AgMedica, as tenant.

"Obligations" at any time means, in relation to the Loan Documents, all indebtedness, financial obligations and financial liabilities of each Loan Party to the Secured Parties, direct or indirect, present or future, absolute or contingent and matured or not, including the aggregate at any such time of:

- (a) the Lender Outstandings;
- (b) all accrued and unpaid interest outstanding in respect of Prime Loans and CORRA Loans and all other interest and fees payable pursuant to Article 5; and
- (c) all fees, expenses, reimbursement obligations, indemnities (including environmental indemnities included in the Security) and other amounts of any nature or kind that are payable under this Agreement or any other Loan Documents but not included in any of the foregoing, whether matured or unmatured.

"Operating Accommodations" has the meaning given to it in the definition of Accommodations.

"Operating Accounts" has the meaning given to it in Section 3.18.

"Operating Borrowings" has the meaning given to it in the definition of Borrowings.

"Operating Facility" has the meaning given to it in Section 3.1(a)(ii).

"Operating Facility Commitment" means: (a) during the period commencing on the Effective Date and ending on the Limited Availability Date, Cdn. \$3,000,000; and (ii) after the Limited Availability Date, Cdn. \$10,000,000.

"Operating Lender" means ATB in its capacity as the provider of the Operating Facility and in no other capacity.

“Operating Lender’s Branch of Account” means the office or branch of the Operating Lender located at the address set forth under the Operating Lender’s name on Schedule “A” or such other office or branch of the Operating Lender in Canada as the Operating Lender may advise the Borrower in writing.

“Participant” has the meaning given to it in Section 13.1(d).

“Pension Laws” means the *Employment Pension Plans Act* (Alberta), the *Employment Pension Plans Regulations* (Alberta), the *Income Tax Act* (Canada), the *Income Tax Regulations* (Canada) and all other applicable provincial or federal pension standards legislation and regulations thereunder and **“Pension Law”** means any one of them.

“Pension Plan” means each pension plan required to be registered under Pension Laws which is maintained or contributed to by, or to which there is or may be an obligation to contribute by, any Loan Party in respect of any Person’s employment in Canada with such Loan Party but does not include (a) the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively; or (b) plans to which any Loan Party contributes which are not maintained or administered by the Loan Party or any of its Affiliates.

“Permitted Debt” means, in respect of the Loan Parties:

- (a) the Lender Outstandings;
- (b) Creditcard Obligations up to \$ [REDACTED];
- (c) Cash Management Obligations;
- (d) Second Lien Debt, provided that such Debt is subject to the Second Lien Intercreditor Agreement;
- (e) Debt in respect of Purchase Money Security Interests and Financial Leases in respect of personal property, provided that (i) the aggregate outstanding principal amount of such Debt does not exceed: (A) \$ [REDACTED] from the Effective Date until July 31, 2026; and (B) \$ [REDACTED] at all times thereafter; and (ii) the NFS Debt is subject to the NFS Subordination Agreement;
- (f) Surety Obligations, provided that the total aggregate principal amount of all such Surety Obligations do not exceed \$ [REDACTED], and
- (g) Debt of a Loan Party owing to another Loan Party.

“Permitted Dispositions” means, in respect of the Loan Parties:

- (a) sales of inventory of the Business in accordance with prudent industry practice;
- (b) any sale, lease, transfer or other disposition of any tools, implements, equipment or machinery which have become worn out, unserviceable, obsolete, unsuitable or unnecessary in operations or activities relating to the Business;
- (c) assets traded or sold in the ordinary course of business in order to acquire or improve assets of equal or greater value;
- (d) any sale, lease, transfer or other disposition of Property by a Loan Party to another Loan Party;

- (e) abandonments, surrenders or terminations of immaterial rights or interests which are effected in accordance with prudent industry practice;
- (f) any sale, lease, transfer or other disposition of Property in any Fiscal Year (excluding any sale or disposition included in clauses (a) through (e)(e) above), the fair market value of which, when taken in the aggregate in respect of all such sales and dispositions by all Loan Parties in such Fiscal Year, does not exceed \$ [REDACTED], and
- (g) any sale, lease, transfer or other disposition of Property in any Fiscal Year in excess of the amount permitted by paragraph (f) above, provided that all of such excess proceeds thereof (net of expenses of disposition) are applied by the Borrower as required by Section 4.3;

provided that with respect to the Permitted Dispositions referred to in clauses (f) and (g) above, no Event of Default exists at the time such Permitted Disposition is made or could reasonably be expected to result therefrom;

"Permitted Encumbrances" means, in respect of the Loan Parties:

- (a) Security Interests for Taxes, assessments or governmental charges which are not due or delinquent, or the validity of which any Loan Party is diligently contesting in good faith and by appropriate proceedings if adequate provision has been made for their payment and such Security Interests are not executed on or enforced against any Property of such Loan Party;
- (b) the Security Interests of any judgment rendered, or claim filed, against any Loan Party, which such Loan Party is diligently contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Property of such Loan Party the loss of which would have a Material Adverse Effect;
- (c) Security Interests imposed or permitted by law such as carriers' liens, builders' liens, materialmens' liens and other liens, privileges or other charges of a similar nature which relate to obligations not due or delinquent or, if due or delinquent, any lien, privilege or charge which any Loan Party is diligently contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Property of such Loan Party the loss of which would have a Material Adverse Effect;
- (d) Security Interests arising in the ordinary course of and incidental to construction or current operations which have not been filed pursuant to law against any Loan Party or in respect of which no steps or proceedings to enforce such Security Interests have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent or if a filing or enforcement proceeding in respect thereof has been made or initiated, any Security Interest which any such Loan Party is contesting in good faith and by appropriate proceedings if such contest involves no material risk of loss of any Property of such Loan Party the loss of which would have a Material Adverse Effect;
- (e) Security Interests arising in connection with workers' compensation, employment insurance, pension and employment or similar laws or regulations in respect of amounts which are not due or delinquent;
- (f) Security Interests in favour of any public utility or Governmental Authority when required by such public utility or Governmental Authority in the ordinary course of the business of any Loan Party in connection with operations of such Loan Party if such Security Interest does not, either alone or in the aggregate, materially impair the conduct of the business of such Loan Party;

- (g) easements, rights-of-way and rights in the nature of easements, servitudes, zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, state, municipal and other Governmental Authorities, licenses, and similar rights in land (including rights-of-way and servitudes for railways, sidewalks, public ways, sewers, drains, gas and oil pipelines, gas mains, steam 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;
- (h) the reservations, limitations, provisos and conditions in any original grants from the Crown of any land or interests therein and statutory exceptions, qualifications and reservations in respect of title;
- (i) any interest or title of a lessor, sublessor, licensor or sublicensor or secured by a lessor's, sublessor's, licensor's or sublicensor's interest under any lease, sublease, license or sublicense permitted by this Agreement;
- (j) deposits to secure performance of (i) bids, tenders, contracts (other than contracts for the payment of money) or (ii) leases of real property entered into in the ordinary course of business, in each case, to which the Loan Party is a party;
- (k) Security Interests resulting from the deposit of cash or Cash Equivalents as security when the Loan Party is required to do so by a Governmental Authority or by normal business practice in connection with contracts, licenses or tenders, including Security Interests granted on contracts or the issuance of letters of credit, in each case, to secure surety or performance bonds entered into in normal business practice, or similar matters in the ordinary course of business and for the purpose of carrying on the same;
- (l) Purchase Money Security Interests or Security Interests in respect of Financial Leases provided that the aggregate outstanding principal amount of indebtedness, obligations or liabilities secured thereby is otherwise Permitted Debt, such Purchase Money Security Interests and Security Interests are granted at the time of acquisition of the property subject thereto and are limited to the property so acquired and the proceeds thereof;
- (m) registration filings in respect of any operating lease entered into in the ordinary course of business (which, for certainty, shall not include any operating leases entered into in connection with any Sale/Leaseback);
- (n) bankers' liens, rights of set-off and other similar liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by a Cash Management Lender, in each case, granted in the ordinary course of business securing amounts owing with respect to Cash Management Services;
- (o) landlord's liens or any other rights of distress reserved in or exercisable under any lease of real property for rent and for compliance with the terms of such lease; provided that such rent is not then overdue and such Loan Party is then in compliance in all material respects with such terms and the lien only attaches to the property that is the subject of such lease;
- (p) Security Interests in favour of the Agent (for the benefit of the Secured Parties) to secure the Secured Obligations pursuant to the Loan Documents;
- (q) Security Interests securing Second Lien Debt (subject to the terms of the Second Lien Intercreditor Agreement);
- (r) Security Interests securing the NFS Debt outstanding on the Effective Date (subject to the terms of the NFS Subordination Agreement); provided that, for certainty, any property

leased to a Loan Party under the NFS Lease Agreement after the Effective Date shall only be secured by a Purchase Money Security Interest or Security Interest that complies with paragraph (l) above;

- (s) any Security Interest from time to time disclosed by the Borrower to the Agent and which is consented to by the Majority Lenders; and
- (t) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Security Interest referred to in the preceding subparagraphs (a) to (s) inclusive of this definition, so long as any such extension, renewal or replacement of such Security Interest is limited to all or any part of the same property that secured the Security Interest extended, renewed or replaced (plus improvements on such property) and the indebtedness or obligation secured thereby is not increased.

“Permitted Swap Indebtedness” means Swap Indebtedness of any Loan Party to a Swap Lender under a Permitted Swap and for which the only security is the Security.

“Permitted Swaps” means any Swap other than those prohibited by the provisions of Section 9.3(l).

“Permitted Title Defects” means, in respect of any particular Property of a Loan Party, the following defects in its title thereto:

- (a) Permitted Encumbrances;
- (b) title defects or irregularities which are of a minor nature and which in the aggregate will not materially impair the use of the Property for the purposes for which it is held, or impair its saleability, or cause a material disruption or reduction in the operation thereof or the cash flow associated therewith; or
- (c) title defects which are disclosed to and expressly consented to in writing by the Majority Lenders as constituting Permitted Title Defects hereunder.

“Person” means any individual, firm, partnership, corporation or other body corporate, Governmental Authority, trust, unincorporated body of persons or association and the heirs, executors, administrators or other legal representatives of an individual.

“Platform” has the meaning given to it in Section 14.13(a).

“Positive Mark-to-Market” has the meaning given to it in the definition of “Mark-to-Market”.

“Prime Loan” means the advances or any portion thereof made available by the Lenders to a Borrower pursuant to any of Sections 3.4, 3.14 or 3.15 and outstanding from time to time, which are denominated in Canadian Dollars and on which the Borrower has agreed to pay interest in accordance with Section 5.1.

“Prime Rate” means, with respect to Prime Loans on any day, the greater of:

- (a) the annual rate of interest announced from time to time by the Agent or the Operating Lender, as applicable, as being its reference rate then in effect for determining interest rates on Canadian Dollar denominated commercial loans made by the Agent or the Operating Lender, as applicable, in Canada; and
- (b) the Adjusted Term CORRA for an Interest Period of one-month’s duration in effect on such day plus 100 bps;

provided that if such rate is less than the Floor, the “Prime Rate” will be deemed to be the Floor.

“Priority Payables” means, with respect to any Person, any amount payable or accrued by such Person which is secured by a Security Interest or claim which ranks or is capable of ranking prior to or *pari passu* with the Security Interests created by the Security, including amounts owing for wages, vacation pay, severance pay, employee deductions, sales tax, excise tax, tax payable pursuant to Part IX of the *Excise Tax Act* (Canada) (net of GST input credits), income tax, workers compensation, government royalties, pension fund obligations, overdue rents or taxes, holdbacks pursuant to the *Prompt Payment and Construction Lien Act* (Alberta) (or any other similar legislation), unpaid amounts for supplied materials or services which give the supplier or provider thereof the right to assert a Security Interest or holdback claim and other statutory or other claims that have or may have priority over, or rank *pari passu* with, the Security Interests created by the Security.

“Property” means, with respect to any Loan Party, all property, assets and undertaking of such Loan Party of every kind and wheresoever situate, whether now owned or hereafter acquired, and both real and personal, including for certainty Real Estate and Intellectual Property.

“Purchase Money Security Interest” means:

- (a) a Security Interest taken or reserved in property to secure payment of all or part of its purchase price; and
- (b) a Security Interest taken in property by a Person who gives value for the purpose of enabling a Loan Party to acquire rights in such property, to the extent that the value is applied to acquire those rights.

“rateable” and **“rateably”** means, subject to adjustment pursuant to Section 10.8(b)(i), the proportion that the Lender Outstandings of any Lender or Swap Lender (if not then a Lender) bears to the aggregate of the Lender Outstandings of all Lenders and Swap Lenders, as determined at the Adjustment Time.

“Real Estate” means Property of any Loan Party that consist of interests in real property, whether freehold or leasehold, including for certainty, office premises and warehouse locations used by a Loan Party (other than the Head Office), including the properties owned or leased by a Loan Party and identified in Schedule “I”, as such schedule may be amended from time to time, but specifically excluding any goodwill another intangible assets.

“Register” has the meaning given to it in Section 13.1(c)

“Release” has the meaning prescribed in any Environmental Laws and includes any presence, release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, leaching, spraying, inoculation, abandonment, seeping, emptying, throwing, dumping, placing, exhaust, or migration of any element or compound in, on, under, into or out of the indoor or outdoor environment through the air, soil, subsoil, surface water, groundwater, rock formation, portions of a building or any other facility (including the abandonment, storage or disposal of any barrels, tanks, vessels, containers or receptacles containing any Hazardous Substances), or otherwise.

“Relevant Governmental Body” means, in respect of any CORRA Loan (or any Benchmark Replacement in respect thereof), the Bank of Canada, or a committee officially endorsed or convened by the Bank of Canada, or any successor thereto.

“Remaining Lenders” has the meaning given to it in Section 12.17.

“Renewal Notification Date” has the meaning given to it in Section 3.6(c).

“Responsible Person” means with respect to any Loan Party holding a Health Canada License, its person designated as such for the purpose of any applicable Cannabis Laws.

“Rollover” means, in respect of a maturing Benchmark Loan, the provision by a Lender of a further Accommodation by way of a Benchmark Loan of the same type, the proceeds of which are to be applied in whole or part to the repayment of the maturing Borrowing, and with respect to any outstanding Letter of Credit, the extension of the expiry date thereof, and **“Rolled Over”** and other derivations thereof shall have a corresponding meaning.

“Rollover Date” means each Business Day that the Borrower has notified the Agent as the date on which the Rollover of a Borrowing or a portion thereof is to be made pursuant to a request from the Borrower under Section 3.15.

“Rollover Notice” means a notice to effect a Rollover delivered under Section 3.15 and substantially in the form of Schedule “C” with all applicable blanks completed.

“Sale/Leaseback” means an arrangement under which title to any property or asset, or an interest therein, is transferred by a Person (the **“First-Mentioned Person”**) to some other Person which leases or otherwise gives or grants the right to use such property or asset or interest therein to the First-Mentioned Person, whether or not in connection therewith the First-Mentioned Person also acquires a right or is subject to an obligation to re-acquire the property, asset or interest, and regardless of the accounting treatment of such arrangement.

“Second Lien Amendment” has the meaning given to it in Section 9.7(a).

“Second Lien Amortization Payments” means each of the regularly scheduled amortization payments required to be made by the Borrower under and pursuant to the terms of the Second Lien Credit Agreement.

“Second Lien Credit Agreement” means the credit agreement dated as of the date hereof between the Borrower, as borrower, the financial institutions named as lenders thereunder from time to time and ATB Financial, d/b/a ATB Capital, as administrative agent, as amended, restated, supplemented or otherwise modified from time to time in accordance with the Second Lien Intercreditor Agreement.

“Second Lien Debt” means all Debt arising from time to time under or in connection with the Second Lien Credit Agreement and the other Second Lien Debt Documents, provided that the aggregate outstanding principal amount of such Debt does not exceed \$ Redacted - commercially sensitive information less any principal repayments thereon at any time.

“Second Lien Debt Documents” means the Second Lien Credit Agreement and all security agreements, debentures, pledge agreements and any other agreement or instrument evidencing, governing or entered into in connection with Second Lien Debt.

“Second Lien Intercreditor Agreement” means the intercreditor and priority agreement dated as of the date hereof between the Agent, on behalf of the Secured Parties, the holder of the Second Lien Debt and the Loan Parties, as the same may be amended, restated, supplemented or otherwise modified from time to time.

“Secured Account” means an account of a Loan Party that is subject to a first priority Security Interest in favour of the Agent and a deposit account control agreement that is in form and substance satisfactory to the Agent.

“Secured Cash” means, as of the date of determination, the aggregate of (i) all cash held in an account maintained with the Agent and (ii) all cash held in the Secured Account.

“Secured Obligations” at any time means, in relation to the Loan Documents, all indebtedness, financial obligations and financial liabilities of each Loan Party to the Secured Parties, direct or indirect, present or future, absolute or contingent and matured or not, including the aggregate at any such time of:

- (a) the Obligations;
- (b) the Creditcard Obligations;
- (c) the Cash Management Obligations; and
- (d) Swap Indebtedness.

“Secured Parties” means, collectively and without duplication, the Agent, the Lenders (including in the capacity of Operating Lender), the Swap Lenders, the Creditcard Lenders and the Cash Management Lenders, and **“Secured Party”** means any one of them.

“Security” has the meaning given to it in Section 6.1 and, for certainty, includes all documents, instruments or agreements directly or indirectly assuring or securing the Secured Parties in respect of the Secured Obligations; any amendments to any of the foregoing; any indentures or instruments supplemental to or an implementation of any of the foregoing; and any and all other documents, instruments or agreements pursuant to which the Secured Parties are assured or granted or receive a Security Interest pursuant to the terms hereof (including as provided in Section 6.1) or thereof.

“Security Interest” means any assignment, mortgage, charge, pledge, lien, hypothec, encumbrance securing or in effect securing an obligation or any indebtedness of any Person, conditional sale, title retention agreement or security interest whatsoever, howsoever created or arising, whether absolute or contingent, fixed or floating, legal or equitable, perfected or not, and includes a Purchase Money Security Interest and the rights of a lessor pursuant to a Financial Lease or a Sale/Leaseback, but does not include a right of set-off or a set-off unless such right of set-off has been created expressly for the purpose of securing Debt.

“Senior Funded Debt” means Funded Debt less the outstanding principal under the Second Lien Debt.

“Senior Funded Debt to EBITDA Ratio” means, measured as at the end of each Fiscal Quarter of the Borrower, the ratio of Senior Funded Debt at such time to EBITDA for the twelve-month period ending at such time.

“Saskatchewan Real Estate” means the lands leased to dB Thunderchild Cultivation Inc. pursuant to a lease dated March 28, 2019 between **Redacted - confidential information** as landlord, and Westleaf Cultivation Management Inc., as tenant, as assigned by Westleaf Cultivation Management Inc. to dB Thunderchild Cultivation Inc. pursuant to an assignment and assumption of lease and landlord consent dated March 1, 2020 between Westleaf Cultivation Management I Inc., as assignor, dB Thunderchild Cultivation Inc., as assignee, and **Redacted - confidential information**

“Standby Fee Rate” means, at any time, the rate, expressed as a rate per annum based on a year of 365 days, set out in the table in the definition of Applicable Margin in this Agreement, under the heading “Standby Fees (bps)”, opposite the applicable Total Funded Debt to EBITDA Ratio.

“Subsidiary” means:

- (a) a Person of which another Person alone or in conjunction with its other Subsidiaries owns an aggregate number of the Voting Securities sufficient to enable the election of a majority of the directors (or other Persons performing similar functions) regardless of the manner in which other Voting Securities are voted;
- (b) a Person of which another Person alone or in conjunction with its other Subsidiaries has, through the operation of any agreement or otherwise, the ability to elect or cause the election of a majority of the directors (or other Persons performing similar functions) or otherwise exercise control over the management and policies of such Person; and

- (c) any partnership or trust of which any Loan Party:
 - (i) is the general or managing partner or trustee; or
 - (ii) directly or indirectly owns more than fifty percent (50%) of the equity or beneficial interest thereof.

“**Surety**” means, collectively, Amynta Surety Solutions, Axis Reinsurance Company (Canadian Branch) and any other Surety (as defined in the Surety Agreement).

“**Surety Agreement**” means the general agreement of indemnity dated November 15, 2024 made by the Borrower and Westleaf Labs LP in favour of Amynta Surety Solutions, as the same may be amended, restated, supplemented or replaced from time to time to the extent permitted by this Agreement.

“**Surety Bond**” means the surety bond for Cannabis dated March 27, 2025 issued by Axis Reinsurance Company (Canadian Branch) in favour of His Majesty in right of Canada, his heirs and successors as represented by the Minister of National Revenue in the amount of \$ [REDACTED] Redacted - commercially sensitive information

“**Surety Obligations**” means all indebtedness, liabilities and obligations of the Borrower and Westleaf Labs LP to the Surety, present or future, absolute or contingent, matured or unmatured, direct or indirect and whether secured or unsecured pursuant to the Surety Agreement.

“**Swap**” means a Currency Swap or an Interest Swap.

“**Swap Demand for Repayment**” means a demand made by a Swap Lender in accordance with a Lender Swap pursuant to a default by a Loan Party under or related to such Lender Swap that results in an early termination thereof and requires a payment by a Loan Party in settlement of obligations thereunder as a result of such early termination.

“**Swap Indebtedness**” means:

- (a) at any time prior to the Adjustment Time, an amount determined by the Agent (or by the Borrower for the purposes of the Compliance Certificate) by,
 - (i) calculating, for each Swap Lender, the difference, if positive, between the Positive Mark-to-Market and Negative Mark-to-Market for all of its Lender Swaps, and
 - (ii) when such term is used in reference to all Lenders or Swap Lenders, adding together the aggregate net amounts calculated in (a)(i) under this definition above for all Swap Lenders; and
- (b) after the Adjustment Time, an amount being determined by each Swap Lender by,
 - (i) calculating for each of its Lender Swaps, the Termination Amount, and determining the difference, if positive, of the aggregate net amounts payable by any Loan Party to such Swap Lender, and
 - (ii) when such term is used in reference to all Swap Lenders, adding together the amounts calculated in (b)(i) under this definition above for all Swap Lenders.

“**Swap Lender**” means a Person, which was a Lender or an Affiliate of a Lender at the time that it entered into any Swap with a Loan Party.

“Tax” or **“Taxes”** means all present and future taxes, rates, levies, imposts, assessments, dues, government fees, stamp taxes, deductions, charges or withholdings, and all liabilities with respect thereto, and any interest, additions to tax and penalties imposed with respect thereto, but excluding Excluded Taxes.

“Term Accommodations” has the meaning given to it in the definition of Accommodations.

“Term CORRA” means, for any calculation with respect to a Term CORRA Loan, the Term CORRA Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the **“Periodic Term CORRA Determination Day”**) that is two (2) Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; provided, however, that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable tenor has not been published by the Term CORRA Administrator and a Benchmark Replacement Date with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such tenor as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such tenor was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Periodic Term CORRA Determination Day.

“Term CORRA Administrator” means Candéal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.

“Term CORRA Loan” means a Borrowing in Canadian Dollars which bears interest at a rate based on Adjusted Term CORRA.

“Term CORRA Reference Rate” means the forward-looking term rate based on CORRA.

“Term Facility” has the meaning given to it in Section 3.1(a)(i).

“Term Facility Borrowings” has the meaning given to it in the definition of Borrowings.

“Term Facility Commitment” means, with respect to each Term Facility Lender, such Lender’s obligation to make Loans under the Term Facility available to the Borrower, subject to the terms of this Agreement, in an aggregate amount not at any time in excess of the amount set forth under such Lender’s name on Schedule “A” as it may be amended, supplemented, restated or replaced from time to time (or in any Assignment and Assumption executed hereafter) as such Lender’s Term Facility Commitment, as such amount may hereafter be cancelled, reduced, increased or terminated from time to time pursuant to the provisions of this Agreement.

“Term Facility Lender” means a Lender in its capacity as a provider of a Term Facility Commitment and in no other capacity.

“Termination Amount” means, in respect of a Lender Swap on any day, the amount (whether positive or negative) determined in accordance with the ISDA Master Agreement between any Loan Party and such Swap Lender as of the close of business as though such day were an “Early Termination Date” and the Swap was a “Terminated Transaction” pursuant to an “Event of Default” of such Loan Party thereunder, with any such termination amount being expressed in Canadian Dollars and all defined terms used in this definition and not otherwise defined in this Agreement having the meaning given to it in such ISDA Master Agreement.

“Termination Event” means:

- (a) an automatic acceleration of the repayment of indebtedness outstanding hereunder without any notice being required thereunder from the Agent or any Lender; or

- (b) an automatic early termination of obligations relating to a Lender Swap resulting from a default by a Loan Party thereunder, without any notice being required from the Swap Lender.

"Total Assets" means, as at any date of determination, an amount equal to the total assets of the Borrower on a consolidated basis as shown on the consolidated balance sheet in the financial statements of the Borrower most recently provided to the Agent.

"Total Commitment" means the aggregate of the Total Term Facility Commitment and the Operating Facility Commitment.

"Total Funded Debt to EBITDA Ratio" means, measured as at the end of each Fiscal Quarter of the Borrower, the ratio of Funded Debt at such time to EBITDA for the twelve-month period ending at such time.

"Total Term Facility Commitment" means, at any time, the amount equal to the aggregate of the Term Facility Commitment of each Term Facility Lender at such time.

"Transaction" has the meaning given to it in the applicable ISDA Master Agreement between a Loan Party and a Swap Lender.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unfunded Capital Expenditures" means for any period, the sum (without duplication) of the aggregate amount of all capital expenditures made by the Borrower (on a consolidated basis) during such period, where such expenditures are not funded (either in whole or in part) by (a) Permitted Debt, (b) the proceeds of share issuances or equity contributions, (c) insurance proceeds attributable to the loss of damage of the Property being replaced or restored by the subject capital expenditures or (d) the proceeds of the Facilities. For greater certainty, any negative Unfunded Capital Expenditures for any period shall be deemed to be zero.

"Uniform Customs" has the meaning given to it in Section 3.8(d).

"Voting Securities" means:

- (a) share capital of any class of any corporation or securities of any other Person which carry voting rights to elect the board of directors or other body exercising similar functions under any circumstances, but shares or other securities which carry the right to so vote conditionally upon the happening of an event shall not be considered Voting Securities until the occurrence of such event; and
- (b) an interest in a general partnership, limited partnership, trust, joint venture or similar Person which entitles the holder of such interest to receive a share of the profits, or on dissolution or partition, of the assets, of such Person.

1.2 Headings and Table of Contents

The headings, the table of contents and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless something in the subject matter or context is inconsistent therewith, all references to Sections, Articles and Schedules are to Sections and Articles of and Schedules to this Agreement. The words “**hereto**”, “**herein**”, “**hereof**”, “**hereunder**” and similar expressions mean and refer to this Agreement.

1.4 Rules of Interpretation

In this Agreement, unless otherwise specifically provided,

- (a) the singular includes the plural and *vice versa*, “**month**” means calendar month, “**quarter**” means calendar quarter, and “**in writing**” or “**written**” includes printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception, including email and pdf;
- (b) references to any agreement, contract, document or other instrument means a reference to any such agreement, contract, document or other instrument as the same has been or may be amended, modified, supplemented or restated from time to time; provided that, if consent to any such amendment, modification, supplement or restatement is required under any Loan Document, such consent must have been obtained; and
- (c) references to any statute, act or other legislative enactment shall be to such statute, act or other legislative enactment as amended from time to time or replaced by a statute, act or other legislative enactment dealing with substantially the same subject matter as the statute, act or other legislative enactment so replaced.

1.5 Generally Accepted Accounting Principles

All financial statements required to be furnished by the Borrower to the Agent hereunder shall be prepared in accordance with IFRS. Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under IFRS applied consistently throughout the relevant period and relevant prior periods and, except as otherwise provided herein, reference to any balance sheet item, statement of income item or statement of cash flows item means such item as computed from the applicable financial statement prepared in accordance with IFRS.

1.6 Accounting Terms: Changes to Generally Accepted Accounting Principles

- (a) If the Borrower, the Agent or the Majority Lenders determine at any time that any amount required to be determined hereunder would be materially different if such amount were determined in accordance with:
 - (i) IFRS applied by the Borrower in respect of its financial statements on the date hereof (“**Old IFRS**”), rather than
 - (ii) IFRS subsequently in effect in Canada and applied by the Borrower in respect of its financial statements and utilized for purposes of determining such amount,

then written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Majority Lenders.

- (b) If the Borrower adopts a change in an accounting policy in the preparation of its financial statements in order to conform to accounting recommendations, guidelines, or similar pronouncements, or legislative requirements, and such change would require disclosure thereof under Old IFRS, or could reasonably be expected to adversely affect (i) the rights

of, or the protections afforded to, the Agent or the Lenders hereunder or (ii) the position of the Loan Parties or of the Agent or the Lenders hereunder, the Borrower shall so notify the Agent, describing the nature of the change and its effect on the current and immediately prior year's financial statements in accordance with Old IFRS and in detail sufficient for the Agent and the Lenders to make the determination required of them in the following sentence. If any of the Borrower, the Agent or the Majority Lenders determine at any time that such change in accounting policy results in an adverse change either (A) in the rights of, or protections afforded to, the Agent or the Lenders intended to be derived, or provided for, hereunder or (B) in the position of the Loan Parties or of the Agent and the Lenders hereunder, written notice of such determination shall be delivered by the Borrower to the Agent, in the case of a determination by the Borrower, or by the Agent to the Borrower, in the case of a determination by the Agent or the Majority Lenders.

- (c) Upon the delivery of a written notice pursuant to Section 1.6(a) or Section 1.6(b), the Borrower and the Agent on behalf of the Lenders shall meet to consider the impact of such change in Old IFRS or such change in accounting policy, as the case may be, on the rights of, or protections afforded to, the Agent and the Lenders or on the position of the Loan Parties or of the Agent and the Lenders and shall in good faith negotiate to execute and deliver an amendment or amendments to this Agreement in order to preserve and protect the intended rights of, or protections afforded to, the Agent and the Lenders on the date hereof or the position of the Loan Parties or the Agent and the Lenders (as the case may be); provided that, until this Agreement has been amended in accordance with the foregoing, then for all purposes hereof, the applicable changes from Old IFRS or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old IFRS and the Borrower's prior accounting policy, as applicable. For the purposes of this Section 1.6, the Borrower, the Lenders and the Agent acknowledge that the amendment or amendments to this Agreement are to provide substantially the same rights and protection to the Agent and the Lenders as is intended by this Agreement on the date hereof and such amendment or amendments shall not result in, or create any, Default or Event of Default if no such Default or Event of Default existed prior to such amendment or amendments by the use of Old IFRS. If the Borrower and the Agent on behalf of the Majority Lenders do not (for any reason whatsoever) mutually agree (in their respective sole discretions, without any obligation to so agree) on such amendment or amendments to the Agreement within 60 days following the date of delivery of such written notice, the Borrower shall continue to provide financial calculations in accordance with Old IFRS and, for all purposes hereof, the applicable changes from Old IFRS or in accounting policy (as the case may be) shall be disregarded hereunder and any amount required to be determined hereunder shall, nevertheless, continue to be determined under Old IFRS and the Borrower's prior accounting policy, as applicable.

1.7 Time

Unless otherwise provided herein, all references to a time in this Agreement shall mean local time in the City of Calgary, Alberta.

1.8 Payment for Value

All payments required to be made hereunder shall be made for value on the required day in same day immediately available funds.

1.9 Monetary References

Whenever an amount of money is referred to herein, such amount shall, unless otherwise expressly stated, be in Canadian Dollars.

1.10 Swap Lenders, Creditcard Lenders and Cash Management Lenders

Each Lender, in its capacity as a Swap Lender, Creditcard Lender or Cash Management Lender and for and on behalf of any of its Affiliates which become a Swap Lender, a Creditcard Lender or Cash Management Lender, agrees to comply with and to cause each such Affiliate in its capacity as a Swap Lender, Creditcard Lender or Cash Management Lender to comply with the provisions of the Loan Documents to the extent such Loan Documents apply to any Swap Lender or a Creditcard Lender and agrees that any action taken by it under or in connection with the Loan Documents in its capacity as a Lender shall be binding on it, and, if applicable, any of its Affiliates, each in their capacity as a Swap Lender, Creditcard Lender or Cash Management Lender.

1.11 Interest Rates; Benchmark Notification

The interest rate on a Borrowing may be derived from an interest rate benchmark that may be discontinued or is, or may in the future become, the subject of regulatory reform. Upon the occurrence of a Benchmark Transition Event in respect of any Benchmark, Section 12.4 provides a mechanism for determining an alternative rate of interest. The Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to (a) the continuation, the administration of, the submission of, the calculation of, the performance of, or any other matter related to, any interest rate used in this Agreement (including the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA, Adjusted Daily Compounded CORRA) or any component definition thereof, or rates referred to in the definition thereof, or with respect to any alternative or successor rate thereto, or replacement rate thereof (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Prime Rate, Term CORRA, Daily Compounded CORRA, Adjusted Term CORRA or Adjusted Daily Compounded CORRA or any other Benchmark (or any component thereof) prior to its discontinuance or unavailability or (b) the effect, implementation or composition of any Conforming Changes. The Agent and its Affiliates and/or other related entities may engage in transactions that affect the calculation of any interest rate (or component thereof) used in this Agreement or any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Agent may select information sources or services in its discretion, acting reasonably, to ascertain any interest rate used in this Agreement, any component thereof, or rates referred to in the definition thereof or rates referred to in the definition thereof or any other Benchmark, in each case pursuant to and in accordance with the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other Person for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE 2 REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties

The Borrower, for and on behalf of itself and each other Loan Party, hereby represents and warrants to the Agent and each of the Lenders (all of which are being relied upon by the Lenders and the Agent in entering into this Agreement) that:

- (a) **Existence and Qualification:** Each Loan Party (a) has been duly incorporated, formed, amalgamated, merged or continued, as the case may be, and is validly subsisting and in good standing as a corporation or company, under the laws of its jurisdiction of formation, amalgamation, merger or continuance, as the case may be (or in the case of Loan Parties which are not corporations or companies, has been duly created or established as a partnership or other applicable entity and validly exists under and is in good standing under the laws of the jurisdiction in which it has been created or established), and (b) is duly

qualified to carry on its business in each jurisdiction in which it carries on business except where the failure to be so qualified could not reasonably be expected to have a Material Adverse Effect.

- (b) **Power and Capacity:** Each Loan Party has the corporate, company or partnership power and capacity, as the case may be, (a) to enter into, and to exercise its rights and perform its obligations under, the Loan Documents to which it is a party, and (b) to own its property and carry on its business as currently conducted and as currently proposed to be conducted by it.
- (c) **Execution, Delivery, Performance and Enforceability of Loan Documents:** The execution, delivery and performance of each of the Loan Documents to which any Loan Party is a party has been duly authorized by all corporate, company or partnership actions required, and each of such documents has been duly executed and delivered by it. Each Loan Document to which any Loan Party is a party constitutes the legal, valid and binding obligations of such Loan Party, enforceable against such Loan Party in accordance with its respective terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by principles of equity).
- (d) **No Conflict:** None of the execution or delivery of, the consummation of the transactions contemplated in, or the compliance with the terms, conditions and provisions of any of, the Loan Documents by any Loan Party:
 - (i) conflicts with or will conflict with, or results or will result in any breach of, or constitutes a default under or contravention of:
 - (A) any Applicable Law (except where such conflict, breach, default or contravention would not have a Material Adverse Effect on the Loan Documents);
 - (B) any Governmental Action or Authorization;
 - (C) such Loan Party's constating documents; or
 - (D) any Material Agreement; or
 - (ii) results or will result in the creation or imposition of any Security Interest upon any of its Property except for Permitted Encumbrances.
- (e) **Consent Respecting Loan Documents:** Each Loan Party has obtained, made or taken all consents, approvals, authorizations, declarations, registrations, filings, notices and other actions whatsoever required (except for registrations or filings which may be required in respect of the Security) to enable it to execute and deliver each of the Loan Documents to which it is a party and to consummate the transactions contemplated in the Loan Documents, except where the failure to do so would not have a Material Adverse Effect.
- (f) **Authorizations:** Each Loan Party possesses all Authorizations necessary under Applicable Law to properly conduct the Business, except to the extent the absence of which would not have, or would not reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.
- (g) **Cannabis Authorizations:** No Loan Party has failed to obtain any Cannabis Authorization necessary to the ownership of any of its Property or the conduct of its business, including

the Business, or failed to comply in all material respects with all such Cannabis Authorizations. All Cannabis Authorizations:

- (i) have been duly obtained, taken, given or made;
- (ii) are valid and in full force and effect, and
- (iii) are free from conditions or requirements that have not been met or complied with where the failure to so satisfy would allow for the material revocation thereof.

Specifically, but without limitation, no Loan Party conducts or has conducted any Cannabis Activities in a building or facility for which an applicable Cannabis Authorization necessary as aforesaid was not in full force and effect at the time in question or where any failure to do so has not been remedied to the satisfaction of the Agent and the applicable Governmental Authority. No Loan Party has received any notice from any Governmental Authority regarding any actual or alleged material violation of, or any failure on the part of the material requirement of any Cannabis Authorization necessary as aforesaid that has not been remedied. No Loan Party knows of any reason why any Cannabis Authorization should be suspended, cancelled or revoked or of any factor that would in any way prejudice the continuance or renewal of any Cannabis Authorization. All Taxes, assessments, maintenance fees and other amounts required to maintain the Cannabis Authorizations necessary as aforesaid have been paid in full.

- (h) **Title to Property:** Each Loan Party has good and valid title to its Property, free and clear of all Security Interests except Permitted Encumbrances and Permitted Title Defects and no Person has any agreement or right to acquire an interest in such assets other than in the ordinary course of its business and pursuant to a Permitted Disposition.
- (i) **Intellectual Property:** Each Loan Party has rights sufficient for it to use all the Intellectual Property reasonably necessary for the conduct of its business. To its knowledge as of the Effective Date, (i) no claim has been asserted and is pending by any Person challenging or questioning the use of any such Intellectual Property or the validity or effectiveness of any such Intellectual Property and (ii) no Loan Party is infringing or misappropriating or is alleged in writing to be infringing or misappropriating the intellectual property rights of any other Person. Schedule "J" contains a list of all such material Intellectual Property as of the Effective Date (excluding commercially available software).
- (j) **Material Agreements:** As of the Effective Date, Schedule "H" contains a true and complete list of all Material Agreements. Each Material Agreement is in good standing and in full force and effect; and none of the Loan Parties is in material breach of any of the terms or conditions contained therein. Except as disclosed in writing to the Agent and as permitted hereby, no Material Agreement has been amended, supplemented or revised since the date of execution thereof.
- (k) **Judgments, Etc.:** No Loan Party is subject to any material judgment, order, writ, injunction, decree or award, or to any restriction, rule or regulation (other than customary or ordinary course restrictions, rules and regulations consistent or similar with those imposed on other Persons engaged in similar businesses), which has not been stayed or of which enforcement has not been suspended, which would reasonably be expected to have a Material Adverse Effect.
- (l) **Litigation:** There are no actions, suits or proceedings pending or judgments existing or, to the best of its knowledge, threatened against or affecting any Loan Party or its properties which could reasonably be expected to be determined adversely to any Loan Party and, if so determined, to result in a Material Adverse Effect.

- (m) **Taxes:** Each Loan Party has duly and timely filed all Tax returns required to be filed by it and has paid or made adequate provision for the payment (in accordance with IFRS) of all Taxes levied on its property or income which are showing therein as due and payable, including interest and penalties, or has accrued such amounts in its financial statements for the payment of such Taxes except for Taxes which are not material in amount or which are not delinquent or if delinquent are being contested and, except, after the date of this Agreement, as is disclosed to the Agent in writing there is no material action, suit, proceeding, investigation, audit or claim now pending, or to its knowledge, threatened by any Governmental Authority regarding any Taxes nor has it or any other Loan Party agreed to waive or extend any statute of limitations with respect to the payment or collection of Taxes.
- (n) **Compliance with Laws:** Each Loan Party is in compliance with all Applicable Law (including, without limitation, all Environmental Laws, but excluding Cannabis Laws) except to the extent that non-compliance could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.
- (o) **Compliance with Cannabis Laws:** Each Loan Party is in compliance with all Cannabis Laws applicable to it, its property or its business including, in the case of the Loan Parties, the Business. Specifically, but without limitation, no Loan Party conducts or at any time has conducted any Cannabis Activities in a jurisdiction other than Canada, except for the export of Cannabis from Canada to a jurisdiction in accordance with Section 9.6(e). Schedule "L" contains a list of all Approved Jurisdictions of the Loan Parties.
- (p) **Pension:** No Loan Party has adopted or maintains, or is required to adopt or maintain, by Applicable Law or otherwise, any Pension Plans.
- (q) **Labour Agreements:** There are no labour agreements in effect between any of the Loan Parties and any labour union or employee association and the Loan Parties are not under any obligation to assume any labour agreements.
- (r) **Labour Relations:** To its knowledge, no Loan Party is engaged in any unfair labour practice; and there is no unfair labour practice complaint or complaint of employment discrimination pending against any Loan Party, or threatened against any Loan Party, before any Governmental Authority which could reasonably be expected to be determined adversely to any Loan Party and, if so determined, to result in a Material Adverse Effect.
- (s) **Environmental:** (i) No Loan Party is subject to any material civil or criminal proceeding or investigation relating to Environmental Laws and no Loan Party is aware of any threatened material proceeding or investigation relating to Environmental Laws; (ii) each Loan Party has all material permits, licences, registrations and other authorizations required by Environmental Laws for the operation of its business (including, without limitation, all permits for water taking required by each applicable Governmental Authority) and the properties which it owns, leases or otherwise occupies; (iii) each Loan Party currently operates its business and its properties (whether owned, leased or otherwise occupied) in compliance in all material respects with all applicable Environmental Laws; (iv) no Hazardous Substances are or have been stored or disposed of by any Loan Party or otherwise used by any Loan Party in violation in any material respect of any applicable Environmental Laws (including, without limitation, any release of Hazardous Substances by any Loan Party at, on or under any property now or previously owned or leased by the Borrower or any other Loan Parties); (v) all underground storage tanks of which a Loan Party is aware now or previously located on any real property owned or leased by it have been operated, maintained and decommissioned or closed, as applicable, in compliance in all material respects with applicable Environmental Law; and (vi) no Real Estate or groundwater in, on or under any property now or previously owned or leased by any Loan Party is or has been during such Loan Party's ownership or occupation of such property

(or, to its knowledge, prior to its ownership or occupation) contaminated by any Hazardous Substance except for any contamination that would not reasonably be expected to give rise to any material liability under Environmental Laws, nor, to the knowledge of the Borrower after due enquiry, is any such property named in any list of hazardous waste or contaminated sites maintained under any Environmental Law.

- (t) **Operation of Assets:** All of the Loan Parties' Property has been and will continue to be operated and maintained, as the case may be, in a good and workmanlike manner in accordance with sound industry practice and in accordance with all Applicable Law, except to the extent that the failure to comply would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect.
- (u) **Security:** The Security Interests created by the Security granted by each Loan Party to the Agent rank as first priority Security Interests in priority to all other Security Interests over the Property of each such Loan Party, subject only to Permitted Encumbrances which under Applicable Law rank in priority thereto.
- (v) **Insurance:** The Loan Parties have in full force and effect such policies of insurance in such amounts issued by insurers of recognized standing insuring its Property and operations as would be maintained by a prudent Person engaged in the same or similar business of similar size in the localities where its Property and operations are located, including business interruption insurance and replacement cost insurance (or the equivalent thereof), and such policies to show the Agent as first loss payee and additional insured.
- (w) **Surety Security:** No Loan Party is party to any surety or bond agreement with a Surety pursuant to which a Loan party has granted Security Interest to secure obligations related thereto.
- (x) **No Default:** No Default or Event of Default has occurred and is continuing which is known to the Borrower and which has not been disclosed to the Agent.
- (y) **Debt:** No Loan Party has issued, created, incurred or assumed, nor has outstanding, any Debt other than Permitted Debt.
- (z) **Financial Assistance:** No Loan Party has provided, nor has outstanding, any Financial Assistance to any Person other than as permitted by Section 9.3(h).
- (aa) **Swaps:** As at the Effective Date, no Loan Party is a party to any Swap.
- (bb) **Foreign Assets Control Regulations, Etc.:**
 - (i) No Loan Party:
 - (A) is under investigation by any Governmental Authority for, or has been charged with, or convicted of, money laundering, drug trafficking or terrorist-related activities under any Applicable Law (collectively, "**Anti-Money Laundering Laws**"),
 - (B) has been assessed civil penalties under any Anti-Money Laundering Laws, or
 - (C) has had any of its funds seized or forfeited in an action under any Anti-Money Laundering Laws.

The Borrower has taken reasonable measures appropriate to the circumstances (in any event as required by Applicable Law) to ensure that each Loan Party is and will continue to be in compliance with all current and future applicable Anti-Money Laundering Laws applicable to such Loan Party.

- (ii) No part of the Accommodations will be used, directly or indirectly, for any improper payments to any governmental official or employee, political party, official of a political party, candidate for political office, official of any public international organization or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage in violation of Applicable Law. The Borrower has taken reasonable measures appropriate to the circumstances (in any event as required by Applicable Law) to ensure that each Loan Party is and will continue to be in compliance with all applicable current and future anti-corruption laws and regulations; and
- (iii) No Loan Party is (i) a Person described or designated under the provisions of the *Special Economic Measures Act* (Canada) or the *United Nations Act* (Canada), or any associated regulations (each a “**Canadian Sanctions Designated Person**”), (ii) engages in any dealings or transactions with any Canadian Sanctions Designated Person, or (iii) is in possession or control of any property or entity that is owned or controlled by a Canadian Sanctions Designated Person;
- (cc) **Corporate Structure:** The corporate structure of the Borrower and its Subsidiaries is, as at the Effective Date, as set out in the organizational chart attached hereto in Schedule “G” and the share ownership of each Loan Party (other than the Borrower) is as set out in Schedule “G”. As of the Effective Date, no Person has an agreement or option or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares in the capital of any Loan Party (other than employee stock option plans of the Borrower).
- (dd) **Subsidiaries:** As of the Effective Date, the only Subsidiaries of the Borrower are as set out in Schedule “G”.
- (ee) **Location of Business:** As of the Effective Date, no Loan Party carries on business in any jurisdictions other than British Columbia, Alberta, Saskatchewan and Ontario and thereafter, British Columbia, Alberta, Saskatchewan and Ontario and such other jurisdictions as are disclosed to the Agent pursuant to Section 6.8 from time to time.
- (ff) **Chief Executive Office:** The chief executive office of each Loan Party is located in Alberta.
- (gg) **Fiscal Year End:** As of the Effective Date, the Borrower’s Fiscal Year end is on December 31.
- (hh) **Financial Information:** All of the monthly, quarterly and annual financial statements which have been furnished to the Agent and the Lenders, or any of them, in connection with this Agreement are complete in all material respects and such financial statements fairly present the results of operations and financial position of the Loan Parties as of the dates referred to therein and, except as otherwise disclosed to the Agent in writing, have been prepared in accordance with IFRS. All other material financial information (including, without limitation, budgets and projections) provided to the Agent and the Lenders in respect of the Loan Parties are, and in the case of all such financial information provided by Persons other than the Loan Parties, to the Borrower’s knowledge, true, complete and accurate in all material respects and were prepared in good faith based on reasonable assumptions and expectations in the context of which the same were provided. From the date of the latest of such financial statements submitted to the Agent which are audited, no

event has occurred which has or could reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect and the Borrower does not have any material liabilities (contingent or other) or other material Obligations of the type required to be disclosed in accordance with IFRS which are not fully disclosed on such consolidated financial statements in all material respects, other than liabilities and obligations incurred in the ordinary course of its business, the Obligations and those other liabilities and obligations permitted pursuant to this Agreement.

- (ii) **Real Estate:** All Real Estate is individually listed and accurately described with legal land descriptions in Schedule "I", as such schedule is required to be updated hereunder from time to time.
- (jj) **U.S. Cannabis:** The Borrower does not have any direct, indirect or ancillary interest in any "marijuana-related activity" in the United States as defined in Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana Activities* of the Canadian Securities Administrators. The Borrower is conducting all its activities in compliance with the TSXV Bulletin dated October 16, 2017 – *Business Activities Related to Marijuana in the United States*.
- (kk) **Second Lien Debt:** No Loan Party is in default under, and no event of default has occurred pursuant to, any Second Lien Debt Document.
- (ll) **Surety Obligations:** Neither the Borrower nor Westleaf Labs LP is in default under, no event of default has occurred pursuant to, and no demand has been made under, the Surety Agreement.
- (mm) **NFS Debt:** No Loan Party is in default under, and no event of default has occurred pursuant to, any NFS Debt Document.

2.2 Deemed Representation and Warranty

Each request by the Borrower for a Drawdown shall be deemed to be a representation and warranty by the Borrower to the Lenders and the Agent that the matters referred to in Section 2.1 are, as of the date of such request and will be as of the applicable Drawdown Date (other than those made as of a specific date), true and correct as of each such date. Each request by the Borrower for a Conversion or Rollover shall be deemed to be a representation and warranty by the Borrower that as of the date of such request and as of each Conversion Date or Rollover Date, there exists no Default or Event of Default.

2.3 Survival of Representations and Warranties

The representations and warranties in this Agreement and in any certificates or documents delivered to the Agent and the Lenders hereunder shall not merge in or be prejudiced by and shall survive any Accommodations and shall continue in full force and effect so long as any amounts are owing by the Borrower to the Lenders, or available to the Borrower, under this Agreement.

ARTICLE 3 THE FACILITIES

3.1 Establishment of the Facilities

- (a) **Availment Options:** From and after the Effective Date and relying on each of the representations and warranties set out in Section 2.1 and subject to the terms and conditions of this Agreement:
 - (i) the Term Facility Lenders agree to make, on the Effective Date, a one-time Term Accommodation available to the Borrower in a principal amount not to exceed the

Term Facility Commitment pursuant to a non-revolving term credit facility for the purposes set forth in Section 3.3(a), commencing on the Effective Date and ending on the Maturity Date (the “**Term Facility**”);

- (ii) the Operating Lender agrees to make Operating Accommodations available to the Borrower in a principal amount not to exceed the Operating Facility Commitment, by way of a revolving operating credit facility for the purposes set forth in Section 3.3(b), commencing on the Effective Date and ending on the Maturity Date (the “**Operating Facility**”).

The Operating Lender may agree to make available Cash Management Services to the Borrower and any other Loan Party under the Operating Facility (in which case the Operating Lender shall also be a Cash Management Lender), provided that the Borrower and any other applicable Loan Party shall have first executed and delivered to the Cash Management Lender such ancillary documents and any other applications and indemnities as the Cash Management Lender may require for similar transactions.

(b) **Maximum Amount:**

- (i) At no time shall the Term Facility Borrowings exceed the Total Term Facility Commitment.
- (ii) At no time shall the Operating Borrowings exceed the Operating Facility Commitment.

3.2 Repayment and Redrawing

- (a) Until the Maturity Date, the Borrower may only repay and prepay Term Accommodations as provided herein and may not re-borrow Term Accommodations. On the Maturity Date, the Total Term Facility Commitment shall reduce to zero and all Term Accommodations shall be due and payable.
- (b) Until the Maturity Date, the Operating Accommodations of the Operating Lender may, within the limits and subject to the conditions herein provided, increase and decrease and the Borrower may borrow, repay and re-borrow Operating Accommodations without penalty or premium. On the Maturity Date, the Operating Facility Commitment shall reduce to zero and all Operating Accommodations shall be due and payable.

3.3 Purpose

- (a) **Term Facilities:** The Term Facility shall be fully drawn on the Effective Date and shall be used by the Borrower for working capital requirements of the Loan Parties and for general corporate purposes of the Loan Parties, including to refinance the Existing Credit Agreement.
- (b) **Operating Facility:** Operating Accommodations shall be used by the Borrower for working capital requirements of the Loan Parties and for general corporate purposes of the Loan Parties.

3.4 Accommodations

- (a) **Term Facility:** The Term Facility is available for one Borrowing on the Effective Date as a single Drawdown (and otherwise in accordance with Section 3.1(a)(i)). Subject to the provisions of this Agreement, the Borrower may borrow by way of Term Accommodations

from the Term Facility Lenders pursuant to the Term Facility up to the amount of such Total Term Facility Commitment by:

- (i) **Prime Loans:** by borrowing Prime Loans in minimum aggregate amounts of Cdn. \$500,000, upon at least one Business Days prior written notice; and
- (ii) **CORRA Loans:** by borrowing CORRA Loans in minimum aggregate amounts of Cdn. \$500,000, upon at least three Business Days prior written notice,

each such notice to be given to the Agent at or prior to 10:00 a.m. (Calgary time) on the last day on which such notice can be given pursuant to this Section 3.4(a) and to be substantially in the form of Schedule "B".

- (b) **Operating Facility:** Subject to the provisions of this Agreement, the Borrower may borrow, repay and re-borrow by way of Operating Accommodations from the Operating Lender pursuant to the Operating Facility up to the amount of such Operating Facility Commitment by:

- (i) **Prime Loans:** by borrowing Prime Loans in minimum aggregate amounts of Cdn. \$500,000, upon at least one Business Days prior written notice;
- (ii) **CORRA Loans:** by borrowing CORRA Loans in minimum aggregate amounts of Cdn. \$500,000, upon at least three Business Days prior written notice; and
- (iii) **Letters of Credit:** by way of Letters of Credit in Canadian Dollars issued by the Operating Lender upon at least three (3) Business Days' prior notice, provided the aggregate amount of all Letters of Credit outstanding under the Operating Facility after giving effect to any issue thereof does not exceed Cdn. \$10,000,000,

each such notice to be given to the Operating Lender at or prior to 10:00 a.m. (Calgary time) on the last day on which such notice can be given pursuant to this Section 3.4, and to be substantially in the form of Schedule "B".

3.5 Extension of Maturity Date

The Borrower may, from time to time and provided there is no Default or Event of Default which is continuing, request an extension of the Maturity Date by sending a written request to the Agent (each, an "**Extension Request**") not less than sixty (60) days and not more than ninety (90) days prior to the anniversary of the Effective Date or the then-current Maturity Date, as applicable, and the Agent shall forthwith notify the Lenders of such request and each Lender shall acknowledge receipt of such notification. No later than thirty (30) days after receipt by the Agent of the Extension Request, the Agent shall provide a written notice to the Borrower confirming either: (i) the Lenders agree to extend the then-current Maturity Date for an additional one-year period; or (ii) the Lenders will not extend the then-current Maturity Date; provided that in the event any such Lender does not so advise the Agent within such thirty (30) day period, such Lender shall be deemed to have advised the Agent that it is not prepared to make an offer to the Borrower to extend the Maturity Date. Within two (2) Business Days after the Agent receiving from each such Lender its decision with respect to making an offer to the Borrower to extend the Maturity Date, provided that all of the Lenders have agreed to extend the Maturity Date, the Agent shall provide the Borrower with such offer and the Borrower shall be entitled to accept any it at any time up to and including the last Business Day preceding the anniversary of the Effective Date or the then-current Maturity Date, as applicable, by written notice to the Agent of such acceptance.

3.6 Letters of Credit Under

- (a) **Issuance:** If, pursuant to a Borrowing Notice, the Borrower has requested a Letter of Credit from the Operating Lender, the Operating Lender shall, subject to the terms of this Agreement, issue such Letter of Credit for the account of the Borrower on any day on or after the Effective Date and before the Maturity Date. No Letter of Credit shall be issued by the Operating Lender, whether on original issue, or by renewal or extension (automatic or otherwise) where the Operating Lender has liability in respect thereof:
- (i) that expires after the Maturity Date; or
 - (ii) if after giving effect thereto the amount of the LC Obligations under Letters of Credit issued exceeds the Operating Facility Commitment.

Each Letter of Credit shall be substantially in the form of the Operating Lender's standard form with modifications thereto consistent with the applicable provisions of this Agreement.

- (b) **Conditions Precedent:** The Operating Lender shall not be required to issue any Letter of Credit if, on the Issue Date for such Letter of Credit, the Operating Lender determines that any of the following conditions has not been satisfied:
- (i) the Operating Lender shall have received a Borrowing Notice requesting that a Letter of Credit be issued, such Borrowing Notice to be accompanied by an originally executed LC Application satisfactory to the Operating Lender, specifying:
 - (A) the proposed Issue Date (which shall be a Business Day at least three Business Days following the date of such request);
 - (B) the purpose for which such Letter of Credit is to be used, and, if the Operating Lender, acting reasonably, determines that the requested Letter of Credit will constitute a Financial LC, the Borrower has agreed with such characterization; for the avoidance of doubt, if the Borrower does not agree with such characterization, such Letter of Credit shall not be issued;
 - (C) the expiry date which shall not be more than one year from the Issue Date and which shall not extend beyond the Maturity Date;
 - (D) the name and address of the beneficiary;
 - (E) the face amount of such Letter of Credit; and
 - (F) the terms and conditions of the requested Letter of Credit and other relevant details (provided that no Letter of Credit that provides for the automatic extension thereof unless notice is given to the beneficiary thereof shall be issued which requires that notice of the non-extension of the expiry date thereof be given more than 60 days prior to the scheduled expiry thereof, unless otherwise agreed by the Operating Lender); and
 - (ii) the Operating Lender shall have received such other customary administrative documents as the Operating Lender shall have reasonably requested as a condition to the issuance of such Letter of Credit; provided that in the event of any conflict between the terms of such other documents and this Agreement, the terms of this Agreement shall prevail and further provided that the Borrower's obligations in respect of Letters of Credit shall be determined solely by reference to the provisions of this Agreement.

- (c) **Auto-Renewal of Letters of Credit:** A Letter of Credit may, if the Borrower so requests, contain an automatic extension of the expiry date thereof pursuant to which the expiration date is automatically extended or renewed for a period of up to one year unless the Operating Lender notifies the beneficiary thereof that it shall not be extended or renewed within a certain period of time (not to exceed 60 days prior to the then current expiry date) (such lead date being herein called the “**Renewal Notification Date**”). For each such Letter of Credit the Borrower shall notify the Operating Lender, at least 10 Business Days prior to the Renewal Notification Date, if the Borrower wishes such Letter of Credit to expire in accordance with its current expiry date, and not automatically renew, in which event the Operating Lender shall so notify the beneficiary. If the Borrower fails to provide such notification to the Operating Lender, the Operating Lender shall (subject to the next sentence) permit the Letter of Credit to automatically renew or extend in accordance with its terms. Nothing in this Section 3.6(c) shall permit the Borrower to have outstanding any Letter of Credit where the Operating Lender has liability in respect thereof that expires after the Maturity Date.
- (d) **Records:** The Operating Lender shall maintain records showing the undrawn and unexpired amount of each Letter of Credit outstanding hereunder and each Lender’s share of such amount and showing for each Letter of Credit issued hereunder:
- (i) the Issue Date and expiration date thereof;
 - (ii) the amount thereof; and
 - (iii) the date and amount of all payments made thereunder.

3.7 Letter of Credit Payments

The determination of the Operating Lender as to the conformity of any documents presented under a Letter of Credit to the requirements of such Letter of Credit shall, in the absence of the Operating Lender’s gross negligence or wilful misconduct, be conclusive and binding on the Borrower. The Operating Lender shall, within a reasonable period of time following its receipt thereof, examine all documents purporting to represent a demand for payment under any Letter of Credit. The Operating Lender shall promptly after such examination:

- (a) notify the Borrower by telephone (confirmed in writing) of such demand for payment; and
- (b) notify the Borrower whether said demand for payment was properly made under such Letter of Credit.

3.8 Obligations Absolute re Letters of Credit

- (a) **Absolute Obligation:** The obligations of the Borrower under this Agreement in respect of Letters of Credit shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of any set-off, counterclaim or defense to payment which any Person may have or have had against the Agent, the Operating Lender or any beneficiary of a Letter of Credit.
- (b) **No Defences:** The obligations of the Borrower in respect of Letters of Credit shall not be affected by:
 - (i) any lack of validity or enforceability of any Letter of Credit;

- (ii) any draft, demand, certificate or any other document presented under any Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect;
- (iii) a Default or an Event of Default that has occurred and is continuing;
- (iv) any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred;
- (v) any claims, compensation, set-off, defence or other right whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee;
- (vi) any payment by the Operating Lender under any Letter of Credit if such payment does not breach the standards of reasonable care specified in the Uniform Customs or disentitle the Operating Lender to reimbursement under ISP98 (in each case as stated on its face to be applicable to the respective Letter of Credit);
- (vii) the non-perfection of any Security Interest granted to, or in favour of, the Agent, the Operating Lender as security for any of the reimbursement obligations referred to in Section 3.7;
- (viii) the existence of any Insolvency Event with respect to any Loan Party; or
- (ix) any other event or circumstance whatsoever that might, but for the provisions of this Section 3.8(b), constitute a legal or equitable discharge of the obligations of the Borrower hereunder or in respect of any Letter of Credit;

save and except only for payment under a Letter of Credit other than in compliance with the terms thereof in all material respects or other than as a result of the Agent's or, if applicable, the Operating Lender's gross negligence or wilful misconduct.

- (c) **Notice Delays:** None of the Agent or the Operating Lender shall be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except, as to any such Person, for errors or omissions caused by such Person's gross negligence or wilful misconduct.
- (d) **Uniform Customs:** The Uniform Customs and Practice for Documentary Credits as most recently published by the International Chamber of Commerce (the "**Uniform Customs**") shall in all respects apply to each Letter of Credit unless expressly provided to the contrary therein and shall be deemed for such purpose to be a part of this Agreement as if fully incorporated herein. In the event of any conflict or inconsistency between the Uniform Customs and the governing law of this Agreement, the Uniform Customs shall, to the extent permitted by Applicable Law, prevail to the extent necessary to remove the conflict or inconsistency.
- (e) **Action Binding:** Any action taken or omitted by the Agent or the Operating Lender under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or wilful misconduct and in accordance with the standards of care specified in the Uniform Customs, shall be binding on the Borrower and shall not result in any liability of the Agent or the Operating Lender to the Borrower.
- (f) **General:** Without limiting the generality of the foregoing:

- (i) the Operating Lender may accept documents that appear on their face to be in compliance with the terms of a Letter of Credit in all material respects without responsibility for further investigation, regardless of any notice or information to the contrary, and may make payment upon presentation of documents that appear on their face to be in compliance with the terms of such Letter of Credit in all material respects;
 - (ii) the Operating Lender shall have the right, in its discretion acting reasonably, to decline to accept such documents and to make such payment if such documents are not in strict compliance with the terms of such Letter of Credit;
 - (iii) this Section 3.8, together with Section 3.7, shall establish the standard of care to be exercised by the Operating Lender when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof (and the parties hereto hereby waive, to the extent permitted by Applicable Law, any standard of care inconsistent with the foregoing); and
 - (iv) in the event of any conflict or inconsistency between the provision of any LC Application and this Agreement, the provisions of this Agreement shall prevail.
- (g) **Consequential Damages:** Notwithstanding anything to the contrary contained herein, none of the Agent or any Lender shall be liable to the Borrower for any consequential, indirect, punitive or exemplary damages with respect to action taken or omitted to be taken by it under any Letter of Credit.

3.9 Expenses re Letters of Credit

- (a) **LC Expenses:** The Borrower shall pay and reimburse the Agent and the Operating Lender for all Taxes and reasonable, customary and documented fees, charges and other costs and expenses (other than Letter of Credit Fees) incurred by the Agent or the Operating Lender in connection with any LC Disbursement ("**LC Expenses**"), as notified by the Operating Lender to the Borrower through the Agent. Each payment in respect of LC Expenses shall be due and payable within 10 Business Days after the date on which the Agent or the Operating Lender, as the case may be, notifies the Borrower of the amount of such LC Expenses and shall accrue interest if not paid on such date at the Default Rate.
- (b) **Other Costs:** The Borrower shall pay to the Agent and the Operating Lender its:
- (i) reasonable, customary and documented set-up fees, cable charges and other miscellaneous charges in respect of the issue of Letters of Credit and upon the amendment or transfer of each Letter of Credit and each drawing made thereunder; and
 - (ii) reasonable, customary and documented documentary and administrative charges for amending, transferring or drawing under, as the case may be, Letters of Credit of a similar amount, term and risks.

3.10 Indemnification; Nature of Lender's Duties

- (a) **Indemnity:** In addition to amounts payable as elsewhere provided for in this Section 3.10, the Borrower hereby agrees to protect, indemnify, pay and save each Lender harmless from and against any and all claims or losses (including reasonable legal fees and expenses) which such Lender may incur or be subject to as a consequence, direct or indirect, of:

- (i) the application for or issuance of or drawing under any Letter of Credit; or
- (ii) the failure of such Lender to honour a drawing under any Letter of Credit as a result of any present or future Governmental Action prohibiting the payment of such drawing,

in each case, other than to the extent (i) not otherwise satisfied by or reimbursed by the payment of interest on sums pursuant to this Agreement or (ii) a result of the gross negligence or wilful misconduct of such Lender as determined by a court of competent jurisdiction, provided that such Lender acts in good faith.

- (b) **Misuse:** As between the Borrower and each Lender, the Borrower assumes all risks of the acts and omissions of, or misuse of any Letter of Credit by, the beneficiary of such Letter of Credit. Except to ensure compliance with the applicable Letter of Credit, the Lenders shall not have any responsibility for:

- (i) the form, validity, accuracy, genuineness or legal effect of any document submitted by any party in connection with the application for, issuance of or drawing under any Letter of Credit (even if it should in fact prove to be in any or all respects invalid, inaccurate, fraudulent or forged);
- (ii) the validity or sufficiency of any instrument transferring or assigning (or purporting to transfer or assign) any Letter of Credit or the rights or benefits thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;
- (iii) errors, omissions, interruptions or delays in transmission or delivery of any messages, by mail, cable, telegraph or otherwise (whether or not they are in cipher);
- (iv) errors in interpretation of technical terms;
- (v) any loss or delay in the transmission or otherwise of any document required in order to make a drawing under any Letter of Credit or of the proceeds thereof;
- (vi) the misapplication by the beneficiary of any Letter of Credit or of the proceeds of any drawing under such Letter of Credit; and
- (vii) any consequences arising from causes beyond the control of the Lenders, including any Governmental Actions.

None of the above shall affect, impair or prevent the vesting of any of the Operating Lender's rights or powers hereunder. No action taken or omitted by the Operating Lender under or in connection with any Letter of Credit issued by it or the related certificates, if taken or omitted in good faith, shall put the Operating Lender under any resulting liability to the Borrower (provided that the Operating Lender acts in accordance with the standards of reasonable care specified in the Uniform Customs and otherwise as may be required under ISP98, in each case as stated on its face to be applicable to the respective Letter of Credit).

- (c) **No Liability:** The Borrower shall have no obligation to indemnify a Lender in respect of any liability incurred by such Lender arising out of the (i) gross negligence or wilful misconduct of such Lender as determined by a court of competent jurisdiction, or (ii) the breach of the standards of reasonable care specified in the Uniform Customs or where the Operating

Lender would not be entitled to the foregoing indemnification under ISP98, in each case as stated on its face to be applicable to such Letter of Credit.

3.11 Repayments re Letters of Credit

If:

- (a) the Agent delivers an Acceleration Notice or an Insolvency Event occurs;
- (b) the Borrower shall be required to repay Borrowings to a Lender pursuant to Article 4; or
- (c) any Letter of Credit is the subject matter of any order, judgement, injunction or other such determination (a "**Judicial Order**") restricting payment under and in accordance with such Letter of Credit or extending the Operating Lender's liability, as the case may be, beyond the expiration date stated in such Letter of Credit;

then the Borrower shall pay to the Agent an amount, in the currency in which the Letter of Credit is denominated, equal to the maximum amount available to be drawn under any unexpired Letter of Credit in respect of all of the Lenders in the case of paragraphs (a) and (c) above and in respect of each Lender whose Lender Outstandings are required to be repaid in accordance with Article 4 in the case of paragraph (b) above. Any such amounts paid by the Borrower to the Agent shall be held by the Agent in a Cash Collateral Account as continuing collateral security for the obligations of the Borrower to reimburse the Lenders for LC Disbursements made in respect of any such Letter of Credit. Such Cash Collateral Accounts shall be assigned to the Agent as security for the obligations of the Borrower in relation to such Letters of Credit and the Security Interest of the Agent thereby created in such cash collateral shall rank in priority to all other Security Interests and adverse claims against such cash collateral. Such cash collateral shall be applied to satisfy the obligations of the Borrower for such Letters of Credit as LC Disbursements are made thereunder. Amounts held in such Cash Collateral Accounts may not be withdrawn by the Borrower; however, interest on such deposited amounts (at the rates and in accordance with the then prevailing practices of the Agent for accounts of such type) shall be for the account of the Borrower and may be withdrawn by the Borrower from time to time so long as no Event of Default is then continuing.

The Agent shall release to the Borrower any amount remaining in the Cash Collateral Accounts after applying the amounts necessary to discharge all LC Obligations of the Borrower relating to such Letters of Credit, upon the later of:

- (i) the date on which any final and non-appealable Judicial Order has been rendered or issued either terminating any applicable Judicial Order or permanently enjoining the Operating Lender from paying under such Letter of Credit;
- (ii) the earlier of:
 - (A) the date on which either the original counterpart of such Letter of Credit is returned to the Operating Lender for cancellation or the Operating Lender is released by the beneficiary thereof from any other obligation in respect of such Letter of Credit; and
 - (B) the expiry of such Letter of Credit; and
- (iii) if an Event of Default has occurred and is continuing, the payment and satisfaction of all indebtedness and liabilities of the Borrower hereunder and cancellation or termination of the Facilities.

3.12 Notice of Repayment

The Borrower shall give the Agent or the Operating Lender, as applicable, prior written notice substantially in the form of Schedule "C" of each repayment of Borrowings in accordance with the same period of notice required pursuant to Section 3.4 for the initial drawdown of the Borrowing being repaid. Notwithstanding the foregoing, a Benchmark Loan may only be repaid on the last day of the Interest Period applicable to it unless the Borrower makes payment of the amounts payable in respect thereof pursuant to Section 11.5.

3.13 Pro-Rata Treatment of Borrowings

- (a) **Pro-Rata Borrowings:** Subject to Section 3.13(b), each Borrowing under a Facility and each basis of Borrowing shall be made available by each Applicable Lender under such Facility and all repayments and reductions in respect thereof shall be made and applied in a manner so that the Borrowings and each basis of Borrowing outstanding hereunder to each Applicable Lender will, to the extent possible, thereafter be in its Lender's Proportion. The Agent is authorized by the Borrower and each Lender to determine, in its sole and unfettered discretion, the amount of Borrowings and each basis of Borrowing to be made available by each Lender and the application of repayments and reductions of Borrowings to give effect to the provisions of this Section 3.13(a) and Section 7.2; provided that, no Lender shall, as a result of any such determination, have Borrowings outstanding in an amount which is in excess of the amount of its Term Facility Commitment or its Operating Facility Commitment, as applicable.
- (b) **Further Assurances:** To the extent reasonably possible, the Borrower and each Lender agrees to be bound by and to do all things necessary or appropriate to give effect to the provisions of this Section 3.13.

3.14 Conversion Option

The Borrower may, during the term of this Agreement, upon giving the Agent at the Agent's Branch of Account a Conversion Notice in accordance with the period of prior notice and other requirements set out in Section 3.4 (other than delivery of a Borrowing Notice) in respect of the type of Accommodation to which any Accommodation is being Converted, Convert any Accommodation to another type of Accommodation. Notwithstanding the foregoing, a Benchmark Loan may only be Converted on the last day of the Interest Period applicable thereto, or on any other day if the Borrower pays all amounts payable in respect thereof pursuant to Section 4.5. A Letter of Credit may not be Converted. If the requested Conversion is either from or into Benchmark Loan, then:

- (a) if a Default has occurred and is continuing, the Borrower, without limiting their rights to Convert any Borrowing into a Prime Loan shall only be entitled to request a Conversion into a Benchmark Loan with an Interest Period of one month as provided for herein; and
- (b) if an Event of Default has occurred and is continuing, such Conversion shall not be permitted and all Benchmark Loans in respect of which any such Conversion has been requested shall be Converted to a Prime Loan on the last day of the Interest Period applicable thereto.

On each Conversion Date, the Borrower shall be required to repay to the Agent the basis of the Accommodation which is being Converted and, subject to the provisions of this Agreement, the Lenders shall be required to make available to the Borrower the Accommodations into which such basis of Accommodation is being Converted.

3.15 Rollovers

The Borrower may, during the term of this Agreement, Rollover all or any portion of a Benchmark Loan for an additional Interest Period subsequent to the initial or any subsequent Interest Period or extend the expiry date of a Letter of Credit, upon giving the Agent at the Agent's Branch of Account or the Operating Lender, as applicable, a Rollover Notice in accordance with the period of notice and other requirements set out in Section 3.4 applicable to such Benchmark Loans or Letters of Credit (other than delivery of a Borrowing Notice), unless immediately prior to the issuance of any Letter of Credit or the commencement of any subsequent Interest Period, a Default or an Event of Default shall have occurred and be continuing, in which event the Borrower shall not be entitled to Rollover such Letter of Credit and, in the case of a Default, shall only be entitled to request a Benchmark Loans with an Interest Period of one (1) month and, in the case of an Event of Default, (i) shall be deemed to have Converted any request for a Benchmark Loan to a request for a Prime Loan, in each case pursuant to Section 3.14 on the last day of the Interest Period applicable thereto, and (ii) shall be deemed to have notified the Agent and the Operating Lender to cancel any automatic renewal of a Letter of Credit under Section 3.6(c). In the event a Rollover Notice in respect of an Benchmark Loan is not given pursuant to this Section 3.15 or a Conversion Notice in respect of such existing Benchmark Loan is not given pursuant to Section 3.14, any such Benchmark Loan shall be Converted to a Prime Loan on the last day of the Interest Period applicable thereto and the provisions of the last sentence of Section 3.14 shall apply to any such conversion.

3.16 Notices Irrevocable

All notices delivered or deemed to be delivered by the Borrower pursuant to this Article 3 shall be irrevocable and shall oblige the Borrower to take the action contemplated on the date specified therein.

3.17 Lender Swaps

- (a) **Swaps:** Subject to the terms and conditions hereof (and specifically Section 9.3(l)), each of the Lenders (or an Affiliate of such Lender) may from time to time enter into Swaps with any Loan Party during the term of this Agreement. Prior to engaging in any Lender Swaps, the applicable Loan Party shall enter into an ISDA Master Agreement with the applicable Swap Lender, or a confirmation that incorporates by reference the terms of an ISDA Master Agreement.
- (b) **Secured Obligations:** The parties agree that all Permitted Swap Indebtedness shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Obligations, the Cash Management Obligations and the Creditcard Obligations. All Swap Indebtedness of a Loan Party to any Swap Lender, other than Permitted Swap Indebtedness, shall, as to the Security, rank junior and be subordinate in every respect to the Obligations, the Cash Management Obligations, the Creditcard Obligations and the Permitted Swap Indebtedness.
- (c) **Determination of Permitted Swaps:** A Lender Swap shall be deemed to be a Permitted Swap (and the indebtedness thereunder Permitted Swap Indebtedness) if it is entered into by a Swap Lender without actual notice or knowledge that such Lender Swap is not a Permitted Swap.

3.18 Operating Accounts

The Operating Lender will establish at the Operating Lender's Branch of Account a Canadian Dollar account for the Borrower, referred to herein as the "**Operating Account**". The Operating Accounts shall record the day-to-day banking business of the Borrower conducted through the Operating Lender.

3.19 Creditcard Facilities

Any Creditcard Lender may provide Creditcard Facilities to any Loan Party and any Loan Party may incur Creditcard Obligations from any Creditcard Lender, subject to the limitations in respect thereof set out in the definition of Permitted Debt, from time to time. The parties agree that all Creditcard Obligations shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Borrowings, the Permitted Swap Indebtedness and the Cash Management Obligations, notwithstanding that they do not form part of the Borrowings.

3.20 Cash Management Facilities

Any Cash Management Lender may provide Cash Management Services to any Loan Party from time to time. The parties agree that all obligations of a Loan Party with respect to Cash Management Services shall be secured by the Security on a *pari passu* basis and shall rank *pari passu* with the Borrowings, the Permitted Swap Indebtedness and the Creditcard Obligations, notwithstanding that they do not form part of the Borrowings.

ARTICLE 4 REPAYMENT AND PREPAYMENT

4.1 Reduction of Commitment

On the Maturity Date, the Borrower shall repay all Obligations, all Creditcard Obligations, all Cash Management Obligations (unless otherwise agreed by the Cash Management Lender in its sole discretion) and all accrued and unpaid interest and fees then outstanding to such Lender and its Affiliates, and the Commitment of each Lender shall be reduced to zero. The Borrower shall ensure that Benchmark Loans and Letters of Credit made by or issued on behalf of or for the account of such Lender mature on or prior to the Maturity Date. For certainty, the Lenders will refuse to make any Benchmark Loan if the last day of the Interest Period applicable thereto, or issue any Letter of Credit if the maturity date thereof, would be after the Maturity Date.

4.2 Mandatory Repayments of the Term Facility – Scheduled Payments

The Borrower shall repay to the Agent for the account of the Term Facility Lenders:

- (a) on each of June 30, 2026, September 30, 2026, December 31, 2026 and March 1, 2027, an amount equal to [REDACTED] % of the aggregate principal amount of the Term Facility on the Effective Date;
- (b) on each of June 30, 2027, September 30, 2027, December 31, 2027 and March 31, 2028, an amount equal to [REDACTED] % of the aggregate principal amount of the Term Facility on the Effective Date; and
- (c) on June 30, 2028 and on the last day of each Fiscal Quarter of the Borrower thereafter, an amount equal to [REDACTED] % of the aggregate principal amount of the Term Facility on the Effective Date,

provided that in each case, if such date is not a Business Day, such payment shall be made on the next Business Day.

Any remaining Lender Outstandings owing under the Term Facility are due and payable on the Maturity Date.

4.3 **Mandatory Repayments from Sales, Insurance, Etc.**

So long as any amounts under the Term Facility remain outstanding, within three Business Days of the receipt thereof (subject to the proviso below):

- (a) all net cash proceeds received by any Loan Party from any property and casualty insurance claims relating to any of their Property, but, for certainty, shall not include insurance proceeds received by any Loan Party from any receivables or similar insurance;
- (b) all net cash proceeds (net of expenses) of any Disposition by any Loan Party that is not a Permitted Disposition and without prejudice to the ability of the Agent and the Lenders to declare a Default or an Event of Default resulting therefrom; and
- (c) all net cash proceeds (net of expenses) of any issuance of equity by a Loan Party (other than pursuant to a management incentive plan or similar compensation plan) and other than if issued to another Loan Party;

shall be applied by the Borrower as a permanent prepayment of the Term Facility (in inverse order of maturity) with a corresponding permanent reduction in the Total Term Facility Commitment as provided in Section 4.4 until Term Facility is repaid in full, provided that in the case of proceeds referred to in paragraphs 4.3(a) above, such repayment shall not be required if such proceeds are subsequently reinvested in capital assets used in carrying on the Business of the Loan Parties within 180 days of receipt thereof.

4.4 **Cancellation of Commitment and Prepayment**

The Borrower may, without penalty or premium, at any time during the term of this Agreement, upon at least 5 Business Days' prior written notice to the Agent and the Operating Lender, as applicable, (and shall, if so required by Sections 4.3) cancel and repay all of the Term Facility Commitment or the Operating Facility Commitment, or any portion of any of them in minimum amounts of Cdn. \$500,000 and whole multiples of Cdn. \$500,000 thereafter (such minimum amount not to apply to a reduction required by Sections 4.3); provided that on or prior to the last day of such notice period the Borrower has:

- (a) **Application to Facility:** identified in writing the amount of the cancellation (and repayment in respect of the Term Facility Commitment) to be applicable to the Term Facility Commitment and/or the Operating Facility Commitment and, in the case of any prepayment of the Term Facility, directing how the prepayment is to be applied to the Term Facility (and amounts owing thereunder), which direction may be made in the sole and absolute discretion of the Borrower, provided that if no such direction is provided, the prepayment shall be applied in direct order of maturity;
- (b) **Prepaid Borrowings:** prepaid or otherwise reduced Borrowings outstanding to each Lender under the applicable Facility in an amount equal to the amount by which Borrowings outstanding to such Lender are in excess of its Term Facility Commitment or Operating Facility Commitment, as applicable, immediately after any such cancellation of the Commitments provided for in such notice; and
- (c) **Paid Interest:** paid all accrued interest and other charges and fees in respect of the Borrowings being repaid or reduced as aforesaid.

Any such notice of cancellation is irrevocable and the amount of the Commitment of each Lender so cancelled and reduced may not be reinstated hereunder. For certainty, this clause shall not apply to any repayments required under Section 4.3.

4.5 Early Repayment of Benchmark Loans and Letters of Credit

The Borrower shall not cancel all or any portion of the Commitment of any Lender pursuant to Section 4.4 if the Borrowings required to be repaid to such Lender as a result thereof include Letters of Credit with an expiry date falling subsequent to the date of such cancellation or Benchmark Loans with the last day of the Interest Period applicable thereto falling subsequent to the date of such cancellation unless, on the date of such cancellation, the Borrower has (a) in respect of Benchmark Loans, paid to the Agent at the Agent's Account for Payments for the account of such Lender the amount required to be paid pursuant to Section 11.5 and (b) in respect of Letters of Credit, returned such Letters of Credit to the issuer thereof for cancellation or paid to the Agent at the Agent's Account for Payments for the account of such issuer the undrawn amount thereof to be held as cash collateral pursuant to Section 10.4.

4.6 Evidence of Indebtedness

Each of the Agent and the Operating Lender, as applicable, shall open and maintain accounts on the books of the Agent at the Agent's Branch of Account and on the books of the Operating Lender at the Operating Lender's Branch of Account evidencing the Term Facility Borrowings and the Operating Borrowings, respectively, and other amounts owing by the Borrower to the Lenders under this Agreement. The Agent and the Operating Lender, as applicable, shall debit therefrom the amount of such the Term Facility Borrowings and the Operating Borrowings, respectively, and shall enter therein each payment of principal of and interest on the applicable Borrowings and fees and other amounts payable pursuant to this Agreement and the Letters of Credit issued by the Operating Lender and all other amounts becoming due to the Agent and each Lender under this Agreement. The accounts of the Agent and the Operating Lender, as applicable, so kept shall constitute, in the absence of manifest error, prima facie evidence of the indebtedness of the Borrower to the Agent, the Term Facility Lenders and the Operating Lender under the Facilities, the date each such Lender made each Borrowing available to the Borrower and the amounts the Borrower has paid from time to time on account of the principal and interest on the Borrowings, fees payable pursuant to this Agreement and other amounts owing hereunder.

ARTICLE 5 PAYMENT OF INTEREST AND FEES

5.1 Interest on Prime Loans

The Borrower shall pay interest in Canadian Dollars on each Prime Loan made by each Lender, in each case at a rate per 365 days equal to the Prime Rate plus the Applicable Margin applicable to such Prime Loan. A change in the Prime Rate or the Applicable Margin will simultaneously cause a corresponding change in the interest payable on each Prime Loan. Such interest shall accrue daily based on the Prime Rate and Applicable Margin in effect on each day and is payable monthly in arrears on each Interest Date for the period commencing on and including the immediately prior Interest Date up to but not including the Interest Date on which such interest is to be paid and shall be calculated on a daily basis and on the basis of the actual number of days elapsed in a year of 365 days. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section 5.1 are equivalent, are the rates so determined multiplied by the actual number of days in the relevant calendar year and divided by 365.

5.2 Interest on CORRA Loans

The Borrower shall pay interest in Canadian Dollars on each CORRA Loan made by each Lender for the period commencing on and including the first day of the Interest Period applicable to such CORRA Loan up to but not including the last day of such Interest Period at a rate equal to the sum of (i) Adjusted Term CORRA (for any Term CORRA Loan) or (ii) Adjusted Daily Compounded CORRA (for any Daily Compounded CORRA Loan), plus, in either case, the Applicable Margin applicable thereto and which is in effect on the first day of the Interest Period applicable to such CORRA Loan. A change in the Applicable Margin will simultaneously cause a corresponding change in the interest payable on each CORRA Loan. Such interest shall accrue daily based on interest rate and the Applicable Margin in effect

on each day and is payable on each Interest Date applicable to such Interest Period and shall be calculated on a daily basis and on the basis of the actual number of days elapsed in the period for which such interest is payable (including the first day of such period but excluding the date on which such interest is payable) divided by 365. The annual rates of interest to which the rates determined in accordance with the foregoing provisions of this Section 5.2 are equivalent, are the rates so determined multiplied by the actual number of days in the relevant calendar year and divided by 365.

5.3 Letter of Credit Fees

In consideration of Operating Lender's commitment to issue Letters of Credit under the Operating Facility, the Borrower shall pay to the Operating Lender a fee equal to the Letter of Credit Fee then in effect on the date of payment of such fee. Such Letter of Credit Fees shall be payable quarterly in arrears on the third Business Day of each calendar quarter commencing in the calendar quarter in which the applicable Letter of Credit was issued (and on the Maturity Date) and shall be calculated based on the number of days during which any such Letter of Credit was outstanding during any such calendar quarter (the "**LC Payment Period**") divided by 365 and shall be paid in the currency in which such Letter of Credit is denominated. Letter of Credit Fees shall be calculated on the basis of the daily maximum undrawn amount of such Letter of Credit outstanding during each LC Payment Period. If and to the extent that a Letter of Credit is drawn upon prior to the date of expiry thereof, or is terminated and returned to the Operating Lender prior to such date of expiry, or the face amount thereof is reduced prior to such date of expiry (other than through a drawing on such Letter of Credit) or any combination thereof, the Operating Lender shall forthwith after such event credit the Borrower with such fees as it has paid in respect of any such Letter of Credit for the time remaining in the period for which such fees were originally paid and applicable to the amount of the Letter of Credit on its termination or the amount of the reduction, as the case may be.

5.4 Creditcard and Cash Management Fees

The Borrower shall pay fees to the Creditcard Lenders in respect of Creditcard Facilities, and to the Cash Management Lenders in respect of Cash Management Services, as provided in the agreements entered into by a Loan Party in connection therewith.

5.5 Interest on Overdue Amounts

Notwithstanding any other provision hereof, in the event that any amount due hereunder (including any interest payment) is not paid when due (whether by acceleration or otherwise), the Borrower shall and hereby agrees to pay to the Applicable Lenders interest on such unpaid amount (including interest on interest), if and to the fullest extent permitted by Applicable Law, from the date that such amount is due until the date that such amount is paid in full (but excluding the date of such payment if the payment is made before 11:00 a.m. Calgary time), and such interest shall accrue daily, be calculated and compounded on the last Business Day of each calendar month and be payable in the currency of the relevant Borrowing on demand, as well after as before maturity, default and judgment, at a rate per annum that is equal to the interest rate applicable to Prime Loans outstanding from time to time hereunder whether or not any Prime Loans are then outstanding (including for certainty, the Applicable Margin) plus ██% per annum; and

The Borrower hereby waives, to the fullest extent it may do so under Applicable Law, any provisions of Applicable Law, including the *Interest Act* (Canada) and the *Judgment Interest Act* (Alberta), which may be inconsistent with this Agreement.

5.6 Agent's Fees

The Borrower shall pay an agency fee to the Agent (for the Agent's sole account) at the Agent's Account for Payments, in an amount as agreed from time to time between the Agent and the Borrower and such fees shall, for purposes of this Agreement, be deemed to be an amount payable pursuant to this Agreement.

5.7 Commitment Fees

Concurrently with the execution and delivery of this Agreement, the Borrower shall pay to the Agent for and on behalf of the Lenders (in accordance with the Lender's Proportion of the Total Commitment) an upfront commitment fee as agreed between the Borrower and the Agent. For greater certainty, the fees provided for in this Section 5.7 are in addition to any other fees payable in connection with the Facilities.

5.8 Maximum Rate Permitted by Law

No interest or fee to be paid hereunder shall be paid at a rate exceeding the maximum rate permitted by Applicable Law. In the event any such interest or fee exceeds such maximum rate, such interest or fee shall be reduced or refunded, as the case may be, so as to be payable at the highest rate recoverable under Applicable Law.

5.9 Interest Generally

The theory of deemed reinvestment shall not apply to the calculation of interest or payment of fees or other amounts hereunder, notwithstanding anything contained in this Agreement or in any other Loan Document now or hereafter granted to or taken by the Agent or any Lender and all interest and fees payable by the Borrower to a Lender shall accrue from day to day and be computed as described herein in accordance with the "nominal rate" method of interest calculation and for the purposes of the *Interest Act* (Canada), the principle of deemed reinvestment of interest will not apply to any interest calculation under the Loan Documents. To the extent permitted by Applicable Law, the provisions of the *Judgment Interest Act* (Alberta) will not apply to the Loan Documents and are hereby expressly waived by the Borrower.

5.10 Standby Fees

Until the Maturity Date, the Borrower shall pay standby fees to the Operating Lender on its own behalf, calculated quarterly in arrears to and including the last day of each calendar quarter, and payable on the third Business Day following each such calendar quarter, and on the Maturity Date. Each payment of standby fees shall be calculated for the period commencing on and including the Effective Date or the last date on which such standby fees were payable hereunder, as the case may be, up to and including the last day of the calendar quarter for which such standby fees are to be paid or the Maturity Date (whichever is earlier) and shall be in an amount equal to the Standby Fee Rate in effect on each day during such period of calculation multiplied by the difference, if positive, obtained by subtracting the Operating Borrowings outstanding from such Lender for each day in the period of the calculation, from the amount of such Lender's Operating Facility Commitment in effect on each such day. Such standby fees shall be calculated on a daily basis and on the basis of a 365 day year.

5.11 Interest and Fee Adjustment

In the event of a change in the Applicable Margin and Standby Fee Rate as a result of a change in the Total Funded Debt to EBITDA Ratio, such change shall become effective on the day on which the Borrower delivers a Compliance Certificate in accordance with the requirements hereof evidencing such change in the Total Funded Debt to EBITDA Ratio, or, if the Borrower has not delivered a Compliance Certificate as required by the terms hereof within the time permitted by Section 9.4(c), then such change in the Applicable Margin and Standby Fee Rate shall become effective on the latest date permitted hereunder for delivery of such Compliance Certificate and the Applicable Margin and Standby Fee Rate shall be based on the highest rate in the table in the definition of Applicable Margin and Standby Fee Rate for the period from the latest date permitted hereunder for delivery of such Compliance Certificate until the date of delivery thereof.

5.12 Restatement of Ratio

If the Borrower has delivered a Compliance Certificate certifying financial reports that are subsequently found to be inaccurate in any way as a result of the Borrower's financial results having to be restated or if the Borrower's financial reports were inaccurately reflected in the original financial reports on which such Compliance Certificate was based or for any other reason and the result thereof is that the reported Total Funded Debt to EBITDA Ratio was lower than it otherwise would have been in the absence of such inaccuracy or prior to such restatement, then the Borrower will, immediately upon the correction of such inaccuracy or upon such restatement, pay to the Agent for the benefit of the applicable Lenders an amount equal to the interest, stamping fees, issuance fees and standby fees that the Lenders should have received, but did not receive, over the applicable period had the originally reported Total Funded Debt to EBITDA Ratio, and the underlying components thereof, been reported correctly in the first instance.

ARTICLE 6 SECURITY

6.1 Security

To secure the payment and performance of all of the Secured Obligations, the Borrower shall execute and deliver, or cause to be executed and delivered (as applicable), the following documents each in form and substance satisfactory to the Agent, acting reasonably (collectively called, together with all other security documents, agreements and assurances required to be delivered by any Loan Party to the Agent pursuant to this Article 6, the "**Security**"):

- (a) a general security agreement from each Loan Party in favour of the Agent for the benefit of the Secured Parties creating a Security Interest over all of its present and after acquired personal property, subject in each case to Permitted Encumbrances;
- (b) a collateral mortgage from each Loan Party in favour of the Agent for the benefit of the Secured Parties creating fixed charge on all of its Real Estate, subject in each case to Permitted Encumbrances;
- (c) a Loan Party Guarantee from each Loan Party in favour of the Agent for the benefit of the Secured Parties guaranteeing the Secured Obligations of each other Loan Party;
- (d) the Second Lien Intercreditor Agreement;
- (e) the NFS Subordination Agreement;
- (f) subject to Section 9.2(p), a consent agreement from each landlord of premises that are leased as of the Effective Date by any Loan Party (or as requested thereafter from time to time pursuant to Section 9.2(p)); and
- (g) such other documents as the Agent may now or hereafter reasonably require, in all relevant jurisdictions, to give effect to, register and perfect the security interests created by, the documents referred to in this Section 6.1.

For certainty, the Security shall create, in favour of the Agent, a first fixed mortgage and charge on the Real Estate, subject to Permitted Encumbrances, now owned or hereafter acquired by each Loan Party.

6.2 Form of Security

Without limiting the foregoing, the Security will be in such form or forms as will be required by the Agent, acting reasonably, and will be registered in such offices in the provinces of Canada and any

other jurisdiction as the Agent may from time to time reasonably require to protect the Security Interests created thereby. Should the Agent determine at any time and from time to time that the form and nature of the then existing Security is deficient in any way or does not fully provide the Secured Parties with the Security Interests and priority to which each is entitled hereunder and provides written notice of such determination to the Borrower, the Borrower will forthwith execute and deliver or cause to be executed and delivered to the Agent, at the Borrower's expense, such amendments to the Security or provide such new security as the Agent may reasonably request.

6.3 Loan Party Guarantees and Subsidiary Security

Forthwith upon a Subsidiary becoming a Material Subsidiary (and in any event within 30 days thereof or such later date as may be agreed to by the Agent, acting reasonably) and to secure the payment and performance of all Secured Obligations, the Borrower shall cause the following Security to be executed and delivered (to the extent not already provided):

- (a) a Loan Party Guarantee (or joinder thereto) of such Material Subsidiary in favour of the Agent for the benefit of the Secured Parties guaranteeing the Secured Obligations of each other Loan Party under the Loan Documents;
- (b) a general security agreement from each Material Subsidiary in favour of the Agent for the benefit of the Secured Parties creating a Security Interest over all of its present and after acquired personal property, subject in each case to Permitted Encumbrances; and
- (c) a collateral mortgage from such Material Subsidiary in favour of the Agent for the benefit of the Secured Parties creating fixed charge on all of its Real Estate, subject in each case to Permitted Encumbrances;

together with certified copies of constating documents and resolutions, a certificate of incumbency, a legal opinion of outside counsel with respect to the Material Subsidiary and the Security provided by it and such other documents as the Agent may reasonably require, all in a form substantially similar to those provided by the Borrower and, if applicable, the other Loan Parties on the Effective Date, with such changes as may be approved by the Agent, acting reasonably.

6.4 Registrations and Renewals

The Borrower shall, and shall cause each Guarantor, at the Borrower's sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further assurances as the Agent may reasonably request from time to time (subject, in the case of the Real Estate, to Section 6.13) to ensure that the priority of the Security Interests created by all of the Security executed and delivered to the Agent as contemplated hereby is duly protected and perfected by registration, filing or recordation of such Security or a caution, caveat, security notice or other appropriate instrument at all offices where necessary to the protection or perfection thereof (including, at the Canadian Intellectual Property Office, the U.S. Patent and Trademark Office, the U.S. Copyright Office, or at or with such other registry as the Agent may reasonably determine) and to cooperate with the Agent and the Agent's counsel in renewing or refiling any registration, filing or recordation required hereby in order to preserve, protect and maintain the priority of such Security Interests, from time to time. The Agent may, at the Borrower's sole cost and expense, effect any or all such registrations, filings and recordings should the Borrower fail to do so forthwith upon the Agent's request as aforesaid.

6.5 Security Effective Notwithstanding Date of Borrowing

The Security Interests constituted by the Security shall be effective against the Loan Parties, and the Security Interests in any Security shall be continuing, whether any of the Accommodations hereunder are utilized before or after or at the same time as the creation of any such Security Interests or before or after or upon the date of execution of this Agreement, and shall not be affected by the Secured

Obligations fluctuating from time to time or the accounts established by the Agent or any Lender ceasing to be in debit balance.

6.6 Extensions, Etc.

The Lenders may directly, or through the Agent or other duly authorized representatives, grant extensions, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with any Loan Party or any other Persons, sureties or securities as the Lenders, in their sole discretion, may see fit, all without prejudice to the liability of any Loan Party under the Loan Documents or the rights of the Lenders under the Loan Documents.

6.7 Notice of Name Change

The Borrower shall notify the Agent of any details, as soon as available, of any proposal to change the name of any Loan Party or the location of its chief executive office, and in any event not less than 10 Business Days prior to any such change. Upon receiving such information, the Agent may, at the Loan Parties' sole cost and expense, effect any or all such registrations, filings and recordings with respect to such name or chief executive office change at any applicable personal property registry office and the Borrower shall and shall cause each other Loan Party, at the Loan Parties' sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further information and assurances as the Agent may require to promptly effect all such registrations, filings and recordings.

6.8 Notice of Addition of Jurisdictions

Except with respect to Property in transit and any Property being repaired or refurbished in the ordinary course of business, not later than 5 Business Days prior thereto, the Borrower shall notify the Agent, of any jurisdictions in addition to British Columbia, Alberta, Saskatchewan and Ontario in which the Loan Parties will have Property located at any time. Upon receiving such information, the Agent may, at the Loan Parties' sole cost and expense, effect any or all such registrations, filings and recordings in such additional jurisdictions at any applicable personal property registry office and obtain local counsel opinions in respect thereof and the Borrower shall and shall cause each other Loan Party, at the Loan Parties' sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further information and assurances as the Agent may require to promptly effect all such registrations, filings and recordings.

6.9 No Merger

The taking of any Security Interest as provided under any Loan Document shall not operate by way of merger of any of the Secured Obligations of the Borrower or any Guarantor under this Agreement or any other Loan Document, or of any Security Interest, Guarantee, indemnity, contract, promissory note, bill of exchange or security in any other form, whether or not similar to the foregoing, and no judgment recovered by the Agent on behalf of the Secured Parties shall operate by way of merger or in any way affect the Security Interest provided for in the Loan Documents, which shall be in addition to and not in substitution for any other Security Interest now or hereafter held by the Secured Parties whether for Secured Obligations hereunder or under any Loan Document. For greater certainty, no judgment recovered by the Secured Parties shall operate by way of merger or in any way affect the obligation of the Borrower to pay interest, fees and other amounts at the rates, times and manner as provided in this Agreement.

6.10 Further Assurances

The Borrower shall, forthwith and from time to time on the reasonable request of the Agent, grant and shall cause each other Loan Party to grant to the Agent on behalf of the Secured Parties all such further rights and Security Interests necessary or of advantage to the Agent to permit it to operate the Business in a liquidation of the Property or as a going concern following the occurrence of an Event of Default. In addition, the Borrower shall, and shall cause each other Loan Party to forthwith and from time

to time on the reasonable request of the Agent, execute and do or cause to be executed and done all assurances and things which in the opinion of the Agent may be necessary or of advantage to give the Secured Parties the Security Interests and the priority intended to be created by the Security.

6.11 Release and Amendment of Security

No Lender shall, during the term of this Agreement, discharge, surrender, amend or otherwise modify any Security without the prior written consent of all of the Lenders, provided that the Agent shall discharge Security provided hereunder with respect to Permitted Dispositions, and provided the Agent may, in connection with its acceptance of supplemented Security Interests in accordance with Section 6.13, release the charge of the Security as against real property interests no longer intended to be subjected to the charge created thereby. The Lenders hereby irrevocably authorize the Agent to execute and deliver such releases and no-interest letters as may be required in connection with any Permitted Dispositions by any Loan Party or Permitted Encumbrances in respect of which the Agent has received an officer's certificate of the Borrower certifying that such Disposition or Security Interest, as applicable, is permitted under this Agreement, together with any other information from the Borrower reasonably required by the Agent, if any, to satisfy itself that any such Disposition or Security Interest, as applicable, is permitted under this Agreement.

The Lenders hereby authorize the Agent, and the Agent hereby agrees, to discharge the Security at the Loan Parties' sole cost and expense, forthwith after all of the Secured Obligations have been unconditionally and irrevocably paid or performed in full and the Facilities and all Lender Swaps have been terminated or collateralized to the satisfaction of the Agent and the Swap Lenders, acting reasonably.

6.12 Permitted Encumbrances and Permitted Debt

Notwithstanding that a Loan Party is permitted to create or suffer to exist any Permitted Encumbrance or Permitted Debt, nothing herein contained shall in any manner, nor in any cause or proceeding, directly or indirectly, be taken to constitute a subordination of any Security Interest created pursuant to the Loan Documents to any Permitted Encumbrance or to any other Security Interest or other obligation whatsoever, or that the Secured Obligations are in any way subordinate or junior in right of payment to any Permitted Debt.

6.13 Principal Amount of Alberta Collateral Mortgages and Registration

Where the appraised value of any Real Estate in the Province of Alberta is less than the Total Commitment, the Agent and the Borrower have agreed that:

- (a) the principal amount to be secured by the collateral mortgage referred to in Sections 6.1 and 6.3 shall be equal to the appraised value of such Real Estate plus \$4,000,000 (rounded to the nearest million) (the "**Alberta Principal Amount**"); and
- (b) if an updated appraisal is delivered to the Agent pursuant to Section 9.2(x) whereby the appraised value of such Real Estate is greater than the principal amount secured by the collateral mortgage charging such Real Estate, upon the request of the Agent, within 30 days of such request, the Borrower shall, at the Loan Parties' sole cost and expense:
 - (i) execute and deliver, and shall cause each other Loan Party to execute and deliver such supplemental mortgages, mortgage amending agreements or replacement mortgages as the Agent may request to increase the principal amount of such collateral mortgage to the Alberta Principal Amount based on such updated appraisal; and
 - (ii) effect all such registrations, filings and recordings with respect to such supplemental mortgages, mortgage amending agreements or replacement mortgages at any applicable land registry office.

6.14 Fixed Charge Supplements and Registration

From time to time upon the reasonable request of the Agent, within 30 days of such request, the Borrower shall, at the Loan Parties' sole cost and expense, execute and deliver, and shall cause each other Loan Party to execute and deliver, such additional or supplemental Security Interests as the Agent may reasonably request in order to ensure that all Real Estate held by the Loan Parties are validly subjected to first fixed charge Security Interests in favour of the Agent for the benefit of the Secured Parties, subject only to Permitted Encumbrances, and in connection therewith shall provide to the Agent a land schedule in form satisfactory to the Agent detailing all Real Estate then held by the Loan Parties. Upon the occurrence and continuation of a Default or an Event of Default, the Agent may, at the Loan Parties' sole cost and expense, effect any or all such registrations, filings and recordings with respect to the Real Estate at any applicable land registry office and the Borrower shall and shall cause each other Loan Party, at the Loan Parties' sole cost and expense, to do all such commercially reasonable acts, execute all such instruments and provide such further information and assurances as the Agent may require to promptly effect all such registrations, filings and recordings.

ARTICLE 7 PAYMENT AND TAXES

7.1 Time, Place and Currency of Payment

Payments of principal, interest, fees and all other amounts payable by the Borrower pursuant to this Agreement shall be paid in the currency in which it is due for value at or before 11:00 a.m. (Calgary time) on the day such payment is due. If any such day is not a Business Day, such amount shall be deemed for all purposes of this Agreement to be due on the Business Day next following such day and any such extension of time shall be included in the computation of the payment of any interest or fees payable under this Agreement. All payments in respect of the Term Facility shall be made at the Agent's Account for Payments and all payments made in respect of the Operating Facility shall be made at the Operating Account.

7.2 Application of Payments

Except as otherwise provided in the Agreement, or except as agreed to by all of the Lenders in their sole discretion, all payments made by or on behalf of the Borrower pursuant to this Agreement, so long as no Default or Event of Default has occurred and is continuing, shall be applied by the Agent as so instructed by the Borrower.

7.3 Taxes

- (a) The Borrower shall make all payments to the Agent on behalf of the Lenders without set-off or counterclaim, free and clear of, and without deduction for or on account of, any Tax. If the Borrower shall be required by Applicable Law to deduct any Taxes from such payments, then: (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 7.3) the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made; (ii) the Borrower shall make such deductions; and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.
- (b) If the Agent or the Lenders are entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which the Borrower is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Agreement, it shall use commercially reasonable efforts to deliver to the Borrower, at the time or times prescribed by Applicable Law, such properly completed and executed documentation prescribed by

Applicable Law or reasonably requested by the Borrower as will permit such payments to be made without withholding or at such reduced rate.

- (c) If the Agent or the applicable Lender receives a refund, credit or deduction from a taxing authority in respect of a payment by the Borrower of Taxes, such Agent or Lender, as the case may be, thereupon shall make commercially reasonable efforts to repay the Borrower the amount with respect to such refund, credit or deduction equal to any net reduction in Taxes actually obtained by such Agent or Lender, as the case may be, to be attributable to such refund, credit or deduction (net all reasonable out-of-pocket expenses related thereto); provided that, the Borrower shall, upon a request by the Agent or the applicable Lender, return such refund, credit or deduction to such party if such party is required to repay such amount to the applicable taxing authority.

7.4 Account Debit Authorization

The Borrower authorizes and directs the Agent and the Operating Lender, as applicable, in its discretion, to automatically debit, by mechanical, electronic or manual means, the bank accounts of the Borrower maintained with ATB (for so long as ATB is the Agent hereunder), for all amounts payable under the Loan Documents including in respect of principal, interest and fees payable under this Agreement and recoverable expenses due and payable hereunder or under any Loan Document.

ARTICLE 8 CONDITIONS PRECEDENT TO DISBURSEMENT OF THE ACCOMMODATIONS

8.1 Conditions Precedent to Effectiveness

This Agreement shall be effective upon satisfaction (or waiver by all of the Lenders) of the following conditions precedent:

- (a) **No Default:** as of the Effective Date, there shall exist no Default or Event of Default and the Agent shall have received a certificate from the Borrower certifying the same;
- (b) **Representations and Warranties:** the representations and warranties contained in Section 2.1 shall be true and correct in all material respects as of the Effective Date and the Agent shall have received a certificate from the Borrower certifying the same;
- (c) **Concurrent Payout of Existing Credit Agreement:** the Agent shall be satisfied that the proceeds of the initial advance of Term Facility Borrowings shall be utilized to pay out in full and cancel the Existing Credit Agreement and all other Debt which is not Permitted Debt;
- (d) **Receipt of Documentation:** the Agent shall have received the following, in form and substance satisfactory to the Agent, acting reasonably:
 - (i) a duly executed copy of this Agreement for the Agent and each Lender;
 - (ii) duly executed copies of the Security as required by Section 6.1 (other than the Ontario Mortgage);
 - (iii) a duly executed copy of the Second Lien Intercreditor Agreement;
 - (iv) a duly executed copy of the NFS Subordination Agreement;
 - (v) at least two Business Days prior to the Effective Date, a Borrowing Notice completed and signed by the Borrower with respect to the initial advance of the full

amount of the Term Facility Commitment, such Borrowing Notice to irrevocably direct the Agent to effect the direct payout of the Existing Credit Agreement and the fees referred to in Section 8.1(g);

- (vi) officer's certificates from or in respect of each Loan Party, including:
 - (A) a certified copy of the constating documents of each such Loan Party;
 - (B) a certified copy of a directors' or partners' resolution, as applicable, of each such Loan Party with respect to the Loan Documents; and
 - (C) an incumbency certificate of each such Loan Party setting forth specimen signatures of the individuals who will be executing the Loan Documents to which it is a party on its behalf;
- (vii) a certificate of status or comparable document in respect of the Loan Parties issued under the laws of its jurisdiction of incorporation, amalgamation or formation;
- (viii) opinions of Cassels Brock & Blackwell LLP and McDougall Gauley LLP, each counsel to the Loan Parties, addressed to the Agent and each Lender;
- (ix) a *pro forma* Compliance Certificate dated as of the Effective Date (giving *pro forma* effect to the initial Borrowing hereunder);
- (x) satisfactory review by the Agent and the Lenders of all premises leases and a landlord consent as required under Section 9.2(p) (other than the Ontario Landlord Consent);
- (xi) quarterly management prepared interim consolidated financial statements for the Fiscal Quarter ending September 30, 2025, with any deviation from the Borrower's previous guidance provided to the Agent not to exceed [REDACTED]%;
- (xii) evidence of insurance as required by Section 9.2(g), including an insurance certificate listing the Agent as additional insured and first loss payee;
- (xiii) consolidated forecast for the Loan Parties (giving *pro forma* effect to the initial Borrowing hereunder) prepared on a quarterly basis for the period beginning on the Effective Date and ending on the Maturity Date (including a balance sheet, income statement, statement of cash flows, detailed capital and operation expenditure budget and financial covenant calculations) in each on terms and conditions satisfactory to the Agent and the Lenders;
- (xiv) evidence of the registration of the Security as required hereunder, except in respect of the registration of the Security granted over the Real Estate for which "gap" title insurance has been obtained;
- (xv) a lender's title insurance policy issued by a title insurer reasonably satisfactory to Agent in respect of the Real Estate secured by the Security;
- (xvi) an appraisal from an accredited appraiser acceptable to the Agent and the Lenders confirming the minimum market value of the Real Estate (other than the Ontario Real Estate), together with a satisfactory letter of transmittal addressed to the Agent and the Lenders;

- (xvii) certified copies of the Material Agreements (including the Second Lien Debt Documents, the NFS Debt Documents, the Surety Agreement and the Surety Bond);
 - (xviii) evidence that:
 - (A) the Borrower has received gross proceeds from the issuance of the Second Lien Debt in the principal amount of at least \$11,000,000; and
 - (B) satisfactory arrangements have been made to irrevocably direct ATB Financial, dba ATB Capital, to effect the direct payout of Canada Revenue Agency in respect of outstanding excise taxes;
 - (xix) such other documents and documentation which the Agent may reasonably request;
- (e) **Approvals:** the Loan Parties shall have received all applicable board, independent committee, shareholder and regulatory approvals and all licenses, consents and permits required for the execution and delivery of the Loan Documents and the consummation of the transactions contemplated thereby, and the Borrower shall have certified same in its officer's certificate;
- (f) **Material Adverse Effect:** as of such time, no circumstance or event shall have occurred which would reasonably be expected to have a Material Adverse Effect (nor have the Lenders become aware of any fact or facts not previously known, which would reasonably be expected to have a Material Adverse Effect), since September 30, 2025, except as disclosed in writing to the Agent prior to the Effective Date, and the Borrower shall have certified same in its officer's certificate;
- (g) **Fees:** the Agent shall have received payment of all agency, upfront, arrangement and engagement fees of the Agent and each Lender required pursuant to the engagement letter dated December 3, 2025 between ATB and the Borrower and the fee letter dated as of the Effective Date among the Agent and the Borrower and fees of the Agent's legal counsel in connection with the transactions contemplated by this Agreement; and
- (h) **Know-Your-Client Confirmations:** the Agent shall have received from each Lender confirmation that it has obtained from the Borrower all such information and evidence as such Lender requested of the Borrower prior to the Effective Date in respect of the matters set forth in Section 14.12, including any information required pursuant to subsection 11.1 of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Regulations* and, if any natural Person owns or controls, directly or indirectly, 25% or more of a Loan Party; the names and addresses of all persons who own or Control, directly or indirectly, 25% or more of the entity; and in all cases, information establishing the ownership, Control and structure of the entity,

together with the additional conditions precedent set forth in Section 8.3.

8.2 Conditions Precedent to the Initial Accommodation under the Operating Facility where the Aggregate Principal Amount under the Operating Facility will Exceed Cdn. \$ [Redacted - commercially sensitive information]

The obligations of the Lenders to make available the initial Accommodation under the Operating Facility pursuant to Section 3.4 where the Aggregate Principal Amount under the Operating Facility would exceed Cdn. \$ [Redacted - commercially sensitive information] is subject to and conditional upon the satisfaction (or waiver by all of the Lenders) of the following conditions precedent:

- (a) **Conditions Precedent to Effectiveness:** the Borrower will have compiled, or cause to be compiled, with the deliveries required under Section 8.1;
- (b) **No Default:** as of such date, there shall exist no Default or Event of Default and the Agent shall have received a certificate from the Borrower certifying the same;
- (c) **Representations and Warranties:** the representations and warranties contained in Section 2.1 shall be true and correct in all material respects as of such date and the Agent shall have received a certificate from the Borrower certifying the same;
- (d) **Receipt of Documentation:** the Agent shall have received the following, in form and substance satisfactory to the Agent, acting reasonably:
 - (i) duly executed copy of the collateral mortgage from AgMedica in favour of the Agent for the benefit of the Secured Parties creating a fixed charge on the Ontario Real Estate (the "**Ontario Mortgage**");
 - (ii) duly executed copy of a consent agreement from 5047346 Ontario Inc. (or its successors and assigns) in respect of the Ontario Real Estate (the "**Ontario Landlord Consent**");
 - (iii) officer's certificates from or in respect of AgMedica, including:
 - (A) a certified copy of the constating documents of AgMedica;
 - (B) a certified copy of a directors' or partners' resolution, as applicable, of AgMedica with respect to the Ontario Mortgage; and
 - (C) an incumbency certificate of AgMedica setting forth specimen signatures of the individuals who will be executing the Ontario Mortgage;
 - (iv) a certificate of status or comparable document in respect of AgMedica issued under the laws of its jurisdiction of incorporation, amalgamation or formation;
 - (v) an opinion of Cassels Brock & Blackwell LLP, counsel to AgMedica, addressed to the Agent and each Lender;
 - (vi) a lender's title insurance policy issued by a title insurer reasonably satisfactory to Agent in respect of the Ontario Real Estate secured by the Ontario Mortgage;
 - (vii) an appraisal from an accredited appraiser acceptable to the Agent and the Lenders confirming the minimum market value of the Ontario Real Estate, together with a satisfactory letter of transmittal addressed to the Agent and the Lenders;
 - (viii) duly executed intellectual property security agreements from each Loan Party confirming or effecting the grant of a lien on the Intellectual Property listed in Schedule "J" that is owned by such Loan Party, to be filed at the Canadian Intellectual Property Office, the U.S. Patent and Trademark Office, the U.S. Copyright Office, or at or with such other registry as the Agent may reasonably determine; and
 - (ix) such other documents and documentation which the Agent may reasonably request;

- (e) **Approvals:** AgMedica shall have received all applicable board, independent committee, shareholder and regulatory approvals and all licenses, consents and permits required for the execution and delivery of Ontario Mortgage and the consummation of the transactions contemplated thereby, and the Borrower shall have certified same in its officer's certificate;
- (f) **Material Adverse Effect:** as of such time, no circumstance or event shall have occurred which would reasonably be expected to have a Material Adverse Effect (nor have the Lenders become aware of any fact or facts not previously known, which would reasonably be expected to have a Material Adverse Effect), since September 30, 2025, except as disclosed in writing to the Agent prior to the Effective Date, and the Borrower shall have certified same in its officer's certificate; and
- (g) **Fees:** the Agent and the Lenders shall have received payment of all fees and expenses which are payable by the Borrower to the Agent and the Lenders, as the case may be, in connection with the Credit Facilities on or prior to the Limited Availability Date; and
- (h) **Outside Date:** the foregoing conditions precedent are satisfied (or waived by all of the Lenders) on or before June 1, 2026,

together with the additional conditions precedent set forth in Section 8.3.

8.3 Conditions Precedent to Accommodations

The obligation of the Lenders to make available any Accommodations pursuant to Section 3.4 or to make any Conversion pursuant to Section 3.14 or to make a Rollover pursuant to Section 3.15 (except in the case of Conversions or Rollovers where this Agreement deems such Conversion or Rollover to have occurred), is subject to and conditional upon the satisfaction (or waiver by the Majority Lenders) of the following conditions precedent:

- (a) receipt of the appropriate Borrowing Notice, Conversion Notice or Rollover Notice;
- (b) on each Drawdown Date, Conversion Date or Rollover Date, as applicable, no Default or Event of Default exists or could reasonably be expected to result therefrom; and
- (c) on each Drawdown Date, the representations and warranties in Section 2.1, other than those stated to be made as at a specific date, are true and correct with the same effect as if made as of such date.

8.4 Waiver of a Condition Precedent

The terms and conditions of Sections 8.1, 8.2 and 8.3 are inserted for the sole benefit of the Agent and the Lenders and may be waived by the Majority Lenders, in whole or in part with or without terms or conditions, in respect of all or any portion of the Accommodations, without affecting the right of the Lenders to assert such terms and conditions in whole or in part in respect of any other Accommodations.

ARTICLE 9 COVENANTS

9.1 Financial Covenants

The Borrower covenants and agrees with each of the Lenders and the Agent that until the termination of all of the Commitments and payment in full of the Obligations:

- (a) **Total Funded Debt to EBITDA:** the Total Funded Debt to EBITDA Ratio will not exceed:

- (i) 2.75:1.00 as at the end of each of the Fiscal Quarters ending March 31, 2026, June 30, 2026 and September 30, 2026; and
 - (ii) 2.25:1.00 as at the end of each Fiscal Quarter thereafter.
- (b) **Senior Funded Debt to EBITDA:** the Senior Funded Debt to EBITDA Ratio will not exceed:
- (i) 2.25:1.00 as at the end of each of the Fiscal Quarters ending March 31, 2026, June 30, 2026 and September 30, 2026; and
 - (ii) 1.75:1.00 as at the end of each Fiscal Quarter thereafter.
- (c) **Fixed Charge Coverage Ratio:** the Fixed Charge Coverage Ratio will not, as at the end of any Fiscal Quarter, be less than 1.20:1.00.
- (d) **Minimum Secured Cash Balance:** Secured Cash, plus availability under the Operating Facility, will not be less than:
- (i) \$6,000,000 as at the end of the Fiscal Quarter ending March 31, 2026; and
 - (ii) \$6,000,000 as at June 1, 2026 and at all times thereafter.

For certainty, the availability under the Operating Facility is limited to Cdn. \$ [REDACTED - commercial] until the Limited Availability Date.

9.2 Positive Covenants

The Borrower, with respect to itself and each other Loan Party, covenants and agrees with each of the Lenders and the Agent that until the termination of all of the Commitments and payment in full of the Obligations:

- (a) **Payment and Performance of Indebtedness:** the Borrower shall, and shall cause each other Loan Party to, pay duly and punctually all Lender Outstandings as and when due by it under the Loan Documents and shall pay and perform all other Obligations on its part to be performed under the terms of the Loan Documents at the times and places and in the manner provided for therein;
- (b) **Existence:** except as otherwise permitted herein, the Borrower shall, and shall cause each other Loan Party to, maintain its corporate or partnership existence, as applicable, in good standing under the laws of its jurisdiction of incorporation, amalgamation, creation or formation, as the case may be, and duly register and qualify and remain duly registered and qualified as an extra provincial corporation or partnership, as applicable, under the laws of each jurisdiction in which the nature of any business transacted by it or the character of any Property owned or leased by it requires such registration and qualification, except to the extent that failure to maintain such registration or qualification could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;
- (c) **Conduct of Business:** the Borrower shall, and shall cause each other Loan Party to, carry on and conduct its business and operations in a proper, efficient and businesslike manner, in accordance with good business practice; carry on the business currently being carried on by it as of the Effective Date; and operate its business in a reasonable manner, in each case, unless failing to do so could reasonably be expected to have a Material Adverse Effect;

- (d) **Access to Information:** the Borrower shall, and shall cause each other Loan Party to, provide the Agent with all information reasonably requested by the Agent for and on behalf of the Lenders from time to time concerning its financial condition and Property, and during normal business hours and from time to time upon reasonable notice, permit representatives of the Agent and the Lenders to inspect any of its Property and to examine and take extracts from its financial books, accounts and records including but not limited to accounts and records stored in computer data banks and computer software systems, and to discuss its financial affairs, its business or any part of its Property with its senior officers and (in the presence of such of its representatives as it may designate) its auditors.
- (e) **Maintain Records:** the Borrower shall, and shall cause each other Loan Party to, maintain adequate books, accounts and records in accordance with IFRS, and all material records related to the Loan Parties' Account Receivables shall be located at the chief executive office of the Borrower as identified in Section 2.1(ff), as the same may be updated from time to time.
- (f) **Payment of Taxes:** the Borrower shall, and shall cause each other Loan Party to, pay or discharge or cause to be paid or discharged, before the same shall become delinquent all Taxes imposed upon it or upon its income or profits or in respect of its business or Property (other than Taxes the amounts of which are immaterial and do not constitute a Security Interest on a Loan Party's Property that ranks *pari passu* or prior to the Security Interests granted in favour of the Lenders) and file all tax returns in respect thereof when due; provided, however that it shall not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof shall be contested in good faith by appropriate proceedings and an adequate reserve in accordance with IFRS has been established in its books and record;
- (g) **Insurance:** the Borrower shall, and shall cause each other Loan Party to, maintain or cause to be maintained with reputable insurers, coverage against risk of loss or damage to its Property all such insurance of such types and in such coverage amounts as is customary for and would be maintained by a reasonable and prudent Person engaged in the same or similar business of similar size in the localities where its Property and operations are located and, provide to the Agent, on request, evidence of such coverage. The Borrower shall, prior to the expiry or replacement of any insurance policy, notify the Agent of the renewal or replacement and at the Agent's request provide evidence of such renewal replacement. The Agent on behalf of the Lenders shall be indicated in all insurance policies (other than any insurance policies in respect of receivables or similar insurance), as applicable, as first loss payee in respect of property insurance and additional insured in respect of liability insurance, and all property insurance policies shall contain such standard mortgage clauses as the Agent shall reasonably require for the Lenders' protection;
- (h) **Defend Title to Assets:** the Borrower shall, and shall cause each other Loan Party to, maintain, protect and defend title to the Property and take all such acts and steps as are necessary or advisable at any time and from time to time to retain its ownership and that of any other Loan Party in the Property in good standing (other than Permitted Title Defects and Permitted Encumbrances); if the Security Interests granted in any Loan Document or the title to or the rights of the Agent in or to any Property or any part thereof shall be endangered or shall be attacked, directly or indirectly, or if any legal proceedings are instigated against any Loan Party with respect thereto, the Borrower shall (other than with respect to Permitted Title Defects) promptly give written notice thereof to the Agent and the Borrower shall and shall cause each applicable Loan Party to:
 - (i) conduct itself diligently to cure any such title defect that is discovered or validly claimed;

- (ii) take all necessary and proper steps for the defence of title to such properties and do, execute and deliver all such things, documents, security, agreements and assurances as may from time to time reasonably be requested by the Agent to ensure that the Agent holds at all times valid, enforceable, perfected first priority Security Interests (subject only to Permitted Encumbrances) from the Loan Parties meeting the requirements of Article 6; and
 - (iii) take such action, including employment of legal counsel, as is reasonably appropriate to the prosecution or defence of litigation with the view to the release or discharge of claim made against the title to any such properties;
- (i) **Maintain Bank Accounts:** by not later than 60 days after the Effective Date, the Borrower shall, and shall cause each other Loan Party to, maintain all of its bank accounts and Cash Management Services with the Cash Management Lender or, with the consent of the Agent, in Secured Accounts;
 - (j) **Notice of Default or Event of Default:** the Borrower shall promptly notify the Agent of any Default or Event of Default that would apply to it or to any Loan Party of which it becomes aware;
 - (k) **Notice of Material Adverse Effect:** the Borrower shall promptly notify the Agent of any Material Adverse Effect of which it becomes aware;
 - (l) **Notice of Litigation:** the Borrower shall promptly notify the Agent on becoming aware of the occurrence of any litigation, dispute, arbitration or proceeding the result of which could reasonably be expected to result in (a) a judgment or award against it in excess of \$ [REDACTED] or (b) a Material Adverse Effect, and from time to time provide the Agent with all reasonable information requested by the Agent concerning the status of any such proceeding;
 - (m) **Notice of Certain Events:** the Borrower shall provide the Agent with prompt written notice of the following when a senior officer of the Borrower has (or could reasonably be expected to have) knowledge of the same:
 - (i) any violation of any Applicable Law which does or could reasonably be expected to have a Material Adverse Effect on any Loan Party;
 - (ii) the entering into of any Material Agreement promptly upon the execution and delivery thereof and any material amendments to or replacements of, or waivers of material breaches in respect of, the Material Agreements;
 - (iii) any notice of default, termination or suspension received or delivered by any Loan Party in respect of any Material Agreement;
 - (iv) the discovery of any material title defect in respect of any Property other than such Property that have become obsolete or that are non-essential to the normal course of business operations of any Loan Party, and other than a Permitted Title Defect;
 - (v) any transaction that could reasonably be expected to result in a Change of Control;
 - (vi) any damage to or destruction of any property, real or personal, of any Loan Party having a replacement cost in excess of \$ [REDACTED];
 - (vii) any environmental event in respect of any property of any Loan Party;

- (viii) the Acquisition of any Real Estate by a Loan Party with a fair market value in excess of \$ [REDACTED - commercially sensitive information];
 - (ix) the receipt of insurance proceeds by any Loan Party in excess of \$ [REDACTED - commercially sensitive information];
 - (x) any Change of Management;
 - (xi) changes in the information attached as Schedule "G" as existing on the Effective Date;
 - (xii) on the receipt by a Loan Party of, and shall deliver to the Agent a copy of, any Health Canada inspection/audit reports for a twelve (12) month period following the issuance of a Health Canada License with cultivation standard for the applicable Loan Party; and
 - (xiii) on the receipt by any Loan Party of, and shall deliver to the Agent a copy of, (A) any material document, letter or notice from any Governmental Authority to an Loan Party (it being understood that any warning shall be material), (B) any written notice, investigation, correspondence or other proceedings or actions which could reasonably be expected to adversely affect any Cannabis Authorization, including any such notice, investigation, correspondence or proceedings involving Health Canada, and (C) any changes in the identity of a Responsible Person, together with satisfactory evidence of security clearances for such Responsible Person under the Cannabis Laws, and any rejection notice for new or renewal security clearance applications for each Responsible Person.
- (n) **Notices in Respect of Second Lien Indebtedness and the Surety Obligations:** the Borrower will forthwith:
- (i) upon becoming aware thereof:
 - (A) furnish the Agent with copies of all material notices delivered to, or received from, the holders of Second Lien Debt or Surety Obligations (including any agent on their behalf); and
 - (B) notify the Agent of the occurrence of any default or event of default under any Second Lien Debt or Surety Obligations and specify in such notice the nature of the event and the steps taken or proposed to be taken to remedy the same;
 - (ii) provide a written copy of:
 - (A) any new Second Lien Debt Document; and
 - (B) any amendment, modification or supplement to, or restatement of, any existing Second Lien Debt Document, and, in each case, any material waiver or consent to like effect.
- (o) **Maintenance and Operation of Assets:** the Borrower shall, and shall cause each other Loan Party to, maintain and operate all Property in accordance with good industry practice and shall pay or cause to be paid all rents, royalties and other obligations to pay money validly imposed upon it, or upon the Property or any part thereof as required to maintain such Property other than such Property that have become obsolete or that are non-essential to the normal course of business operations of a Loan Party;

- (p) **Landlord Consents:** the Borrower shall obtain a consent agreement from each landlord of premises that are leased at any time and from time to time by any Loan Party at which inventory, Equipment and other capital assets of the Loan Parties with a fair market value of \$ [redacted commercial sensitive information] or more are located (as measured at the last day of each Fiscal Quarter); such landlord agreement to be in form and substance reasonably satisfactory to the Agent and which shall include the following provisions (except to the extent otherwise agreed by the Agent in its discretion): such landlord consents to the granting of a Security Interest in property of the applicable Loan Party located at such leased property by the applicable Loan Party which is a tenant thereunder in favour of the Agent, agrees to give written notice to the Agent in respect of and a reasonable opportunity to cure any default before terminating the lease, and agrees to waive (or subordinate and defer the enforcement of) its rights and remedies and any security it may hold in respect of any assets owned by the applicable Loan Party located on or affixed to such leased property;
- (q) **Use of Credit Facilities:** the Borrower shall, and shall cause each other Loan Party to, use the proceeds of the Facilities for the purposes described in Section 3.3;
- (r) **Loan Party Guarantees:** the Borrower shall ensure that each Loan Party has provided the Security required by Article 6;
- (s) **Maintain Permits and Compliance with Laws and Regulations:** the Borrower shall, and shall cause each other Loan Party to:
- (i) obtain and preserve, renew and keep in full force and effect all franchises, licences, privileges and Authorizations (other than Cannabis Authorizations) necessary to enable each Loan Party to operate and conduct its business in accordance with good industry practice;
 - (ii) observe and comply with all requirements of any Governmental Authority relative to any of its Property and all covenants, terms and conditions of all agreements upon or under which any of its Property are held;
 - (iii) comply with and manage and operate the Property in compliance with all Applicable Law, rules, regulations and orders of Governmental Authorities (including Environmental Laws, but excluding Cannabis Laws);
 - (iv) observe, comply with and conform to all valid requirements, including Governmental Actions, of any Governmental Authority relative to any Loan Party's Property and all covenants, terms and conditions of all agreements upon or under which any of such Property are held (other than Cannabis Authorizations); and
 - (v) store, treat, transport or otherwise handle and dispose of all Hazardous Substances and waste owned, managed or controlled by the applicable Loan Party in compliance with all Environmental Laws;
- except, in any case, to the extent failure to do so would not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;
- (t) **Cannabis Laws:** the Borrower shall, and shall cause each other Loan Party to:
- (i) preserve its rights, powers, licences, privileges, exercise any rights of renewal or extensions of the Health Canada Licenses and any other Cannabis Authorizations, maintain all qualifications to carry on business, in each case;

- (ii) manage and operate its business in all material respects in compliance with Cannabis Laws;
 - (iii) engage in Cannabis Activities only to the extent that such Cannabis Activities are (A) in an Approved Jurisdiction, and (B) in compliance with all Applicable Laws, including Cannabis Laws, in such Approved Jurisdiction (including, without limitation on a federal, provincial, territorial and municipal basis); and
 - (iv) ensure that all activities of the Loan Parties relating to the cultivation, production, processing and sale of Cannabis and Cannabis-related products occur solely in facilities licensed by a Governmental Authority in Approved Jurisdictions.
- (u) **Cannabis Authorizations:** the Borrower shall, and shall cause each other Loan Party to:
- (i) deliver to the Agent a copy of each Cannabis Authorization upon the request of the Agent;
 - (ii) be and remain the sole legal and beneficial owner of all Cannabis Authorizations;
 - (iii) maintain as valid and in full force and effect each Cannabis Authorization, and, where applicable, procure the renewal thereof prior to its expiration;
 - (iv) comply in all material respects with the terms and conditions of each Cannabis Authorization and do all material things required of a holder thereof by applicable Cannabis Law;
 - (v) not dispose of or abandon any material right, title or interest in any Cannabis Authorization unless such right, title or interest is no longer necessary for the Loan Parties to carry on the Business;
 - (vi) apply for and obtain each future Cannabis Authorization at or before such time as it shall be required by Applicable Law; and
 - (vii) timely pay all Taxes, assessments, maintenance fees and other amounts required to be paid to maintain the Cannabis Authorizations.
- (v) **Compliance with Cannabis Laws:** the Borrower shall, and shall cause each other Loan Party to, comply in all material respects with all Cannabis Laws applicable to it, its property and its business;
- (w) **Compliance Orders:** the Borrower shall forthwith notify the Agent and shall cause each other Loan Party to make copies available for inspection and review on a confidential basis by representatives of the Agent upon receipt of all written orders, control orders, directions, action requests, claims and complaints from a Governmental Authority:
- (i) relating to the defective or unsatisfactory condition of the Property which would reasonably be expected to have a Material Adverse Effect; or
 - (ii) relating to non-compliance with any Environmental Law which would reasonably be expected to have a Material Adverse Effect.

The Borrower shall and shall cause each other Loan Party to proceed diligently to resolve (including commence and diligently pursue proceedings for judicial or quasi-judicial determination as to the merits of any thereof), any such claims, complaints, notices or inquiries relating to compliance with Environmental Law where the failure to resolve the

same would reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect;

- (x) **Appraisals.** at the request of the Agent, within 90 days after the date of such request, but in any event not more than once every 24 months, the Borrower will provide an updated appraisal (which may be provided by way of an update to an existing appraisal previously delivered), together with a transmittal letter in respect thereof, of the Loan Parties' Real Estate and capital assets. Each such appraisal shall be prepared by an appraiser satisfactory to the Agent and in form and substance satisfactory to the Agent, acting reasonably;
- (y) **Key Person:** within 90 days after the earliest date that a Change of Management occurs, the Borrower shall hire a new individual for such role (or a person with a similar title that would have similar duties) and the Borrower shall (i) obtain the prior written consent of the Agent in respect of such hiring, acting reasonably, and (ii) ensure that such individual is suitably qualified individual for the role of the Key Person they are replacing;
- (z) **Excise Taxes:** within 10 Business Days after the Effective Date, the Borrower shall furnish to the Agent confirmation from the Canada Revenue Agency that all outstanding excise taxes have been paid in full;
- (aa) **Planning Approval:** on or before June 1, 2026, the Borrower shall use commercially reasonable efforts to provide evidence satisfactory to the Agent, acting reasonably, that the appropriate planning authority under *The Planning and Development Act, 2007* (Saskatchewan) has provided any requisite approvals, if any, in respect of the Saskatchewan Real Estate being leased to dB Thunderchild Cultivation Inc. and mortgaged to the Secured Parties separately from parcels 148893609 and 203238468; provided that, for certainty, the failure of the Borrower to obtain said approval by June 1, 2026, shall not itself constitute a breach of this clause; and
- (bb) **Additional Information:** the Borrower shall, and shall cause each other Loan Party to, furnish to the Agent on a confidential basis any additional information regarding the business, affairs, operations and financial condition of each Loan Party as the Agent shall reasonably request.

9.3 Negative Covenants

The Borrower, with respect to itself and each other Loan Party, covenants and agrees with each of the Lenders and the Agent that it shall not, and shall ensure that each other Loan Party shall not until the termination of all of the Commitments and payment in full of the Obligations:

- (a) **Change to Business:** carry on any business, other than the Business;
- (b) **Cannabis Activities:** (i) directly or indirectly own assets or carry on business in any jurisdiction other than Canada or another Approved Jurisdiction; or (ii) engage in any Cannabis Activities, other than (A) in accordance with applicable Cannabis Laws; and (B) in Canada or an Approved Jurisdiction;
- (c) **Amalgamation, Consolidation, Etc.:** consolidate, amalgamate or merge with any other Person, export a corporation into a jurisdiction outside of Canada, enter into any corporate reorganization or other transaction intended to effect or otherwise permit a change in its existing corporate or capital structure, liquidate, wind-up or dissolve itself, or permit any liquidation, winding-up or dissolution unless prior written consent has been provided by the Majority Lenders in their sole and absolute discretion and such documentation as is required by Agent is delivered concurrently with such transaction. Notwithstanding the

foregoing, a Loan Party may consolidate, amalgamate or merge with another Loan Party or liquidate, wind-up or dissolve itself into another Loan Party;

- (d) **Debt:** create, incur, assume or permit any Debt of a Loan Party to remain outstanding, other than Permitted Debt;
- (e) **Security Interests:** create, incur, assume or permit to exist any Security Interest upon any of its Property, except Permitted Encumbrances;
- (f) **Dispositions:** except for Permitted Dispositions, sell, convey, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or any part of its Property, whether now owned or hereafter acquired;
- (g) **Acquisitions:** directly or indirectly make, or enter into any binding agreement to make, any Acquisitions;
- (h) **Financial Assistance and Investments:** make, directly or indirectly, any Investment or give any Financial Assistance to any Person other than: (i) to the extent permitted by Section 9.3(d); (ii) to the extent permitted by Section 9.3(g); (iii) Investments in Cash Equivalents, (iv) Investments or Financial Assistance to or in favour of another Loan Party;
- (i) **Distributions:** make any Distribution except Distributions by a Loan Party to another Loan Party;
- (j) **Material Agreements:** amend or restate or otherwise alter the Material Agreements in any manner that would reasonably be expected to otherwise materially and adversely affect the rights of the Agent and the Lenders under the Loan Documents;
- (k) **Capital Expenditures:** directly or indirectly make any Unfunded Capital Expenditures in any Fiscal Year in excess of \$ Redacted - commercially sensitive information;
- (l) **Swaps:** enter into any Swap outside the ordinary course of its business; provided that, without limiting the generality of the foregoing, the following shall be considered to be Swaps entered into outside of the ordinary course of business:
 - (i) any Swap that is entered into for any purpose other than managing commodity risk, interest rate risk or currency risk, or is otherwise entered into for speculative purposes (determined, where relevant, by reference to IFRS);
 - (ii) any Swap having a term from its inception to maturity exceeding four years;
 - (iii) any Swap entered into with a counterparty that is not a Swap Lender; and
 - (iv) any Swap in respect of which a Security Interest (other than the Security) is granted to secure the Secured Obligations of a Loan Party;
- (m) **Sale or Discount of Receivables:** sell with recourse, or discount (other than: (i) to the extent of finance and interest charges included therein or (ii) discounts in the ordinary course of business as currently conducted for amounts and on terms that the Borrower in good faith considers advisable) or otherwise sell for less than face value thereof, any of its Accounts Receivable;
- (n) **Pension Plans:** adopt or maintain any Pension Plans at any time;

- (o) **Terrorism Sanction Regulations:** engage in any dealings or transactions with any Canadian Sanctions Designated Person;
- (p) **Shares of Subsidiaries:** sell, transfer, assign or otherwise dispose of any of the shares or partnership interests of any Material Subsidiary or issue any share, share rights, partnership interests or other securities of any Material Subsidiary to any Person, other than to another Loan Party;
- (q) **Change of Fiscal Year:** change its Fiscal Year end from December 31 or the basis on which the financial records of a Loan Party are now maintained, subject to Section 1.6;
- (r) **Transactions with Affiliates:** engage in any material transaction with any Affiliate (other than another Loan Party) that are not on arm's length terms, other than those that are otherwise specifically permitted under this Agreement;
- (s) **Cash Accumulation:** use the proceeds of any Accommodation to accumulate or maintain cash or cash equivalents in one or more depository or investment accounts maintained by any Loan Party in an amount, in the aggregate, greater than \$REDACTED - commercially sensitive information but excluding therefrom cash or Cash Equivalents accumulated or maintained therein for a specified business purpose (other than simply accumulating a cash reserve), and, for certainty, the Lenders may refuse to make any requested Loan which the Lenders, acting reasonably, determine would result in a contravention of this Section 9.3(s);
- (t) **Payments on Second Lien Debt:** other than permitted payments (as defined in the Second Lien Intercreditor Agreement):
 - (i) make any prepayments or non-scheduled repayments of principal under the Second Lien Debt (which, for certainty, shall not include the Second Lien Amortization Payments); or
 - (ii) make any payments of principal or interest (whether prepayments, non-scheduled repayments of principal, Second Lien Amortization Payments or regularly scheduled payments of interest) in respect of the Second Lien Debt if a Default or Event of Default exists at such time or would reasonably be expected to result therefrom;
- (u) **Second Lien Debt Documents:** amend the terms of the Second Lien Debt Documents except to the extent permitted in the Second Lien Intercreditor Agreement;
- (v) **Payments on Surety Obligations:** make any payments (whether of principal, interest or otherwise) of the Surety Obligations using the proceeds of the Credit Facilities;
- (w) **Surety Agreement:**
 - (i) amend, modify, supplement, revise or restate the Surety Agreement (other than the termination of the Surety Agreement as a result of the Canada Revenue Agency no longer requiring the Surety Bond);
 - (ii) post any cash, cash equivalents or other collateral in favour of the Surety pursuant to Section 9 of the Surety Agreement;
 - (iii) enter into any surety or bond agreement, other than the Surety Agreement, or have issued on its behalf any surety bond, other than the Surety Bond;

- (iv) pay any fees to the Surety other than customary surety fees that are paid in the ordinary course of business, provided such fees are reasonable and consistent with market practice, all as determined by the Agent, acting reasonably;
- (x) **NFS Debt Documents:**
 - (i) lease any additional property under the NFS Lease Agreement;
 - (ii) amend, modify, supplement, revise or restate the NFS Debt Documents except to the extent permitted by the NFS Subordination Agreement; and
 - (iii) make any payments (whether of principal, interest or otherwise) of the NFS Debt using the proceeds of the Credit Facilities prior to the Limited Availability Date.

9.4 Reporting Covenants

The Borrower, with respect to itself and each other Loan Party, covenants and agrees with the Agent and each of the Lenders as follows until the termination of all of the Commitments and payment in full of the Obligations:

- (a) **Annual Financial Statements:** the Borrower shall furnish to the Agent as soon as available and in any event within 120 days after the end of each Fiscal Year, the annual audited financial statements of the Borrower including an audited consolidated balance sheet, consolidated statement of income (loss) and deficit, and consolidated statement of cash flows, setting forth in comparative form the corresponding figures of the preceding Fiscal Year; and
- (b) **Quarterly Financial Statements:** the Borrower shall furnish to the Agent as soon as available and in any event within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, quarterly unaudited consolidated financial statements of the Borrower including an unaudited consolidated balance sheet, a consolidated statement of income (loss) and deficit, and a consolidated statement of cash flows, all prepared in accordance with IFRS consistently applied;
- (c) **Compliance Certificate:** the Borrower shall furnish to the Agent, concurrently with the provision of the financial statements pursuant to Sections 9.4(a) and 9.4(b), and effective as of the last day of such Fiscal Quarter or Fiscal Year (as the case may be), a duly executed and completed Compliance Certificate;
- (d) **Management Discussion and Analysis:** the Borrower shall furnish to the Agent, concurrently with the provision of the financial statements pursuant to Sections 9.4(a) and 9.4(b), a management discussion and analysis report for such Fiscal Year or Fiscal Quarter (which shall include a detailed variance to budget and historical performance and a description of backlog of work), and such additional or supporting information as the Agent may reasonably request;
- (e) **Financial Forecasts:**
 - (i) the Borrower shall furnish to the Agent as soon as available and in any event no later than 120 days after the commencement of each Fiscal Year a consolidated financial board approved budget for the period until the Maturity Date demonstrating Financial Covenant calculations and including a consolidated balance sheet, a consolidated statement of income (loss) and deficit and a consolidated statement of cash flows for such period, detailed on a monthly and quarterly basis;

- (ii) the Borrower shall furnish to the Agent as soon as available and in any event within 60 days after the end of each of the first three Fiscal Quarters of each Fiscal Year, a report, in form and substance satisfactory to the Agent, comparing the actual results for such Fiscal Quarter to the budget delivered to the Agent and the Lenders pursuant to Section 9.4(e)(i); and
- (f) **Provision of Information:** the Borrower shall, upon request of the Agent, furnish to the Agent such other reports or information reasonably requested by a Lender to the Agent from time to time.

9.5 Material Subsidiaries

- (a) **Designation of Material Subsidiaries:** The Borrower shall, from time to time, designate such Material Subsidiaries as it shall determine as Material Subsidiaries and shall notify the Agent that such Person has become a Material Subsidiary and furnish the Agent with the name, date and jurisdiction of incorporation or amalgamation, as applicable, description of business and principal place of business address of each Material Subsidiary and shall cause each Material Subsidiary to provide to the Agent for the benefit of the Lenders, within 30 days (or such later date as the Agent may agree to, acting reasonably) of it becoming a Material Subsidiary, the Security contemplated by Section 6.3, together with the additional documentation contemplated in such Section 6.3 in relation thereto.
- (b) **Release of Material Subsidiary Security:** The Borrower shall be entitled to request that a Material Subsidiary which is, or has been designated, a Material Subsidiary no longer be a Material Subsidiary. Upon providing an officer's certificate of the Borrower confirming that no Default or Event of Default has occurred and is continuing (excluding, for certainty, any Default or Event of Default which would no longer exist as a result of such redesignation) and no Default or Event of Default would result from giving effect to such request and the Agent determining that no Default or Event of Default would result from giving effect to such request, the Agent shall confirm in writing the redesignation of such Material Subsidiary as a Non-Material Subsidiary and shall cancel, release and, if applicable, return the Security granted by such Subsidiary.
- (c) **Subsidiary Ownership:** If a Subsidiary becomes a Material Subsidiary after the Effective Date, the Borrower shall ensure at all times that it beneficially owns either directly or indirectly through one or more Material Subsidiaries, all of the issued and outstanding shares, partnership interests or other economic and voting interests in the capital stock of each such Material Subsidiary.
- (d) **Ring Fence:** The Borrower covenants and agrees with each of the Lenders and the Agent that the Loan Parties shall at all times account for not less than 95% of EBITDA for the period covered by the consolidated financial statements of the Borrower most recently provided to the Agent.

9.6 Designation of Approved Jurisdictions

- (a) As at the Effective Date, Canada is the only Approved Jurisdiction.
- (b) The Agent and Lenders may, at any time and in their sole discretion, designate a country as one that cannot be Approved Jurisdiction (including, for certainty, revoking the designation of any jurisdiction as an Approved Jurisdiction) (a "**Disqualified Jurisdiction**"), in each case by written notice to the Borrower.
- (c) The United States is a Disqualified Jurisdiction.

- (d) The Borrower may, from time to time, request that the Agent and Lenders designate additional countries as Approved Jurisdictions. The Agent and Lenders shall, in their sole discretion, confirm or deny such designation within 20 Business Days from the date of each such request, provided that in the event Agent does not so advise the Borrower within such 20 Business Day period, the Agent and the Lenders shall be deemed to have advised the Borrower that they are not prepared to designation such country as an Approved Jurisdiction. The Agent may request such information from the Borrower as it deems necessary to make such designation, including a legal opinion provided by the Borrower's counsel in such jurisdiction, in form and substance satisfactory to the Agent, confirming a Loan Party's ability to undertake Cannabis Activities to the extent permitted by Applicable Law in such jurisdiction.
- (e) If the sole Cannabis Activity being undertaken by a Loan Party in a jurisdiction other than Canada is the export and marketing of Cannabis from Canada to such jurisdiction and such activities are (x) in accordance with all Applicable Laws and Cannabis Laws of both Canada and such jurisdiction (including each requisite import-export permit) and (y) not in or to a Disqualified Jurisdiction, then:
 - (i) such Loan Party shall be deemed to not carry on business in such jurisdiction;
 - (ii) such jurisdiction shall be deemed to be Approved Jurisdiction solely for the purposes undertaking the activities prescribed in this Section 9.6(e);
 - (iii) the Borrower shall provide the Agent with prompt written notice if any Loan Party plans to undertake the activities prescribed in this Section 9.6(e) in a new jurisdiction; and
 - (iv) upon the request of the Agent, deliver to the Agent copies of each requisite import-export permit, together with any other requisite permits, required.

9.7 Most Favoured Lender

- (a) If any of the Second Lien Debt Documents, shall be amended, modified or supplemented (each, a "**Second Lien Amendment**"), whether directly or indirectly, and the effect of such amendment, modification or supplement shall be to impose on any Loan Party any one or more conditions, covenants, events of default or other terms that are not contained in the Loan Documents, or that would, if incorporated into the Loan Documents, be more favourable to the Lenders than the conditions, covenants, events of default or other terms contained in the Loan Documents (any such condition, covenant, event of default or other term being referred to herein as a "**More Favourable Provision**"), then, subject to Section 9.7(b) below, such More Favourable Provision shall be automatically incorporated in the Loan Documents as if set forth fully therein, *mutatis mutandis*, and shall be effective as of the date such More Favourable Provision becomes effective in the Second Lien Debt Document, as the case may be. Any such More Favourable Provision incorporated herein shall automatically cease to be incorporated in this Agreement (to the extent previously incorporated herein pursuant to the foregoing) simultaneously with the termination (in accordance with its terms) of the Second Lien Credit Agreement upon notice by the Borrower to the Agent of such termination and any such More Favourable Provision incorporated herein shall automatically be further modified (but only to the extent previously incorporated herein pursuant to the foregoing) if such More Favourable Provision becomes less restrictive by way of a permanent written amendment to or modification of such agreement (and not by temporary waiver of rights thereunder), simultaneously with such amendment or modification, upon notice by the Borrower to the Agent of such amendment or modification, providing with such notice a copy of the applicable agreements. The Borrower will provide the Agent with copies of all Second Lien Amendments prior to or forthwith after the effective date thereof.

- (b) If the Agent, on behalf of the Majority Lenders, gives written notice to the Borrower, within 20 days after receipt of notice from the Borrower of any Second Lien Amendment, objecting to the inclusion of such More Favourable Provision in any Loan Document, such More Favourable Provision shall not be incorporated in such Loan Document.
- (c) Upon the written request of the Borrower or the Majority Lenders, the Borrower or other Loan Parties, as applicable, and the Lenders or the Majority Lenders, as applicable, shall enter into an amendment of the applicable Loan Document to reflect the inclusion of the More Favourable Provision. All costs of the Agent and the Lenders incurred in connection with any such amendment (including, without limitation, the reasonable fees and expenses of a counsel to the Agent and Lenders) shall be paid by the Borrower promptly after its receipt of an invoice in respect thereof.
- (d) For the avoidance of doubt, all of the provisions of any applicable Loan Document shall otherwise remain in effect notwithstanding the incorporation therein of one or more More Favourable Provisions.

ARTICLE 10 EVENTS OF DEFAULT

10.1 Events of Default

The occurrence of any one or more of the following events or circumstances constitutes an Event of Default under this Agreement:

- (a) **Failure to Pay Principal:** the failure of the Borrower to make any payment of any Borrowings when due hereunder and such default shall remain unremedied for a period of two Business Days after such amount is due;
- (b) **Failure to Pay Interest or Fees:** the failure of any Loan Party to make any payment of any interest, fees or any other amount due under any Loan Document when due hereunder and such default shall remain unremedied for a period of two Business Days after such amount is due;
- (c) **Certain Covenants:** the failure of any Loan Party to comply with any of the Financial Covenants or the covenants set out in Sections 9.3;
- (d) **Covenants:** if there is a breach or failure of due performance or observance by any Loan Party of any covenant or provision of this Agreement or any of the Loan Documents (other than those otherwise dealt with in this Section 10.1), unless such breach or failure is cured to the satisfaction of the Majority Lenders, acting reasonably, within 20 Business Days after written notice thereof by the Agent to the Borrower;
- (e) **Misrepresentations:** if any representation or warranty made by any Loan Party in this Agreement, any other Loan Document or in any certificate or other document at any time delivered hereunder to the Agent or the Lenders shall prove to have been incorrect in any material respect when made or deemed to be made or repeated hereunder or thereunder; provided that if the matter, defect or deficiency which is the subject matter of the misrepresentation is capable of correction or remedy (and not merely by changing the representation made), then if it is not corrected or remedied to the satisfaction of the Majority Lenders, acting reasonably, on and as of the date thereof and the Borrower shall have failed to remedy such default (if such default is capable of being cured) within 20 Business Days from the date of the occurrence of such event;

- (f) **Cross Default:** other than in respect of the Second Lien Debt and the Surety Obligations, if any Loan Party (i) fails to make any payment when such payment is due and payable to any Person in relation to any Debt which in the aggregate principal amount then outstanding is in excess of \$ [REDACTED] and such payment is not made within any applicable cure or grace period; (ii) defaults in the observance or performance of any other agreement or condition in relation to any such Debt to any Person which in the aggregate principal amount then outstanding is in excess of \$ [REDACTED] or contained in any instrument or agreement evidencing, securing or relating thereto and such default is not waived or cured within any applicable cure or grace period; or (iii) or any other event shall occur or condition exist, the effect of which event or other condition is to cause, or to permit the holder of such Debt which in the aggregate principal amount then outstanding is in excess of \$ [REDACTED] to cause, such Debt to become due prior to its stated maturity date;
- (g) **Second Lien Debt:** the occurrence of an “event of default” under the Second Lien Debt or any Second Lien Debt Document or any notice of enforcement or default is issued by the holders of the Second Lien Debt under the Second Lien Intercreditor Agreement;
- (h) **NFS Debt:**
- (i) the occurrence of an “event of default” under the NFS Debt or any NFS Document or any notice of enforcement or default is issued by NFS under the NFS Subordination Agreement;
- (ii) if Westleaf Labs LP fails to fully and irrevocably repay the NFS Debt on or before July 31, 2026;
- (i) **Surety Obligations:** (A) the occurrence of any “default”, “event of default” or “demand” under the Surety Agreement, (B) if the Surety takes any steps or commences any proceedings to enforce the terms of the Surety Agreement, or (C) the Borrower or Westleaf Labs LP fails to make any payment when such payment is due and payable to the Surety in relation to any Surety Obligations;
- (j) **Limited Availability Date:** if all of the conditions precedent set forth in Section 8.2 are not satisfied or waived by all of the Lenders on or before June 1, 2026;
- (k) **Cease to Carry on Business:** if any Loan Party ceases or threatens to cease to carry on business generally; provided that for certainty, temporary stoppages of work (including, without limitation, due to statutory or other recognized holidays, inclement weather, seasonal nature of work within the Business or as a result of an accident, explosion, other safety incident or other event that is beyond the control of the Loan Parties) shall not in and of themselves be considered to be “ceasing to carry on business”;
- (l) **Voluntary Insolvency:** if any Loan Party becomes insolvent, makes any assignment in bankruptcy or makes any other similar assignment for the benefit of creditors, makes any proposal under the *Bankruptcy and Insolvency Act* (Canada) or any comparable law, seeks relief under the *Companies’ Creditors Arrangement Act* (Canada), the *Winding-Up and Restructuring Act* (Canada) or any other bankruptcy, insolvency or analogous law, is adjudged bankrupt, files a petition or proposal to take advantage of any act of insolvency, consents to or acquiesces in the appointment of a trustee, receiver, receiver and manager, interim receiver, custodian, sequestrator or other Person with similar powers of itself or of all or any substantial portion of its assets, or files a petition or otherwise commences any proceeding seeking any reorganization, arrangement, composition or readjustment under any applicable bankruptcy, insolvency, moratorium, reorganization or other similar law affecting creditors’ rights or consents to, or acquiesces in, the filing of such a petition;

- (m) **Involuntary Insolvency:** if any proceeding or filing shall be instituted or made against any Loan Party seeking to have an order for relief entered against such Loan Party as debtor or to adjudicate it bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition under any law relating to bankruptcy, insolvency, reorganization or relief of debtors (including, without limitation, the *Bankruptcy and Insolvency Act* (Canada), the *Companies Creditors Arrangement Act* (Canada) and the *Winding-Up and Restructuring Act* (Canada)), or seeking appointment of a receiver, trustee, custodian or other similar official for such Loan Party or for any substantial part of its properties or assets unless the same (i) is being contested actively and diligently in good faith by appropriate and timely proceedings and (ii) is dismissed, vacated or permanently stayed within 20 Business Days of institution;
- (n) **Change in Ownership:** if, at any time:
 - (i) each Material Subsidiary is not wholly-owned, directly, by the Borrower or one or more other Material Subsidiaries;
 - (ii) a Change of Control occurs; or
 - (iii) a Change of Management occurs.
- (o) **Judgments:** if a final judgment, execution, writ of seizure and sale, sequestration or decree for the payment of money due shall have been obtained or entered against any Loan Party in an amount in excess of \$ [REDACTED] (individually or in the aggregate for all Loan Parties) and such judgment, execution, writ of seizure and sale, sequestration or decree shall not have been and remain vacated, satisfied, discharged or stayed pending appeal within the applicable appeal period;
- (p) **Encumbrancers:** if any encumbrancer or lien or takes possession by appointment of a receiver, receiver and manager, or otherwise of any material portion of the property of any Loan Party, including any such property with a value in excess of \$ [REDACTED];
- (q) **Denial of Loan Documents:** if any Loan Party denies its obligations under any Loan Document or claims any of the Loan Documents to be invalid or withdrawn in whole or in part;
- (r) **Invalid Loan Documents/Failure of Security:** if any material provision of any Loan Document is invalid or unenforceable in whole or in a material part, or any of the Security Interests in and to any material Property constituted by the Security fails to attach thereto or to have the priority intended thereby, and, in either case, the same is not cured within 5 Business Days of the Borrower being notified of such fact;
- (s) **Lender Swaps:** if any Loan Party breaches or is in default under any Lender Swap and such breach or default is not remedied within any applicable cure period in the relevant agreement with respect thereto;
- (t) **Auditor Report:** if any report of the auditor with respect to the Borrower's audited financial statements contains any going concern disclaimer or any qualification which is unacceptable to the Majority Lenders acting reasonably, and the Borrower shall have failed to remedy such default within 20 Business Days;
- (u) **Default under Material Agreement:** the occurrence of a default under any Material Agreement which, in the opinion of all of the Lenders, could reasonably be expected to have a Material Adverse Effect and, if capable of remedy, such default shall not be either waived or remedied within the applicable cure period permitted in respect thereof;

- (v) **Material Adverse Effect:** if an event shall occur which, in the opinion of the Majority Lenders, could reasonably be expected to have a Material Adverse Effect and, if capable of remedy, such event shall not be remedied within a period of 20 Business Days from the date of written notice by the Agent to the Borrower of such event;
- (w) **U.S. Cannabis:** if a Loan Party has at any time any "U.S. marijuana-related activity" as defined in Staff Notice 51-352 (Revised) – *Issuers with U.S. Marijuana Activities* of the Canadian Securities Administrators or is not conducting its business in compliance with the TSXV Bulletin dated October 16, 2017 – *Business Activities Related to Marijuana in the United States*;
- (x) **Cannabis Act:** the Cannabis Act is repealed and is not immediately replaced with substantially similar legislation;
- (y) **Cannabis Authorization:** any Cannabis Authorization shall (i) expire or be revoked, terminated or cancelled, and in any such case not immediately replaced, renewed or reinstated on comparable terms or (ii) be modified in any materially adverse fashion; and
- (z) **Priority Payables:** if any Loan Party fails to remit any Priority Payables when due.

10.2 Acceleration

Upon the occurrence and during the continuance of any Event of Default, the Agent on behalf of the Lenders, and with the approval of the Majority Lenders, shall be entitled to, without limiting or restricting other remedies or rights under contract, at law or in equity, as the Agent and the Majority Lenders may in their sole and unfettered discretion determine:

- (a) **Terminate Commitment:** cease to make or continue any Borrowings hereunder, notwithstanding any prior receipt by the Agent of a Borrowing Notice, Conversion Notice or a Rollover Notice or any other event and the Agent may, by written notice to the Borrower, declare the Total Commitment and the right of the Borrower to apply for further Accommodations to be terminated; and
- (b) **Acceleration Notice:** by written notice to the Borrower (an "**Acceleration Notice**"), declare all Borrowings (including the undrawn amount of all outstanding Letters of Credit) and other liabilities and indebtedness (whether matured or unmatured) of the Borrower to the Agent, the Lenders and the Creditcard Lenders hereunder and under the other Loan Documents and the Bilateral Financial Services Agreements to be immediately due and payable (or to be due and payable at such later time as may be stated in such notice) without further demand, presentation, protest or other notice of any kind, all of which are expressly waived by the Borrower;

provided that upon the occurrence of an Event of Default specified in Section 10.1(l) or 10.1(m) the Commitment shall automatically terminate and all Borrowings (including the undrawn amount of all outstanding Letters of Credit) and other indebtedness and liabilities hereunder and under the other Loan Documents and the Bilateral Financial Services Agreements shall automatically become due and payable, in each case without any requirement that notice be given to the Borrower. Immediately upon the occurrence of an Event of Default specified in Section 10.1(l) or 10.1(m) or at the time stated in an Acceleration Notice, the Borrower shall pay to the Agent on behalf of the Lenders and the Creditcard Lenders all amounts owing or payable in respect of all Borrowings (including the undrawn amount of all outstanding Letters of Credit) and other indebtedness and liabilities hereunder and under the other Loan Documents and the Bilateral Financial Services Agreements, failing which all rights and remedies of the Agent and the Lenders under the Loan Documents and the Bilateral Financial Services Agreements shall thereupon become enforceable.

10.3 Demands for Repayment

- (a) **Lender Demands:** If the Agent, on behalf of the Majority Lenders, delivers an Acceleration Notice, each Swap Lender may, within three Business Days, deliver (to the extent applicable to it) a Swap Demand for Repayment.
- (b) **Termination Event:** If a Termination Event has occurred and all of the Lender Outstandings are not thereafter due and payable, each Lender and Swap Lender shall, within three Business Days, deliver such Demands for Repayment as may be necessary to ensure that all Lender Outstandings are thereafter due and payable under the Loan Documents.
- (c) **Swap Demand:** If any Swap Lender proposes to deliver a Swap Demand for Repayment, such Lender shall notify the Agent of its determination, and the Agent, within a further five Business Days after receipt of the aforesaid notice, shall notify all Swap Lenders whether the Agent, on behalf of the Majority Lenders, proposes to deliver an Acceleration Notice hereunder. If the Agent does not so advise the Swap Lenders within such five Business Day period it shall be deemed to have advised that the Majority Lenders do not propose to deliver an Acceleration Notice. If the Agent does notify the Swap Lenders that the Majority Lenders propose to deliver an Acceleration Notice, all Demands for Repayment shall be delivered concurrently by the Agent and the Swap Lenders. If the Agent does notify the Swap Lenders that the Majority Lenders do not propose, or the Agent is deemed to have advised that the Majority Lenders do not propose, to deliver an Acceleration Notice, the Swap Lender which delivered the notice to the Agent may at any time within 30 Business Days thereafter deliver the Swap Demand for Repayment. If the Swap Lender delivering any such Demand for Repayment does not receive the amount so demanded on or prior to the time stated in such Swap Demand for Repayment, such Swap Lender shall so notify the Agent and the Agent and each other Lender and Swap Lender shall forthwith concurrently deliver such Demands for Repayment as may be necessary to ensure that all Lender Outstandings are thereafter due and payable under the Loan Documents.
- (d) **No Sharing:** Any amounts which are lawfully received by any Swap Lender under a Swap prior to the earlier of the delivery by the Agent of a Demand for Repayment or the occurrence of a Termination Event hereunder are not required to be shared pursuant to the provisions of Section 10.7.
- (e) **Lender Affiliates:** If a Lender Swap is entered into with an Affiliate of a Lender, that Lender shall cause such Affiliate to deliver all Swap Demands for Repayment as required by this Section 10.3 and such obligations shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

10.4 Cash Collateral Accounts

Upon the occurrence of a Termination Event or delivery of an Acceleration Notice, the Borrower shall forthwith pay to the Agent, for deposit into a Cash Collateral Account, an amount equal to the Lender's maximum potential liability under then outstanding Letters of Credit and, unless the Borrower makes payment of the amount required pursuant to Section 11.5, Benchmark Loans (collectively, the "**Escrow Funds**"). The Escrow Funds shall be held by the Agent for set-off against future indebtedness owing by the Borrower to the Lenders in respect of such Letters of Credit and, unless the Borrower makes payment of the amount required pursuant to Section 11.5, Benchmark Loans.

10.5 Remedies on Default

After an Event of Default:

- (a) **Majority Lenders Instructions:** if the Majority Lenders provide directions or instructions to the Agent, the Agent, on behalf of all Lenders and Swap Lenders, shall take such actions and commence such proceedings as the Majority Lenders in their sole discretion may determine and may enforce or otherwise realize upon any Security, all without any obligation to marshal any Security Interests and without additional notice, presentation, demand or protest, all of which the Borrower hereby expressly waives (to the extent such rights may be waived under Applicable Law). The rights and remedies of the Agent and the Lenders under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. If, from time to time, there are no Lenders other than Swap Lenders, the Majority Lenders for the purposes of this Agreement shall be calculated by revising paragraph (a) of the definition of "Majority Lenders" to change the references to "Borrowings" to "Lender Outstandings" and deleting the words "under the Facilities"; and
- (b) **General Remedies:** the rights and remedies of the Agent and each Lender and Swap Lender under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law. The Agent may, on behalf of all Lenders and Swap Lenders, and shall, if so required by the Majority Lenders, to the extent permitted by Applicable Law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:
- (i) **Specific Performance:** the specific performance of any covenant or agreement contained in the Loan Documents;
 - (ii) **Injunction:** enjoining a violation of any of the terms of the Loan Documents;
 - (iii) **Assistance:** aiding in the exercise of any power granted by the Loan Documents or by law; or
 - (iv) **Judgment:** obtaining and recovering judgment for any and all amounts due in respect of the Borrowings or amounts otherwise due hereunder or under the Loan Documents.

10.6 Right of Set-off

Upon the occurrence and during the continuance of any Event of Default, and in addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Agent and each Lender is authorized at any time and from time to time thereafter, without notice to the Borrower or to any other Person (any such notice being expressly waived by the Borrower), to combine, consolidate or merge all or any of the Borrower's accounts with, and liabilities, to it and to set-off and to appropriate and to apply any and all deposits (general or special, time or demand, provisional or final) and any other indebtedness (other than Swap Indebtedness which is not Permitted Swap Indebtedness) at any time held by or owing by it to or for the credit of or the account of the Borrower against and on account of the Secured Obligations and other liabilities and indebtedness of the Borrower to the Agent or such Lender under this Agreement and the other Loan Documents, including all claims of the Agent or any Lender of any nature or description arising out of or connected with this Agreement and the other Loan Documents, irrespective of whether or not the Agent or any Lender has made any demand under this Agreement or any of the other Loan Documents and although such obligations, liabilities or claims of the Borrower or any of them are contingent or unmatured. Notwithstanding the provisions of any Swap, the Lenders and Swap Lenders shall not effect or purport to effect any set-off of Swap Indebtedness that is not Permitted Swap Indebtedness against or on account of any Secured Obligations owed to it until all other Secured Obligations have been repaid.

10.7 Application and Sharing of Payments Following Acceleration

Except as otherwise agreed to by all of the Lenders in their sole discretion, all monies and property received by the Lenders (in their capacity as Lenders and, if applicable, Swap Lenders, Creditcard Lenders or Cash Management Lenders) for application in respect of the Secured Obligations subsequent to the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Sections 10.1(l) or 10.1(m) (including all monies received as a result of a realization upon the Security or the exercise of a right of set-off), shall be applied and distributed to the Lenders (in their capacity as Lenders and, if applicable, Swap Lenders, Creditcard Lenders and Cash Management Lenders) in the manner set forth below, each such application to be made in the following order with any balance remaining after application in respect of each category to be applied to the next succeeding category:

- (a) firstly, in or towards payment of any fees or expenses then due and payable to the Agent hereunder or under any other Loan Document;
- (b) secondly, *pro rata* among the Term Facility Lenders and the Operating Lender in respect of amounts due and payable to such Lenders as and by way of recoverable expenses hereunder or under any of the Security;
- (c) thirdly, *pro rata* among the Term Facility Lenders and the Operating Lender in respect of amounts due and payable to such Lenders by way of interest pursuant to Sections 5.1 and 5.2, Letter of Credit Fees pursuant to Section 5.3, Creditcard Facility or Cash Management Services fees pursuant to Section 5.4, interest on overdue amounts pursuant to Section 5.5 and standby fees pursuant to Section 5.10;
- (d) fourthly, *pro rata* among the Term Facility Lenders and the Operating Lender in respect of any other amount (other than Lender Outstandings, Creditcard Obligations and Cash Management Obligations) not hereinbefore referred to in this Section 10.7 which are then due and payable to any of them by the Borrower hereunder or under any other Loan Document;
- (e) fifthly, *pro rata* among the Term Facility Lenders the Operating Lender, the Swap Lenders, the Creditcard Lenders and the Cash Management Lenders in or towards repayment of the Lender Outstandings, Creditcard Obligations and Cash Management Obligations; and
- (f) sixthly, in accordance with Applicable Law.

To the extent that a Lender Swap is entered into by an Affiliate of a Lender, that Lender shall cause such Affiliate to comply with the provisions of this Section 10.7 and such obligation shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

10.8 Adjustments

In the event that:

- (a) **Contingent Liabilities:** at the Adjustment Time, a portion of the Borrowings is outstanding as Letters of Credit and it is subsequently determined that the issuing Lender is not required to make payment under any one or more such instruments; or
- (b) **Notice Periods:** any of the Lenders are required by Applicable Law to continue to make advances or other amounts available to the Borrower subsequent to the Adjustment Time by reason of a requirement in Applicable Law to give the Borrower a reasonable period of notice prior to terminating such Lender's obligation to make such advances or other amounts available;

then, whenever and so often as that occurs:

- (i) **Sharing Adjustment:** the terms “rateable” and “rateably” shall, *ipso facto*, as at the Adjustment Time be redetermined by excluding from the determination of the amount of Lender Outstandings any payments not required to be made as a result of the occurrence of an event described in Section 10.8(a) and by including in the determination of the amount of Lender Outstandings any amount required to be made available pursuant to Section 10.8(b); and
- (ii) **Lender Outstandings:** Lender Outstandings shall be redetermined by excluding from the determination of the amount of Lender Outstandings any payments not required to be made as a result of the occurrence of an event described in Section 10.8(a) and by including in the determination of Lender Outstandings any amount required to be made available pursuant to Section 10.8(b);

and the Lenders shall thereupon make all such payments and adjustments as may be necessary to ensure amounts outstanding to the Lenders are thereafter outstanding in accordance with the provisions of Section 12.12.

10.9 Calculations as at the Adjustment Time

For the purposes of this Agreement, if:

- (a) **Swap Demand:** a Swap Demand for Repayment has been delivered; or
- (b) **Termination Event:** a Termination Event has occurred under any Loan Document evidencing a Swap;

then, for the purposes of calculations to be made at the Adjustment Time, any Termination Amount which is payable by any Loan Party under such Swap in settlement of obligations arising thereunder as a result of the early termination of the Swap shall be deemed to have become payable at the time of delivery of such Swap Demand for Repayment or the time of occurrence of such Termination Event as the case may be, notwithstanding that the amount payable by any Loan Party is to be subsequently calculated and notice thereof given to such Loan Party in accordance with such Swap. For the purposes of the foregoing, the Agent shall make all determinations of the applicable Termination Amounts in accordance with the applicable ISDA Master Agreements, and for such purposes each Lender shall provide details to the Agent of its own calculations of the applicable Termination Amounts.

10.10 Agent May Perform Covenants

If any Loan Party shall fail to perform any of its obligations under any covenant contained in any of the Loan Documents within the time permitted for the performance of any such covenant or for the cure of any default thereof, the Agent may, on behalf of the Lenders and with the approval of the Majority Lenders and with prior notification to the Borrower, perform any such covenant 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 on behalf of the Lenders. If the Agent elects to effect such observance or performance, neither the Agent nor any Lender shall be liable for any failure or deficiency in effecting such observance or performance, nor for the payment of any bills, invoices or accounts incurred or rendered in connection therewith, except to the extent the Agent or such Lender is grossly negligent or acts with wilful misconduct. All amounts so paid by any Lender or the Agent hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the rate set forth in Section 5.5 from and including the date paid by the Agent hereunder to but excluding the date such amounts are repaid in full by the Borrower and shall be secured by the Security.

10.11 Waiver of Default

Any single or partial exercise by any Lender or Swap Lender, the Agent or by the Agent on behalf of any Lender or Swap Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in the Loan Documents shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy to which the Agent or such Lender or Swap Lender may be lawfully entitled for the same default or breach, and any waiver by any Lender or Swap Lender, the Agent or by the Agent on behalf of any Lender or Swap Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement contained in the Loan Documents, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. To the extent permitted by Applicable Law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which are inconsistent with the Agent's or a Lender's or Swap Lender's rights or remedies under the Loan Documents.

10.12 Sharing Repayments

Each Lender agrees that, subsequent to the Adjustment Time, it will at any time and from time to time upon the request of the Agent purchase portions of the Borrowings and make any other adjustments which may be necessary or appropriate in order that amounts which remain outstanding under the Loan Documents to each Lender or thereafter outstanding, as adjusted pursuant to this Section 10.12, are in accordance with the provisions of Section 10.7. The Borrower agrees to do all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section 10.12.

**ARTICLE 11
EXPENSES AND INDEMNITIES**

11.1 Reimbursement of Expenses

All statements, reports (including environmental reports), certificates, opinions and other documents or information required to be furnished to the Agent or the Lenders by the Borrower under this Agreement shall be supplied by the Borrower without cost to the Agent or the Lenders. In addition, the Borrower agrees to pay promptly to the Agent on demand, all reasonable and documented legal fees and other usual and customary reasonable and documented out-of-pocket expenses (including travel, publicity and syndication expenses) incurred or which may hereafter be incurred from time to time by the Agent or the Lenders in respect of the documentation, preparation, registration, negotiation, execution and administration of the Loan Documents (including any stamp taxes or other Taxes payable in connection with the execution, delivery or enforcement of the Loan Documents) and all legal fees (on a solicitor and own client basis)(including legal fees for any legal opinion the Agent and the Lenders may require in connection with designating or disqualifying any jurisdiction an Approved Jurisdiction by counsel in such jurisdiction) and other reasonable and documented out-of-pocket expenses which are incurred from time to time by the Agent or the Lenders in respect of the enforcement of the Loan Documents, which for the avoidance of doubt, in the case of legal fees and expenses, should be limited to the fees and expenses of one separate law firm for Agent and the Lenders unless such representation by the same legal counsel would be inappropriate due to actual or potential differing interests or the employment thereof has been specifically authorized by the Borrower in writing and such firm or firms shall be designated in writing by the Agent on behalf of each Lender.

11.2 Increased Cost

If, after the date hereof, the introduction of, any change in or the implementation of any Applicable Law (including any capital adequacy requirement but excluding any Excluded Taxes), regulation, treaty or official directive now or hereafter in effect (whether or not having the force of law) or any change in the interpretation or application thereof by any court or by any judicial or Governmental Authority charged with the interpretation or administration thereof, or if compliance by any Lender with any request from any

central bank or other fiscal, monetary or other authority (whether or not having the force of law) (individually, a “**Circumstance**”):

- (a) subjects a Lender to any Tax, or changes the basis of taxation of payments due to a Lender or increases any existing Tax, on payments of principal, interest or other amounts payable by the Borrower to a Lender under this Agreement;
- (b) imposes, modifies or deems applicable any reserve, special deposit, capital adequacy, regulatory or similar requirement against assets or liabilities held by a Lender, or deposits of or for the account of a Lender, or loans by a Lender, or any other acquisition of funds for loans by a Lender; or
- (c) imposes on a Lender any other condition with respect to this Agreement;

and the result of (a), (b) or (c) is to increase the cost to such Lender or to reduce the income receivable by such Lender in respect of an Accommodation, such Lender shall promptly notify the Agent. The Agent shall promptly notify the Borrower and the Borrower shall pay to the Agent for the benefit of such Lender that amount which compensates such Lender for such additional cost or reduction in income (except to the extent such increase in costs or reduction in income is reflected in or recovered by an increase in the Prime Rate) (“**Additional Compensation**”) on the next Interest Date in the case of a Benchmark Loan or on the next Interest Date in any other case unless such Lender knew, on the date of execution of this Agreement, of such Circumstance and the likely result thereof.

The Borrower shall not be obligated to pay any portion of such Additional Compensation accruing under this Section 11.2 for any period prior to the date which is 90 days prior to the date on which the Agent, on behalf of such Lender, gives notice to the Borrower that such Additional Compensation is so accruing or if such Lender is not generally collecting amounts which are equivalent to Additional Compensation from other borrowers in similar circumstances to the Borrower where it is contractually entitled to do so. A photocopy of the relevant law, regulation, treaty, official directive or regulatory requirement (or, if it is impracticable to provide a photocopy, a written summary of the same) and a certificate by a duly authorized officer of such Lender (prepared in good faith) setting forth the amount of the Additional Compensation and the basis for it must be submitted by the Agent to the Borrower and is conclusive evidence, in the absence of manifest error, of the amount of the Additional Compensation. If the Agent notifies the Borrower that Additional Compensation is owed, the Borrower shall pay such Additional Compensation to the Agent for the account of such Lender within ten Business Days of receipt of such notification and the Borrower shall have the right, upon irrevocable prior notice of at least three Business Days to the Agent at the Agent's Branch of Account, to make payment in full to the Agent for the account of such Lender in respect of the applicable Accommodation on the date specified in such notice together with accrued but unpaid interest and fees in respect of such Accommodation or to Convert such Accommodation into another basis of Accommodation available under this Agreement.

Notwithstanding anything herein to the contrary, (i) the *Dodd-Frank Wall Street Reform and Consumer Protection Act* and all regulations, requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States, Canadian or other regulatory authorities, in each case pursuant to Basel III ((i) and (ii) being the “**New Rules**”), shall in each case be deemed to be a change in law for the purposes of this Section 11.2, regardless of the date enacted, adopted or issued, in each case to the extent that such New Rules are materially different from any Applicable Law which are in full force and effect on the date of this Agreement and that such New Rules have general application to substantially all banks or their Affiliates which are subject to the New Rules in question.

11.3 Illegality

If any Lender determines that any Applicable Law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender or its applicable lending office to

make, maintain or fund Borrowings the interest for which is determined by reference to any Benchmark, or to determine or charge interest based upon any such Benchmark, then, upon notice thereof by such Lender to the Borrower (through the Agent) (such notice, an “**Illegality Notice**”), (a) any obligation of the Lenders to make Borrowings the interest for which is determined by reference to any Benchmark, and any right of the Borrower to Convert any existing Borrowings into Borrowings the interest for which is determined by reference to such Benchmark shall be suspended, and (b) if such notice asserts the illegality of such Lender making or maintaining the relevant Borrowings is caused by reference to a specific component of such interest rate that is determined with reference to a Benchmark which has been determined to be unlawful, the interest rate on which each such Borrowing shall be determined by the Agent shall be such interest rate without reference to the applicable Benchmark component thereof, in each case, until each affected Lender notifies the Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of an Illegality Notice, the Borrower shall, upon demand from any Lender (with a copy to the Agent), prepay or, if applicable, Convert all affected Borrowings of such Lender to Prime Loans (the interest rate on which shall, if necessary to avoid such illegality, be determined by the Agent without reference to the Benchmark component of such interest rate which has been determined to be unlawful), either on the last day of the Interest Period therefor, if all affected Lenders may lawfully continue to maintain such Borrowing to such day, or immediately, if any Lender may not lawfully continue to maintain such Borrowing, in each case, until the Agent is advised in writing by each affected Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the applicable Benchmark. Upon any such prepayment or Conversion following receipt of an Illegality Notice, the Borrower shall also pay accrued interest on the amount so prepaid or Converted, together with any additional amounts required pursuant to Section 11.5.

11.4 Benchmark Loans

(a) Inability to Determine Rates

- (i) Subject to Section 11.4(b), if, on or prior to the first day of any Interest Period for any Benchmark Loan:
 - (A) the Agent determines (which determination shall be conclusive and binding absent manifest error) that the Benchmark applicable thereto cannot be determined pursuant to the definition thereof, or
 - (B) the Majority Lenders determine that for any reason in connection with the delivery by the Borrower of any Borrowing Notice for a Benchmark Loan, or Rollover Notice or Conversion Notice of or into a Benchmark Loan, that the Benchmark applicable thereto for the Interest Period requested in respect thereof does not adequately and fairly reflect the cost to such Lenders of making and maintaining such Benchmark Loan, and the Majority Lenders have provided notice of such determination to the Agent,

the Agent will promptly so notify the Borrower and each Lender.

- (ii) Upon notice by the Agent to the Borrower as set forth in Section 11.4(a), any obligation of the Lenders to make Benchmark Loans, as applicable, and any right of the Borrower to Rollover such Benchmark Loans, as applicable, or to Convert any outstanding Borrowings to the such Benchmark Loans, as applicable, shall be suspended (to the extent of the affected Benchmark Loans, or the affected Interest Periods thereof) until the Agent (with respect to Section 11.4(a)(i)(B), at the instruction of the Majority Lenders) revokes such notice. Upon receipt of such notice, (i) the Borrower may revoke any pending Borrowing Notice, Rollover Notice or Conversion Notice in respect of any applicable Benchmark Loan (to the extent of the affected Benchmark Loans, or the affected Interest Periods thereof) or, failing that, the Borrower will be deemed to have converted any such Borrowing Notice or Rollover Notice or Conversion Notice in respect of any applicable

Benchmark Loan to a Borrowing Notice or Rollover Notice or Conversion Notice for, or into, a Prime Loan in the amount specified therein and (ii) any outstanding affected Benchmark Loans (to the extent affected) will be deemed to have been Converted into a Prime Loan at the end of the Interest Period applicable thereto. Upon any such Conversion, the Borrower shall also pay accrued interest on the amount so converted, together with any additional amounts required pursuant to Section 11.5.

(b) Benchmark Replacement

- (i) Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior to any setting of the then-current Benchmark, then (A) if a Benchmark Replacement is determined in accordance with clause (a) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (B) if a Benchmark Replacement is determined in accordance with clause (b) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any other Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (Toronto time) on the fifth (5th) Business Day after the date notice of such Benchmark Replacement is provided to the Lenders without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document so long as the Agent has not received, by such time, written notice of objection to such Benchmark Replacement from Lenders comprising the Majority Lenders.
- (ii) If a Benchmark Replacement is Adjusted Daily Compounded CORRA, such Benchmark Loans bearing interest with reference to such rate will be deemed to be Daily Compounded CORRA Loans.
- (iii) For certainty, no Swap shall be deemed to be a "Loan Document" for purposes of this Section 11.4.

(c) Benchmark Replacement Conforming Changes

In connection with the use, administration, adoption or implementation of any Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other Party to this Agreement or any other Loan Document.

(d) Notices; Standards for Decisions and Determinations

The Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of such Benchmark Replacement. The Agent will notify the Borrower of (A) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 11.4(e) and (B) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 11.4, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to

take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other Party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 11.4.

(e) Unavailability of Tenor of Benchmark

Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of any Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including the Term CORRA Reference Rate or Term CORRA) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Agent, in its discretion, acting reasonably, or (B) the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable or non-representative tenor and (ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings applicable to such Facilities at or after such time to reinstate such previously removed tenor.

(f) Benchmark Unavailability Period

Upon the Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, (i) the Borrower may revoke its request for a Drawdown of, Conversion to or Rollover of a Benchmark Loan, to be made, Converted or Rolled Over during any Benchmark Unavailability Period and, failing that, the Borrower will be deemed to have Converted any such request into a request for a Drawdown of or Conversion to Prime Loans and (ii) any outstanding affected Benchmark Loans will be deemed to have been Converted to Prime Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period or at any time that a tenor for the then-current Benchmark is not an Available Tenor, the component of Prime Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of the Prime Rate.

11.5 Funding Indemnity

If, for any reason whatsoever and whether or not required or permitted pursuant to the provisions of this Agreement, the Borrower repays, prepays, Converts or cancels any Benchmark Loan other than on the last day of the Interest Period applicable thereto, or fails for any reason to borrow, Convert, Rollover or otherwise act in accordance with a notice given hereunder pursuant to Schedule "B" or Schedule "C", the Borrower shall indemnify the Lenders for any out-of-pocket loss or expense actually incurred by such Lenders as a direct result thereof including any loss of profit or expenses such Lenders incurs by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to maintain such Benchmark Loan or any increased interest or other charges payable to lenders of funds borrowed in order to maintain such Benchmark Loan together with any other reasonable out-of-pocket charges, costs or expenses incurred by such Lender relative thereto. A certificate of any Lender (acting reasonably and prepared in good faith) submitted by the Agent setting out the basis for the determination of the amount necessary to indemnify such Lender shall be, in the absence of manifest error, prima facie evidence thereof.

11.6 General Indemnity

The Borrower shall at all times hereafter keep the Agent and each Lender indemnified and held harmless from and against all suits (whether founded or unfounded), actions, proceedings, judgments, demands or claims instituted or made against the Agent or such Lender, and all costs, losses, liabilities, damages and expenses (including all reasonable and documented legal fees on a solicitor and his own client basis) incurred by the Agent or such Lender in any way relating to, arising out of, or incidental to any Default or Event of Default, excluding any such costs, losses, liabilities, damages or expenses to the extent arising (a) from the bad faith, gross negligence or wilful misconduct of the Agent, such Lender or other indemnified party (as determined by a final and non-appealable judgment of a court of competent jurisdiction), (b) in connection with disputes among the Agent, the Lenders and their respective Affiliates, to the extent not arising from any action of the Borrower or (c) from the breach by the Agent or any Lender of any provision of this Agreement or any other Loan Document (as determined by a final and non-appealable judgment of a court of competent jurisdiction) to the extent not arising from any action of the Borrower. The Borrower shall not, in connection with any suits, actions, proceedings, judgments, demands or claims in the same jurisdiction, be liable for the fees and expenses of more than one separate legal firm for the Agent and Lenders unless such representation by the same legal counsel would be inappropriate due to actual or potential differing interests or the employment thereof has been specifically authorized by the Borrower in writing and such firm or firms shall be designated in writing by the Agent on behalf of each Agent and Lender. Provided no Default or Event of Default has occurred and is continuing, the Borrower, at its option, shall be entitled to conduct the defence of such suit, action or proceeding with the participation of and taking into account the best interests of the Agent and such Lender. Provided no Default or Event of Default has occurred and is continuing, the Borrower, at its option, shall be entitled to conduct the defence of such suit, action or proceeding with the participation of and taking into account the best interests of the Agent and such Lender. If the Agent or such Lender shall determine in good faith that the defence of any such suit, action or proceeding is not being conducted in the best interests of the Agent or such Lender, the Agent or such Lender shall on notice to the Borrower be entitled to take over the sole conduct of the defence of such suit, action or proceeding and the Borrower shall not be obligated to indemnify the Agent or such Lender in respect of any legal fees and disbursements thereafter incurred in respect of such suit, action or proceeding. This indemnity shall extend to the officers, directors, employees, agents, shareholders and assignees of the Agent and each Lender.

11.7 Environmental Indemnity

- (a) The Borrower shall forthwith on demand fully indemnify, defend and save the Agent, each Lender and their respective directors, officers, employees and agents, and any of them (in this Section 11.7 any one or more or all of such Persons is referred to as the "**Indemnified Party**") harmless from and against any and all liabilities, losses, claims, damages and expenses (including all legal fees on a solicitor and his own client basis, court costs, reasonable and documented accountant fees and expenses and all other reasonable and documented out of pocket expenses) sustained, paid, incurred or suffered by the Indemnified Party arising in any manner whatsoever out of or as a result of any Environmental Liabilities relating to or affecting any Loan Party or its Property or the property of others where any Loan Party incurs any liability in respect thereof under any Applicable Law (all or any item or part of the foregoing liabilities, losses, claims, damages and expenses are referred to in this Section 11.7 as "**Loss**"). Notwithstanding the generality of the foregoing, the Borrower shall not be obliged to indemnify the Indemnified Party to the extent any Loss has been incurred by reason of (a) from the bad faith, gross negligence or wilful misconduct of the Agent, such Lender or other indemnified party (as determined by a final and non-appealable judgment of a court of competent jurisdiction), (b) in connection with disputes among the Agent, the Lenders and their respective Affiliates, to the extent not arising from any action of the Borrower or (c) from the breach by the Agent or any Lender of any provision of this Agreement or any other Loan Document (as determined by a final and non-appealable judgment of a court of competent jurisdiction). The Borrower acknowledges that the Agent and each of the Lenders is

entering into the provisions of this Section 11.7 on its own behalf and as agent and trustee for its directors, officers, employees and agents.

- (b) If any claim (in this Section 11.7 referred to as a “**Claim**”) shall be asserted by any Person against the Indemnified Party which may give rise to a Loss, the Indemnified Party shall promptly notify the Borrower in writing of all particulars of such Claim upon learning of same. The failure to give any such notice, however, shall not affect the Borrower’s liability to indemnify the Indemnified Party except to the extent such failure adversely affects the Borrower’s ability to defend, object to, oppose or contest that Claim.
- (c) The Borrower shall at all times have the right, if no Event of Default has occurred and is continuing, at its sole expense, to resist, defend and compromise any Claim in the name of the Indemnified Party, by legal counsel acceptable to the Indemnified Party acting reasonably who will co-operate in such defence on a reasonable basis; provided that the Indemnified Party shall have the right to participate in the defence or compromise of any Claim by other legal counsel of its choosing if the Indemnified Party, acting reasonably, determines it should so participate; provided that subject to Section 11.7(d), the reasonable and documented out-of-pocket fees and disbursements of such other counsel shall be paid by the Borrower. The Indemnified Party shall not effect any settlement or compromise of any Claim without the written consent of the Borrower which consent shall not be unreasonably withheld or delayed. Notwithstanding anything herein to the contrary, the Borrower on its own behalf must defend diligently and reasonably throughout the period while such Claim exists. If the Borrower exercises its rights under this Section 11.7(c), they shall not compromise or otherwise settle a Claim without the consent of the Indemnified Party suffering such Claim unless such compromise or settlement includes as an unconditional term the delivery by the claimant or plaintiff of a written release of the Indemnified Party, which consent shall not be unreasonably withheld or delayed. The inability of the Borrower to pay such Claim in full shall constitute a sufficient reason to withhold such consent.
- (d) The Borrower shall not, in connection with any Loss in the same jurisdiction, be liable for the fees and expenses of more than one separate legal firm for the Indemnified Parties unless such representation by the same legal counsel would be inappropriate due to actual or potential differing interests or the employment thereof has been specifically authorized by the Borrower in writing and such firm or firms shall be designated in writing by the Agent on behalf of each Indemnified Party.

ARTICLE 12 THE AGENT AND THE LENDERS

12.1 Authorization of Agent

Each Lender and Swap Lender irrevocably appoints and authorizes the Agent (which term includes, for the purposes of this Article 12, the Agent in its capacity as Agent, and any other Person designated by the Agent to hold all or part of the Security from time to time for the benefit of the Agent, the Lenders, the Swap Lenders, the Creditcard Lenders and the Cash Management Lenders) to exercise such powers, perform such duties, take such actions, make such decisions and determinations and give such consents under the Loan Documents as are required to be exercised, performed, taken, made, given or otherwise carried out by the Agent hereunder or under any other agreement between the Lenders (including, if applicable, Swap Lenders), together with all powers reasonably incidental thereto. As to any matters not expressly required by this Agreement, the other Loan Documents or by any other agreement between the Lenders (including, if applicable, Swap Lenders) to be carried out by the Agent, the Agent is not required to exercise any discretion or take or to refrain from taking any action except upon the written instructions of the Majority Lenders. Notwithstanding anything to the contrary in this Agreement, the Agent shall not be required to exercise any discretion or to take or to refrain from taking any action in any manner

which is contrary to the Loan Documents, to any other agreement among the Lenders (including, if applicable, Swap Lenders) or to Applicable Law.

12.2 Delegation of Duties

The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents or attorneys-in-fact appointed by the Agent. The Agent and any such sub-agent or attorneys-in-fact may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates (including the right of the Agent to nominate a US resident agent or trustee to hold and enforce the Security). The exculpatory provisions of this Article 12 shall apply to any such sub-Agent and to the Affiliates of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent.

Without limiting the foregoing, any and all of the Agent's duties and the exercise the of Agent's rights and powers hereunder or under any other Loan Document shall be managed by: (a) at all times ATB is the sole Lender, ATB Capital Markets; and (b) at all times there are two or more Lenders, ATB's agency division.

12.3 Exculpatory Provisions

The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents. Without limiting the generality of the foregoing, the Agent:

- (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing; and
- (b) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Loan Parties that is communicated to or obtained by the Agent or any of its Affiliates in any capacity.

The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Majority Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary or desirable in the circumstances hereunder) or (ii) in the absence of its own gross negligence or wilful misconduct. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent by the Borrower or a Lender, and actually received by the Agent.

The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the validity, enforceability, sufficiency, priority, effectiveness or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document or (iv) the satisfaction of any condition set forth in Article 8 or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent.

12.4 Acknowledgment of Lenders

Each Lender and Swap Lender acknowledges to the Agent that it has been, and will continue to be, solely responsible for making its own independent appraisal of, and investigation into, the financial condition, creditworthiness, environmental soundness, affairs, status and nature of the Loan Parties and accordingly each Lender and Swap Lender confirms to the Agent that it has not relied, and will not hereafter rely on the Agent:

- (a) **Information:** to check or inquire on its behalf into the adequacy, accuracy or completeness of any information provided by any Loan Party or in connection with the Loan Documents (whether or not such information has been or is hereafter circulated to such Lender or Swap Lender by the Agent);
- (b) **Performance:** to inquire as to the performance by any Loan Party of its obligations under the Loan Documents; or
- (c) **Credit Review:** to assess or keep under review on its behalf the financial condition, creditworthiness, environmental soundness, affairs, status or nature of any Loan Party.

12.5 Rights and Obligations of Each Lender and Swap Lender

The rights and obligations of each Lender and Swap Lender under this Agreement are several and no Lender shall be obligated to make Borrowings available to the Borrower in excess of the amount of such Lender's Commitment. The failure of a Lender or Swap Lender to perform its obligations under this Agreement shall neither:

- (a) **No Liability to Other Lenders or Swap Lenders:** result in any other Lender or Swap Lender incurring any liability whatsoever, provided however that a Lender shall remain liable at all times for the performance of the obligations of its Affiliate that is a Swap Lender; nor
- (b) **No Relief from Obligations:** relieve any Loan Party or any other Lender or Swap Lender from its respective obligations under any Loan Document.

Nothing contained herein or in any other Loan Document nor any action taken pursuant hereto or thereto shall be deemed to constitute the Lenders or Swap Lenders a partnership, joint venture or any other similar entity.

Each of the Lenders and Swap Lenders hereby acknowledge that, to the extent permitted by Applicable Law, the remedies provided hereunder to the Lenders and Swap Lenders are for their benefit collectively and acting together and not severally, and further acknowledge that its rights hereunder are to be exercised not severally but collectively by the Agent upon the decision of the Majority Lenders regardless of whether an Acceleration Notice has been delivered or an Event of Default under Sections 10.1(l) or 10.1(m) has occurred. Notwithstanding any of the provisions contained herein each of the Lenders and Swap Lenders hereby covenants and agrees that it shall not be entitled to individually take any action with respect to the Loan Documents including taking (including in respect of its Commitment or any indebtedness or liability owed to it) any action contemplated in Sections 10.2 and 10.5, but that any such action shall be taken only by the Agent with the prior written agreement or instructions of the Majority Lenders; provided that notwithstanding the foregoing, if the Agent, having been adequately indemnified against costs and expenses of doing so by the Lenders, shall fail to carry out any such instructions of the Majority Lenders, any Lender may do so on behalf of all Lenders and Swap Lenders and shall, in so doing, be entitled to the benefit of all protection given the Agent hereunder or elsewhere.

12.6 Notice to Lenders and Swap Lenders

Unless otherwise specifically dealt with in this Agreement, in the event the Agent delivers a written notice to a Lender or a Swap Lender requesting advice from such Lender or Swap Lender as to whether it consents or objects to any matter in connection with the Loan Documents, then, except as otherwise expressly provided herein, if such Lender or Swap Lender does not deliver to the Agent its written consent or objection to such matter:

- (a) where a time period is specified hereunder for the Agent or the Majority Lenders to provide any response, notice or other communication prior to the end of such period; or

- (b) where no such time period is specified hereunder, then within 15 Business Days of the delivery of such written notice by the Agent to such Lender or Swap Lender;

such Lender or Swap Lender shall be deemed not to have consented thereto.

12.7 Notices between the Lenders or Swap Lenders, the Agent and the Borrower

All notices by the Lenders or Swap Lenders to the Agent shall be through the Agent's Branch of Account and all notices by the Agent to a Lender or Swap Lender shall be through such Lender's or Swap Lender's Branch of Account. All notices or communications between the Borrower and the Lenders or Swap Lenders which are required or contemplated pursuant to the Loan Documents shall be given or made through the Agent at the Agent's Branch of Account.

12.8 Agent's Duty to Deliver Documents Obtained from the Borrower

The Agent shall promptly, and in any event within five Business Days, deliver to each Lender, at its Branch of Account in hard copy or electronic form, such documents, papers, materials and other information as are furnished by the Borrower to the Agent on behalf of such Lender pursuant to this Agreement, and the Borrower shall provide the Agent with sufficient copies of all such information for such purpose.

12.9 Arrangements for Borrowings

The Agent shall promptly give written notice to each Lender at its Branch of Account upon receipt by the Agent of any notice given pursuant to Article 3 or Section 4.4. The Agent shall advise each Lender of the amount, date and details of each Borrowing and of such Lender's share in each Borrowing. At or before 11:00 a.m. (Calgary time) on each Drawdown Date, Conversion Date or Rollover Date each Lender will make available to the Borrower its Lender's Proportion of Accommodations by way of Loans by forwarding to the Agent the amount of Loans required to be made available by such Lender.

12.10 Arrangements for Repayment of Borrowings

- (a) **Prior to Demand or Acceleration:** Prior to the delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 10.1(l) or 10.1(m), upon receipt by the Agent of payments from the Borrower on account of principal, interest, fees or any other payment made to the Agent on behalf of the Lenders, the Agent shall pay over to each Lender at its Branch of Account the amount to which it is entitled under this Agreement and shall use its best efforts to make such payment to such Lender on the same Business Day on which such payment is received by the Agent.
- (b) **Subsequent to Acceleration:** Following delivery of an Acceleration Notice or the occurrence of an Event of Default specified in Section 10.1(l) or 10.1(m), the Lenders and Swap Lenders shall share any payments subsequently received in accordance with Section 10.7.

12.11 Repayment by Lenders to Agent

- (a) **Where the Borrower Fails to Pay:** Unless the Agent has been notified in writing by the Borrower at least one Business Day prior to the date on which any payment to be made by the Borrower hereunder is due that the Borrower does not intend to remit such payment, the Agent may (but shall not be obligated to), in its discretion, assume that the Borrower has remitted such payment when so due and the Agent may, in its discretion and in reliance upon such assumption, make available to each Lender on such payment date an amount equal to the amount of such payment which is due to such Lender pursuant to this Agreement. If the Borrower does not in fact remit such payment to the Agent, the Agent

shall promptly notify each Lender and each such Lender shall forthwith on demand repay to the Agent the amount of such assumed payment made available to such Lender, together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

- (b) **Where a Lender Fails to Pay:** Unless the Agent has been notified in writing by a Lender at least one Business Day prior to a Drawdown Date, Conversion Date or Rollover Date that such Lender does not intend to make available the amount required to be made available by such Lender pursuant to this Agreement on such Drawdown Date, Conversion Date or Rollover Date, the Agent may, in its discretion, assume that such Lender has remitted funds to the Agent in an amount equal to the amount required to be made available by such Lender pursuant to this Agreement and the Agent may, in its discretion and in reliance upon such assumption, make available to the Borrower on such Drawdown Date, Conversion Date or Rollover Date an amount equal to the amount required to be made available by such Lender pursuant to this Agreement. If a Lender does not in fact remit such funds to the Agent and, if the Agent has provided funds to the Borrower on behalf of such Lender, the Agent shall promptly notify such Lender and such Lender shall forthwith remit such funds to the Agent, failing which the Borrower shall within three (3) Business Days repay to the Agent (without prejudice to the Borrower's rights against such Lender) the amount made available by the Agent on behalf of such Lender, in each case together with interest thereon until the date of repayment thereof at a rate determined by the Agent (such rate to be conclusive and binding on such Lender or the Borrower, as the case may be) in accordance with the Agent's usual banking practice for similar advances to financial institutions of like standing to such Lender.

12.12 Adjustments Among Lenders

- (a) **Adjustments to Outstanding Borrowings:** Each Lender agrees that, subsequent to the Adjustment Time, it will at any time and from time to time upon the request of the Agent as required by any other Lender purchase portions of the Borrowings and make any other adjustments which may be necessary or appropriate, in order that amounts which remain outstanding under this Agreement to each Lender are thereafter outstanding, as adjusted pursuant to this Section 12.12, will be in the same proportion as the Lender's Proportion of the Total Term Facility Commitment or Operating Facility Commitment, as applicable. The Borrower agrees to do all things reasonably necessary or appropriate to give effect to any and all purchases and other adjustments by and between the Lenders pursuant to this Section 12.12.
- (b) **Application of Payments:** The Lenders and Swap Lenders agree that, after the Adjustment Time, the amount of any repayment made by the Borrower under, and the amount of any proceeds from the exercise of any rights or remedies of the Agent, the Lenders and Swap Lenders under the Loan Documents or any Permitted Swaps will, subject to Section 10.7, be applied in a manner so that to the extent possible the amount of Lender Outstandings of each Lender and Swap Lender which remain outstanding after giving effect to such application will be in the same proportion as its Lender's Proportion of the aggregate Lender Outstandings of all Lenders and Swap Lenders and, after repayment of all Borrowings and Permitted Swap Indebtedness, will be applied on account of any remaining Swap Indebtedness.
- (c) **Receipt of Payments other than Borrowings:** Notwithstanding anything contained in this Section 12.12, there shall not be taken into account for the purposes of computing any amount payable to a Lender or Swap Lender pursuant to this Section 12.12, any amount which such Lender or Swap Lender receives as a result of any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of any

monies owing by a Loan Party to such Lender or Swap Lender other than on account of Borrowings or Swap Indebtedness; provided that, if at any time a Lender or Swap Lender receives any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of monies owing or payable to it by a Loan Party in respect of liabilities of a Loan Party under Term Facility Borrowings, Operating Borrowings or Swap Indebtedness, such payments will be applied in accordance with Section 10.7; provided further that the provisions of this Section 12.12(c) shall not apply to:

- (i) a Swap Lender which sets off amounts owing by a Loan Party to such Swap Lender under a Permitted Swap against amounts owing by such Swap Lender (including, for clarity, its Affiliates) to a Loan Party under any Permitted Swap entered into between such parties; or
- (ii) a Swap Lender which sets off amounts owing by a Loan Party to such Swap Lender under a Lender Swap (other than a Permitted Swap) against amounts owing by such Swap Lender (including, for clarity, its Affiliates) to a Loan Party under any Lender Swap (other than a Permitted Swap) entered into between such parties.

To the extent that a Lender Swap is entered into by an Affiliate of a Lender, that Lender shall cause such Affiliate to comply with the provisions of this Section 12.12, and such obligation shall survive such Lender (at any time after any such Lender Swap was entered into) ceasing to be a Lender hereunder.

- (d) **Further Assurances:** The Borrower agrees to be bound by and, at the request of the Agent, to do all things necessary or appropriate to give effect to any and all purchases and other adjustments made by and between the Lenders and Swap Lenders pursuant to this Section 12.12 but shall incur no increased indebtedness, in aggregate, by reason thereof.

12.13 Lenders' Consents to Waivers, Amendments, etc.

- (a) **Unanimous Consent of Lenders:** Any waiver of or any amendment to a provision of the Loan Documents which relates to:
 - (i) a change in the types of Accommodations or interest periods relating thereto;
 - (ii) a decrease in interest rates, standby fees, the Applicable Margin or the Standby Fee Rate;
 - (iii) a change in notice periods or the amount of any payments payable by the Borrower to any Lender under this Agreement, including any waiver of the time of payment thereof;
 - (iv) an increase or decrease in the Commitment of any Lender other than as provided for herein;
 - (v) a change in the definition of "CORRA Adjustment" or "Majority Lenders";
 - (vi) a change to, or waiver of, any covenant set forth in Section 9.1;
 - (vii) the postponement of the Maturity Date of a Lender, including pursuant to Section 3.5, but other than as otherwise expressly provided for herein;
 - (viii) the provisions of this Section 12.13;
 - (ix) an Event of Default under Section 10.1(a) or 10.1(b);

- (x) any release or modification of the Security, except as provided by Section 6.11 or any provision of the Security, and except for modifications which are mechanical and administrative in nature; or
- (xi) any matter which, pursuant to the Loan Documents, specifically requires the consent or agreement of “all of the Lenders”, rather than the consent or agreement of “the Lenders” or the “Majority Lenders” or “the Agent”;

shall bind the Lenders only if (A) such waiver or amendment set forth in Sections 12.13(a)(i), 12.13(a)(iii), 12.13(a)(v), 12.13(a)(vi), 12.13(a)(viii), 12.13(a)(ix), 12.13(a)(x), or 12.13(a)(xi) is agreed to in writing by all of the Lenders and (B) such waiver or amendment set forth in Sections 12.13(a)(ii), 12.13(a)(iv) or 12.13(a)(vii) or is agreed to in writing by the Lenders directly affected thereby.

- (b) **Majority Consent:** Subject to Section 12.13(a) and except as otherwise provided in the Loan Documents, any waiver, consent to or any amendment to any provision of the Loan Documents and any action, consent or other determination in connection with the Loan Documents shall bind all of the Lenders and Swap Lenders if such waiver, amendment, action, consent or other determination is agreed to in writing by the Majority Lenders.
- (c) **Agent’s Consent:** Any waiver, consent to or any amendment to any provision of the Loan Documents which relates to the rights or obligations of the Agent shall require the agreement of the Agent thereto.
- (d) **Operating Lender’s Consent:** Any waiver, consent to or any amendment to any provision of the Loan Documents which relates to the rights or obligations of the Operating Lender shall require the agreement of the Operating Lender thereto.
- (e) **Conforming Changes:** In connection with the use or administration of Term CORRA Reference Rate or Daily Compounded CORRA, or the use, administration, adoption or implementation of any Benchmark Replacement, the Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document. The Agent will promptly notify the Borrower and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of Adjusted Term CORRA or Adjusted Daily Compounded CORRA, or the use, administration, adoption or implementation of any Benchmark Replacement.

12.14 Reimbursement of Agent’s Expenses or Lender’s Costs

Each Lender agrees that it will indemnify the Agent for its Lender’s Proportion of the Total Term Facility Commitment of any and all costs, expenses and disbursements (including, those costs and expenses referred to in Section 11.1) which may be incurred or made by the Agent in good faith in connection with the Loan Documents, and agrees that it will, on written demand detailing such costs, expenses and disbursements, reimburse the Agent for any such costs, expenses or disbursements for which the Agent is not promptly reimbursed at any time by the Borrower. The Agent may refrain from exercising any right, power or discretion or taking any action to protect or enforce the rights of any Lender under the Loan Documents until it has been so reimbursed.

Each Swap Lender that is not a Lender agrees that it will indemnify the Agent for any and all costs, expenses and disbursements which may be incurred or made by the Agent in good faith in connection with the enforcement of the Loan Documents or Security on behalf of such Swap Lender and agrees that it will, on written demand detailing such costs, expenses and disbursements, reimburse the Agent for any such costs, expenses or disbursements for which the Agent is not properly reimbursed at any

time by the Borrower. The Agent may refrain from exercising any right, power or discretion or taking any action to protect or enforce the rights of any such Swap Lender under the Loan Documents or Security until it has been so reimbursed.

12.15 Reliance by Agent on Notices, etc.

The Agent shall be entitled:

- (a) **Reliance on Written Documents:** to rely upon any writing, letter, written notice, certificate, email, statement, order or other document believed by the Agent to be genuine and correct and to have been signed, sent or made by the proper Person or Persons; and
- (b) **Reliance on Legal Advice:** with respect to legal matters, to act upon advice of legal advisors selected by the Agent concerning all matters pertaining to the Loan Documents and the Agent's duties thereunder;

and the Agent shall assume no responsibility and shall incur no liability to the Borrower or any Lender or Swap Lender by reason of relying on any such document or acting on any such advice. In determining compliance with any condition hereunder to the making of any Accommodation that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Accommodation.

12.16 Relations with Borrower

Except for the transactions provided for in this Agreement, each Lender may deal with any Loan Party in all transactions and generally do any banking business with or provide any financial services to any Loan Party without having any liability to account to the other Lenders therefor. Where any Lender is the Agent, with respect to its Commitment and Lender's Proportion, such Lender shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not the Agent.

12.17 Successor Agent

The Agent shall resign if at any time it is no longer a Lender hereunder by reason of an assignment of its rights and obligations under this Agreement and the Loan Documents pursuant to Section 13.1 and, in such event, it shall provide 30 days prior written notice of any such intended assignment to each of the Lenders and the Borrower. The Agent may resign at any time by giving 30 days prior written notice thereof to each of the Lenders and the Borrower. Upon any such resignation, the remaining Lenders, or Swap Lenders if there are then no Lenders (the "**Remaining Lenders**") shall have the right to appoint a successor agent, subject to the approval of the Borrower. Any successor agent appointed under this Section 12.17 shall be a Lender or a Swap Lender which has offices in Calgary, Alberta or Toronto, Ontario. If no successor agent shall have been appointed by the Remaining Lenders and shall have accepted such appointment within 30 days after the retiring agent's giving of notice of resignation, then the retiring agent may, on behalf of the Lenders, or Swap Lenders if there are then no Lenders, appoint a successor agent, subject to the approval of the Borrower. Upon the acceptance of any appointment as Agent by a successor agent, such successor agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring agent as Agent, and the retiring agent shall be discharged from its duties and obligations under this Agreement as Agent. After any retiring agent's resignation or removal hereunder as the Agent, the provisions of this Agreement shall continue in effect for its benefit and for the benefit of the Lenders, or Swap Lenders if there are then no Lenders, in respect of any actions taken or omitted to be taken by the retiring agent while it was acting as the Agent.

12.18 Indemnity of Agent

Each Lender hereby agrees to indemnify the Agent (to the extent not reimbursed by the Borrower) as to its Lender's Proportion of the Total Term Facility Commitment from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by the Agent under or in respect of the Loan Documents; provided that the Lenders shall not be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Agent's gross negligence or wilful misconduct. Without limiting the generality of the foregoing, each Lender agrees to reimburse the Agent promptly upon demand for its Lender's Proportion of the Total Term Facility Commitment of any out-of-pocket expenses (including legal fees) incurred by the Agent in connection with the preservation of any rights of the Agent or the Lenders under, or the enforcement of, or legal advice in respect of rights or responsibilities under, the Loan Documents, but only to the extent that the Agent is not reimbursed for such expenses by the Borrower.

12.19 Sharing of Information

Information received by the Agent or a Lender may be disclosed to their respective Affiliates, Swap Lenders, the Agent or any other Lender, including any financial institution which desires to become a Lender hereunder, any actual or prospective counterparty (or its advisors) to any securitization, swap or derivative transaction relating to the Loan Parties and the Secured Obligations, and to any of its employees, directors, trustees, officers, investment advisors, agents, legal counsel, geologists, engineers, accountants and other professional advisors or consultants involved in the evaluation or administration of the Facilities retained by such Persons on a need-to-know basis and subject to the obligation to maintain confidentiality as provided in Section 13.4; provided that any Person required to maintain the confidentiality of such information shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord its own confidential information.

12.20 Amendment of this Article 12

Save and except for the provisions of Sections 12.9, 12.13, 12.17 and 12.18, the provisions of this Article 12 may be amended or added to, from time to time, without the agreement of the Borrower provided such amendment or addition does not adversely affect the rights of any Loan Party hereunder or increase, in the aggregate, the liabilities of any Loan Party hereunder. A copy of the instrument evidencing such amendment or addition shall be forwarded by the Agent to the Borrower as soon as practicable following the execution thereof; provided that failure to do so shall not render it liable in damages to the Borrower.

12.21 The Agent and Defaulting Lenders

- (a) Each Defaulting Lender shall be required to provide to the Agent cash in an amount, as shall be determined from time to time by the Agent, in its discretion, equal to all obligations of such Defaulting Lender to the Agent that are owing or may become owing pursuant to this Agreement, including such Defaulting Lender's obligation to pay its Lender's Proportion of any indemnification, reimbursement or expense reimbursement amounts not paid by the Borrower. Such cash shall be held by the Agent in one or more Cash Collateral Accounts, which accounts shall be in the name of the Agent and shall not be required to be interest bearing. The Agent shall be entitled to apply the foregoing cash in accordance with Section 12.18, in the case of amounts owing to the Agent.
- (b) In addition to the indemnity and reimbursement obligations noted in Section 12.18, the Lenders agree to indemnify the Agent (to the extent not reimbursed by the Borrower and without limiting the obligations of the Borrower hereunder) rateably according to their respective Lender's Proportions (and in calculating the Lender's Proportion of a Lender,

ignoring the Commitments of Defaulting Lenders) any amount that a Defaulting Lender fails to pay the Agent and which is due and owing to the Agent pursuant to Section 12.18. Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender and which would otherwise be payable by the Defaulting Lender.

- (c) The Agent shall be entitled to set off any Defaulting Lender's Lender's Proportion of all payments received from the Borrower against such Defaulting Lender's obligations to make payments and fund Accommodations required to be made by it and to purchase participations required to be purchased by it in each case under this Agreement and the other Loan Documents. To the extent permitted by Applicable Law, the Agent shall be entitled to withhold and deposit in one or more non-interest bearing Cash Collateral Accounts in the name of the Agent all amounts (whether principal, interest, fees or otherwise) received by the Agent and due to a Defaulting Lender pursuant to this Agreement, for so long as such Lender is a Defaulting Lender, which amounts shall be used by the Agent:
- (i) first, to reimburse the Agent for any amounts owing to it, in its capacity as Agent, by such Defaulting Lender pursuant to any Loan Document;
 - (ii) second, to repay on a *pro rata* basis the incremental portion of any Accommodations made by a Lender pursuant to Section 14.3 in order to fund a shortfall created by a Defaulting Lender and, upon receipt of such repayment, each such Lender shall be deemed to have assigned to the Defaulting Lender such incremental portion of such Accommodations;
 - (iii) third, to cash collateralize all other obligations of such Defaulting Lender to the Agent owing pursuant to this Agreement in such amount as shall be determined from time to time by the Agent in its discretion, including such Defaulting Lender's obligation to pay its Lender's Proportion of any indemnification, reimbursement or expense reimbursement amounts not paid by the Borrower; and
 - (iv) fourth, to fund from time to time the Defaulting Lender's Lender's Proportion of Borrowings.
- (d) For greater certainty and in addition to the foregoing, neither the Agent nor any of its Affiliates nor any of their respective shareholders, officers, directors, employees, agents or representatives shall be liable to any Lender (including a Defaulting Lender) for any action taken or omitted to be taken by it in connection with amounts payable by the Borrower to a Defaulting Lender and received and deposited by the Agent in a Cash Collateral Account and applied in accordance with the provisions of this Agreement, save and except for the gross negligence or wilful misconduct of the Agent as determined by a final non-appealable judgement of a court of competent jurisdiction.

12.22 Erroneous Payments

- (a) If the Agent notifies a Lender or other Secured Party, or any Person who has received funds on behalf of a Lender or other Secured Party (any such other recipient, a "**Payment Recipient**") that the Agent has determined in its sole discretion (whether or not after receipt of any notice under Section 12.22(b)) that any funds received by such Payment Recipient from the Agent or any of its Affiliates were erroneously transmitted to, or otherwise erroneously or mistakenly received by, such Payment Recipient (whether or not known to such Lender, Secured Party or other Payment Recipient on its behalf) (any such funds, whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise, individually and collectively, an "**Erroneous Payment**") and demands the return of such Erroneous Payment (or a portion thereof), such Erroneous Payment shall at all times remain the property of the Agent and shall be segregated by the

Payment Recipient and held in trust for the benefit of the Agent, and such Lender or other Secured Party shall (or, with respect to any Payment Recipient who received such funds on its behalf, shall cause such Payment Recipient to) promptly, but in no event later than two Business Days thereafter, return to the Agent the amount of any such Erroneous Payment (or portion thereof) as to which such a demand was made, in same day funds, together with interest thereon in respect of each day from and including the date such Erroneous Payment (or portion thereof) was received by such Payment Recipient to the date such amount is repaid to the Agent in same day funds at the greater of (x) a fluctuating rate per annum equal to the overnight rate at which Canadian Dollars may be borrowed by the Agent in the interbank market in an amount comparable to such Erroneous Payment (as determined by the Agent); and (y) a rate determined by the Agent in accordance with banking industry rules on interbank compensation from time to time in effect. A notice of the Agent to any Payment Recipient under this Section 12.22(a) shall be conclusive, absent manifest error.

- (b) Without limiting Section 12.22(a), each Lender and each other Secured Party hereby further agrees that if it (or any other Payment Recipient on its behalf) receives a payment, prepayment or repayment (whether received as a payment, prepayment or repayment of principal, interest, fees, distribution or otherwise) from the Agent (or any of its Affiliates) (x) that is in a different amount than, or on a different date from, that specified in a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates) with respect to such payment, prepayment or repayment, (y) that was not preceded or accompanied by a notice of payment, prepayment or repayment sent by the Agent (or any of its Affiliates), or (z) that such Lender, other Secured Party or other such Payment Recipient, otherwise becomes aware was transmitted, or received, in error or by mistake (in whole or in part) in each case:
 - (i) (A) in the case of immediately preceding clauses (x) or (y), an error shall be presumed to have been made (absent written confirmation from the Agent to the contrary) or (B) an error has been made (in the case of immediately preceding clause (z)), in each case, with respect to such payment, prepayment or repayment; and
 - (ii) such Lender or other Secured Party shall (and shall cause any other recipient that receives funds on its respective behalf to) promptly (and, in all events, within one Business Day of its knowledge of such error) notify the Agent of its receipt of such payment, prepayment or repayment, the details thereof (in reasonable detail) and that it is so notifying the Agent pursuant to this Section 12.22(b).
- (c) Each Lender and each other Secured Party hereby authorizes the Agent to set off, net and apply any and all amounts at any time owing to such Lender or other Secured Party under any Loan Document, or otherwise payable or distributable by the Agent to such Lender or other Secured Party from any source, against any amount due to the Agent under Section 12.22(a) or under the indemnification provisions of this Agreement.
- (d) In the event that an Erroneous Payment (or portion thereof) is not recovered by the Agent for any reason, after demand therefor by the Agent in accordance with Section 12.22(a), from any Lender or other Secured Party that has received such Erroneous Payment (or portion thereof) (and/or from any Payment Recipient who received such Erroneous Payment (or portion thereof) on its respective behalf) (such unrecovered amount, an **"Erroneous Payment Return Deficiency"**), upon the Agent's notice to such Lender or other Secured Party at any time, (i) such Lender or other Secured Party shall be deemed to have assigned its Loans (but not its Commitment) under any of the applicable Facilities with respect to which such Erroneous Payment was made (the **"Erroneous Payment Impacted Facilities"**) in an amount equal to the Erroneous Payment Return Deficiency (or such lesser amount as the Agent may specify) (such assignment of the Loans (but not

Commitments) of the Erroneous Payment Impacted Facilities, the “**Erroneous Payment Deficiency Assignment**”) at par plus any accrued and unpaid interest (with the assignment fee to be waived by the Agent in such instance), and is hereby (together with the Borrower) deemed to execute and deliver an Assignment and Assumption (or, to the extent applicable, an agreement incorporating an Assignment and Assumption) with respect to such Erroneous Payment Deficiency Assignment, (ii) the Agent as the assignee Lender shall be deemed to acquire the Erroneous Payment Deficiency Assignment and (iii) upon such deemed acquisition, the Agent as the assignee Lender shall become a Lender hereunder with respect to such Erroneous Payment Deficiency Assignment and the assigning Lender shall cease to be a Lender, hereunder with respect to such Erroneous Payment Deficiency Assignment, excluding, for the avoidance of doubt, its obligations under the indemnification provisions of this Agreement and its applicable Commitments which shall survive as to such assigning Lender. The Agent may, in its discretion, sell any Loans acquired pursuant to an Erroneous Payment Deficiency Assignment and upon receipt of the proceeds of such sale, the Erroneous Payment Return Deficiency owing by the applicable Lender shall be reduced by the net proceeds of the sale of such Loan (or portion thereof), and the Agent shall retain all other rights, remedies and claims against such Lender (and/or against any recipient that receives funds on its respective behalf). For the avoidance of doubt, no Erroneous Payment Deficiency Assignment will reduce the Commitments of any Lender under any of the Facilities and such Commitments shall remain available in accordance with the terms of this Agreement. In addition, each party hereto agrees that, except to the extent that the Agent has sold a Loan (or portion thereof) acquired pursuant to an Erroneous Payment Deficiency Assignment, and irrespective of whether the Agent may be equitably subrogated, the Agent shall be contractually subrogated to all the rights and interests of the applicable Lender under the Loan Documents with respect to each Erroneous Payment Return Deficiency (provided that such contractual subrogation rights shall not be duplicative of any obligations in respect of Loans that have been assigned to the Agent under an Erroneous Payment Deficiency Assignment).

- (e) The parties hereto agree that an Erroneous Payment shall not pay, prepay, repay, discharge or otherwise satisfy any Obligations owed by the Borrower or any other Loan Party, except, in each case, to the extent such Erroneous Payment is, and solely with respect to the amount of such Erroneous Payment that is, comprised of funds received by the Agent from (i) the Borrower or any other Loan Party or (ii) the proceeds of realization from the enforcement of any Security against or in respect of one or more of the Borrower or any other Loan Party, provided that, in each case, such funds were received by the Agent for the purpose of making such Erroneous Payment.
- (f) To the extent permitted by Applicable Law, no Payment Recipient shall assert any right or claim to an Erroneous Payment, and hereby waives, and is deemed to waive, any claim, counterclaim, defense or right of set-off or recoupment with respect to any demand, claim or counterclaim by the Agent for the return of any Erroneous Payment received, including, without limitation, waiver of any defense based on “discharge for value” or any similar doctrine.
- (g) Each party’s obligations, agreements and waivers under this Section 12.22 shall survive the resignation or replacement of the Agent, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

12.23 Intercreditor Arrangements

Each Lender hereunder (a) acknowledges that it has received a copy of the Second Lien Intercreditor Agreement, the NFS Subordination Agreement and the NFS Confirmation and Acknowledgement of Security, (b) agrees that it will be bound by and will take no actions contrary to the

provisions of the Second Lien Intercreditor Agreement, the NFS Subordination Agreement and the NFS Confirmation and Acknowledgement of Security and (c) authorizes and instructs the Agent to enter into the Second Lien Intercreditor Agreement, the NFS Subordination Agreement and the NFS Confirmation and Acknowledgement of Security as "Senior Representative" or "First Lien Agent", as applicable, for and on behalf of such Lender.

ARTICLE 13
SUCCESSORS AND ASSIGNS, JUDGMENT CURRENCY AND CONFIDENTIAL INFORMATION

13.1 Successors and Assigns

- (a) **Successors and Assigns Generally:** The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender (except as permitted by Section 9.3(c)), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with Section 13.1(b), (ii) by way of participation in accordance with Section 13.1(d), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 13.1(f) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in Section 13.1(d) and, to the extent expressly contemplated hereby, the Affiliates of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.
- (b) **Assignments by Lenders:** Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement and the other Loan Documents (including all or a portion of its Commitment and the Loans at the time owing to it); provided that (in each case with respect to any Facility) any such assignment shall be subject to the following conditions:
- (i) **Minimum Amounts:**
- (A) in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it (in each case with respect to any Facility) or contemporaneous assignments to related Approved Funds that equal at least the amount specified in paragraph (b)(i)(B) of this Section 13.1 in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and
- (B) in any case not described in paragraph (b)(i)(A) of this Section 13.1, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than \$5,000,000, in the case of any assignment in respect of the Term Facility, or in the case of any assignment in respect of the Operating Facility Commitment, all of such Commitment, unless each of the Agent and, so long as no Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

- (ii) **Proportionate Amounts:** Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned, except that this clause (ii) shall not prohibit any Lender from assigning all or a portion of its rights and obligations among separate Facilities on a non-*pro rata* basis.
- (iii) **Required Consents:** No consent shall be required for any assignment except to the extent required by paragraph (b)(i)(B) of this Section 13.1 and, in addition:
 - (A) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) a Default or Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that, no additional amounts are payable by the Borrower as a result of such assignment; and
 - (B) the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of any Facility if such assignment is to a Person that is not a Lender with a Commitment in respect of such Facility, an Affiliate of such Lender or an Approved Fund with respect to such Lender.
- (iv) **Assignment and Assumption:** The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of \$ [REDACTED] ^{Redacted - commercially sensitive information} provided that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.
- (v) **No Assignment to Certain Persons:** No such assignment shall be made to (A) the Borrower or any of the Borrower's Affiliates or Subsidiaries or (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (B).
- (vi) **No Assignment to Natural Persons:** No such assignment shall be made to a natural Person.
- (vii) **Certain Additional Payments:** In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Agent and each Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans in accordance with its Lender's Proportion. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under Applicable Law without compliance with the provisions of

this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Agent pursuant to paragraph (c) of this Section 13.1, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Article 11 with respect to facts and circumstances occurring prior to the effective date of such assignment; provided, that except to the extent otherwise expressly agreed by the affected parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this paragraph shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 13.1(d).

- (c) **Register:** The Agent, acting solely for this purpose as an Agent of the Borrower, shall maintain at one of its offices in Calgary, Alberta a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Borrowings owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.
- (d) **Participations:** Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural Person or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "**Participant**") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Borrowings owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 12.18 with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 12.13 that affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Article 11 (subject to paragraph (e) of this Section 13.1) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 13.1(b); provided that such Participant agrees to be subject to the provisions of Section 12.5 as if it were an assignee under Section 13.1(b). To the extent permitted by Applicable Law, each Participant also shall be entitled to the benefits of

Section 10.6 as though it were a Lender; provided that such Participant agrees to be subject to Section 12.12 as though it were a Lender.

- (e) **Limitations upon Participant Rights:** A Participant shall not be entitled to receive any greater payment under Sections 11.2 and Taxes than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the entitlement to the greater payment results from a change in law that occurs after the Participant acquired its participation.
- (f) **Certain Pledges:** Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or equivalent institution; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

13.2 Judgment Currency

If for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement it becomes necessary to convert into the currency of such jurisdiction (herein called the "**Judgment Currency**") any amount due hereunder in any currency other than the Judgment Currency, then such conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For such purpose "**rate of exchange**" means the spot rate at which the Agent, on the relevant date at or about 12:00 o'clock noon (Toronto time), would be prepared to sell a similar amount of such currency in Toronto, Ontario against the Judgment Currency. In the event that there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment is given and the date of payment of the amount due, the Borrower shall, on the date of payment, pay such additional amounts (if any) as may be necessary to ensure that the amount paid on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of payment is the amount then due under this Agreement in such other currency. Any additional amount due from the Borrower under this Section 13.2 shall be due as a separate debt and shall not be affected by judgment being obtained for any other sums due under or in respect of this Agreement.

13.3 Swap Lender

If any Swap Lender for any reason ceases to be a Lender, such Swap Lender shall continue to be bound by and entitled to the benefit of the terms and conditions hereof in such capacity, and entitled to the benefit of the Security, until such time as it is no longer a party to any Lender Swap, with the exception of any indemnities of, or in favour of, such Swap Lender hereunder existing at that time and which shall survive such termination.

13.4 Exchange and Confidentiality of Information

Each of the Lenders and the Agent acknowledges the confidential nature of the financial, operational and other information, reports and data provided and to be provided to them by the Loan Parties pursuant to this Agreement (the "**Information**") and agrees to hold the Information in confidence and shall not discuss or disclose or allow access to, or transfer or transmit the Information to any Person, provided however that:

- (a) each of the Lenders and the Agent may disclose all or any part of the Information if such disclosure is required by any Applicable Law but only to the extent of such requirement, or if such disclosure is required in connection with any actual or threatened Governmental Action, including proceedings initiated under or in respect of this Agreement, provided that in any such circumstance (other than disclosure to Governmental Authorities conducting examinations of a Lender's loan portfolio) the Lenders and the Agent, as soon as

reasonably practicable, shall notify the Borrower of their obligation to disclose such Information in order to enable the Borrower, if it so chooses, to attempt to ensure that any such disclosure is made on a confidential basis;

- (b) each of the Lenders and the Agent may disclose Information to each other and to any Eligible Assignees or participants and to their respective Affiliates, counsel, agents, employees and advisors; provided that in the case of an Eligible Assignee or a participant, an Eligible Assignee or the participant has provided the Agent or the applicable Lender, as the case may be, with the written agreement referred to in Section 13.4(c) and, in the case of any such agents and advisors, the Agent or the applicable Lender shall notify such Person of the confidential nature of the Information;
- (c) each of the Lenders and the Agent may disclose and discuss the Information with credit officers of any potential Eligible Assignees for the purposes of assignment pursuant to Section 13.1(b) or any Participant for the purposes of a participation; provided that such potential Eligible Assignee or Participant shall have, for the benefit of the Borrower, previously provided to the Agent or the applicable Lender, as the case may be, its written agreement to hold the Information under the same obligations of confidentiality as set forth in this Section 13.4 at all times prior to and, if applicable, after becoming an Eligible Assignee or Participant;
- (d) each of the Lenders and the Agent may disclose all or any part of the Information so as to enable such Lender or the Agent to initiate any lawsuit against any Loan Party or to defend any lawsuit commenced by any Loan Party with respect to or arising from the Loan Documents, the issues of which are directly or indirectly related to the Information, but only to the extent such disclosure is necessary or desirable to the initiation or defense of such lawsuit; and
- (e) each of the Lenders and the Agent may disclose Information to any Person with the prior written consent of the Borrower.

Notwithstanding the foregoing, "**Information**" shall not include any such information:

- (f) which is or becomes readily available to the public (other than by a breach hereof or by a breach of an obligation of confidentiality imposed on an Eligible Assignee or participant or other Person referred to in this Section 13.4) or which has been made readily available to the public by a Loan Party;
- (g) which the Agent or any Lender can show was, prior to receipt thereof from a Loan Party, lawfully in the Agent's or the Lender's possession and not then subject to any obligation on its part to or for the benefit of the Borrower to maintain confidentiality; or
- (h) which the Agent or any Lender received from a Person, prior to receipt thereof from a Loan Party, which was not, to the knowledge of the Agent or such Lender after due enquiry, subject to a duty of confidentiality to or for the benefit of the Borrower at the time the Information was so received.

ARTICLE 14 MISCELLANEOUS

14.1 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any

such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

14.2 Dissenting Lenders

If a Lender (in this Section 14.2 called a “**Dissenting Lender**”):

- (a) withholds its consent or its approval to any matter (including an amendment or waiver to a provision of the Loan Documents) following a request of the Borrower and, as a result, the consent or approval of the Majority Lenders or all of the Lenders, as the case may be, cannot be obtained in connection with such request, or
- (b) makes a claim for Additional Compensation under Section 11.2;
- (c) determines that it is unable to make, fund or maintain Accommodations due to a determination of illegality under Section 11.3; or
- (d) is a Defaulting Lender,

the Borrower may, by giving notice to each Dissenting Lender and to the Agent within ten (10) Business Days of being notified by the Agent of whether the Lenders have consented to or approved such request (in the case of clause (a) above) or have made such claim or determination (in the case of clause (b) or (c) above) or of whether a Lender is a Defaulting Lender, exercise either of the following options (provided that in the case of clause (a) above, the Borrower shall not be entitled to exercise either of the following options unless, after doing so, the requested consent or approval would be consented to or approved by the Majority Lenders or all Lenders, as applicable):

- (e) designate an alternate lender or lenders (which need not be an existing Lender) to purchase an assignment in accordance with Section 13.1 of a Dissenting Lender’s Commitment and the related Borrowings (which alternate lender shall purchase such assignment within 30 days of the expiry of such 10 Business Day period); and/or
- (f) so long as there exists no Default or Event of Default which is continuing, repay all Borrowings of a Dissenting Lender and cancel such Dissenting Lender’s Commitment within 30 days of the expiry of such 10 Business Day period;

and in each case unless and until such Dissenting Lender shall have received one or more payments from either the Borrower or one or more assignees in an aggregate amount at least equal to the Borrowings owing to such Dissenting Lender, together with accrued interest thereon to the date of payment of such Borrowings and all other amounts payable to such Dissenting Lender under the Loan Documents (including all losses, costs and expenses suffered or incurred by the Dissenting Lender as a result of complying with this Section 14.2 and all amounts owing under Section 12.14). Any such alternate lender (other than an existing Lender) is subject to the Agent’s prior consent, such consent not to be unreasonably withheld. For clarity, if the Borrower exercises its rights under this Section 14.2 and there is more than one Dissenting Lender, the Borrower must deal with all Dissenting Lenders in the same manner.

14.3 Defaulting Lenders

- (a) Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:
 - (i) the standby fees payable pursuant to Section 5.10 shall cease to accrue on the unused portion of the Commitment of such Defaulting Lender;

- (ii) a Defaulting Lender shall not be included in determining whether, and the Commitment and the Lender's Proportion of the Borrowings of such Defaulting Lender shall not be included in determining whether, all Lenders or the Majority Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to Section 12.13), provided that any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that (A) materially and adversely affects such Defaulting Lender differently than other affected Lenders, (B) increases the Commitment or extends the Maturity Date of such Defaulting Lender, or (C) relates to the matters set forth in Sections 12.13(a)(i), 12.13(a)(ii), 12.13(a)(iii), 12.13(a)(iv) (in so far as it relates to the Commitment of a Defaulting Lender) 12.13(a)(v), 12.13(a)(vii) and 12.13(a)(x) shall require the consent of such Defaulting Lender;
 - (iii) the Agent may require such Defaulting Lender to pay to the Agent for deposit into an escrow account maintained by and in the name of the Agent an amount equal to such Defaulting Lender's maximum contingent obligations hereunder to the Agent;
 - (iv) the Agent may withhold any payments owing to such Defaulting Lender for set off against such Defaulting Lender's existing or reasonably foreseeable future obligations hereunder; and
 - (v) for the avoidance of doubt, the Borrower shall retain and reserve its other rights and remedies respecting each Defaulting Lender.
- (b) If the Agent has actual knowledge that a Lender is a Defaulting Lender at the time that the Agent receives a Borrowing Notice, then each other Lender shall fund its Lender's Proportion of such affected Accommodation (and, in calculating such Lender's Proportion, the Agent shall ignore the Commitments of each such Defaulting Lender); provided that, for certainty, no Lender shall be obligated by this Section 14.3(b) to make or provide Accommodations in excess of its Commitment. If the Agent acquires actual knowledge that a Lender is a Defaulting Lender at any time after the Agent received a Borrowing Notice, then the Agent shall promptly notify the Borrower that such Lender is a Defaulting Lender (and such Lender shall be deemed to have consented to such disclosure). Each Defaulting Lender agrees to indemnify each other Lender for any amounts paid by such Lender under this Section 14.3(b) and which would otherwise have been paid by the Defaulting Lender if its Commitment had been included in determining the Lender's Proportion of such affected Accommodations.
- (c) Upon becoming aware that a Lender is a Defaulting Lender, the Agent shall provide notice thereof to the Borrower and each Lender that is not such Defaulting Lender, provided that the Agent shall not be liable to the Borrower for any failure to provide such notice;
- (d) If any Lender shall cease to be a Defaulting Lender, then, upon becoming aware of the same, the Agent shall notify the Borrower and the other Lenders and (in accordance with the written direction of the Agent) such Lender (which has ceased to be a Defaulting Lender) shall purchase, and the other Lenders shall on a rateable basis sell and assign to such Lender, portions of such Borrowings equal in total to such Lender's Proportion thereof without regard to Section 14.3(b);
- (e) Each Defaulting Lender hereby indemnifies the Borrower and the Agent for any losses, claims, costs, damages or liabilities (including reasonable out-of-pocket expenses and reasonable legal fees on a solicitor and his own client basis) incurred by the Borrower or the Agent as a result of such Defaulting Lender failing to comply with the terms of this Agreement, including any failure to provide its portion of any Accommodation required to be made by it hereunder.

14.4 Survival of Undertakings

All covenants, undertakings, agreements, representations and warranties made pursuant to this Agreement survive the execution and delivery of this Agreement and continue in full force and effect until the full payment and satisfaction of all Obligations and the termination of the Loan Documents unless collateralized to the satisfaction of the Agent and the Swap Lenders, in their sole discretion.

14.5 Failure to Act

No failure, omission or delay on the part of the Agent or any Lender or any Swap Lender in exercising any right, power or privilege hereunder shall impair such right, power or privilege or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

14.6 Waivers

No breach of any of the provisions of any of the Loan Documents may be waived or discharged verbally; any such waiver or discharge may only be made by way of an instrument in writing signed by either the Agent on behalf of the Lenders or the Majority Lenders, as applicable, or by the Lenders and, if required by the Agent, and such waiver or discharge will then be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given. Any such waiver or discharge which affects the rights of the Agent may only be made by way of an instrument in writing signed by the Agent.

14.7 Amendments

No provision of the Loan Documents may be amended verbally and any such amendment may only be made by way of an instrument in writing signed by the Borrower, the Agent and the Lenders required by Section 12.13.

14.8 Notice

Except as otherwise expressly provided herein, all notices, advices, requests and demands hereunder shall be in writing (including email transmissions) or, if by telephone, immediately confirmed in writing, and shall be given to or made upon the respective parties hereto at:

- (a) in the case of the Borrower or another Loan Party:

#1440, 140-4th Avenue SW
Calgary, Alberta, T2P 3N3

Attention: Stuart Boucher

Email: **Redacted - confidential information**

- (b) in the case of the Agent, the Agent's Branch of Account;
- (c) in the case of the Operating Lender, the Operating Lender's Branch of Account; and
- (d) in the case of each Lender, the address set forth in Schedule "A" to this Agreement,

or at such other address as any party shall thereafter designate for itself by notice in writing to the Agent.

All notices shall be effective upon actual receipt. In the event of any discrepancy between any telephone notice, advice, request or demand and the written confirmation thereof, the telephone version

shall govern with respect to actions taken by the recipient thereof before such recipient has had a reasonable time to act after its receipt of the written confirmation.

Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including email and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender if such Lender has notified the Agent that it is incapable of receiving notices by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications hereunder by electronic communications pursuant to procedures approved by it, provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes:

- (e) notices and other communications sent to an email address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return email or other written acknowledgement), provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient; and
- (f) notices or communications posted to an internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient as its email address as described in the foregoing clause (e) of notification that such notice or communication is available and identifying the website address therefor.

14.9 Whole Agreement

This Agreement, together with the other Loan Documents, constitutes the whole and entire agreement between the parties thereto and cancels and supersedes any prior agreements, undertakings, declarations and representations, written or verbal, in respect of the subject matter of this Agreement and the other Loan Documents.

14.10 Governing Law

The parties agree that this Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than internal laws in force in the Province of Alberta applying to this Agreement. The parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Agreement or any other Loan Document (except to the extent expressly provided for in such other Loan Document), or any of the transactions contemplated hereby or by any thereof, without prejudice to the rights of the Agent or any Lender to take proceedings in other jurisdictions in which any Property secured by the Security may be situate.

14.11 Time of Essence

Time shall be of the essence of this Agreement.

14.12 Anti-Money Laundering Legislation

- (a) The Borrower acknowledges that, pursuant to the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA) and other

applicable anti-money laundering, anti-terrorist financing, government sanction and “know your client” Applicable Law, whether within Canada, the U.S.A. or elsewhere (collectively, including any guidelines or orders thereunder, “**AML Legislation**”), the Lenders and the Agent may be required to obtain, verify and record information regarding the Loan Parties and their directors, authorized signing officers, direct or indirect shareholders or other Persons in control of a Loan Party, and the transactions contemplated hereby. The Borrower shall promptly (i) provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or the Agent, or any prospective assignee of a Lender or the Agent, in order to comply with any applicable AML Legislation, whether now or hereafter in existence; and (ii) notify the recipient of any such information of any changes thereto.

- (b) If, upon the written request of any Lender, the Agent has ascertained the identity of any Loan Party or any authorized signatories of a Loan Party for the purposes of applicable AML Legislation on such Lender’s behalf, then the Agent;
 - (i) shall be deemed to have done so as an agent for such Lender, and this Agreement shall constitute a “written agreement” in such regard between such Lender and the Agent within the meaning of applicable AML Legislation; and
 - (ii) shall provide to such Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.
- (c) Notwithstanding the foregoing, each of the Lenders agrees that the Agent has no obligation to ascertain the identity of any Loan Party or any authorized signatories of a Loan Party, on behalf of any Lender, or to confirm the completeness or accuracy of any information it obtains from any Loan Party or any such authorized signatory in doing so.

14.13 Platform

- (a) The Borrower agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the “**Platform**”).
- (b) The Platform is provided “as is” and “as available.” The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Affiliates (collectively, the “**Agent Parties**”) have any liability to any Loan Party, any Lender or any other Person for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Loan Party’s or the Agent’s transmission of communications through the Platform. “**Communications**” means, collectively, any notice, demand, communication, information, document or other material that any Loan Party provides to the Agent pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Agent or any Lender by means of electronic communications pursuant to this Section 14.13, including through the Platform.

14.14 Conflict with Loan Documents

In the event there is a conflict or inconsistency as to any matter between the provisions hereof and the provisions of any other Loan Document, the provisions of this Agreement shall prevail to the

extent of such conflict or inconsistency; provided, however, that for the purposes of this Section 14.14 there shall not be considered to be a conflict or inconsistency between any provision hereof and any provision of any other Loan Document merely because one of such Loan Documents does, and the other does not, deal with the particular matter.

14.15 Dealings with Agent

Subject to Section 12.13, the Borrower shall be entitled to accept the written notification, advice, instruction or direction of the Agent on behalf of any Lender, the Majority Lenders or the Lenders without further inquiry. Each Lender, Swap Lender, Creditcard Lender and Cash Management Lender shall be bound by any advice, instruction or direction in writing given to the Borrower by the Agent on behalf of the Majority Lenders or the Lenders, where it is authorized to do so in accordance with the terms and conditions hereof or under any other Loan Document, and each Lender hereby waives any right to contest or disaffirm any such notice, advice, instruction, or direction in writing of the Agent, in the absence of manifest error.

14.16 Further Assurances

The Borrower, the Agent and each of the Lenders shall do all such further acts and things and execute and deliver all such further documents as shall be reasonably required in order to ensure the terms and provisions of the Loan Documents are fully performed and carried out.

14.17 Waiver of Jury Trial

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

14.18 Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party hereto may execute this Agreement by signing any counterpart. The words "execution", "execute", "executed", "signed", "signature" and words of like import in any Loan Document or in or related to any document to be signed in connection with this Agreement and the transactions contemplated hereby, shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, in accordance with applicable law including, without limitation, as in provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Transactions Act* (Alberta), or any other similar laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada. The Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax or other electronic transmission be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission.

[Remainder of Page intentionally left blank]

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed as of the date and year first above written.

DECIBEL CANNABIS COMPANY INC.

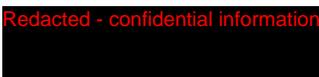
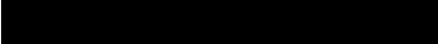
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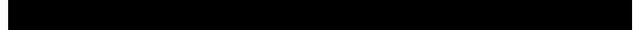
By:


Name: Stuart Boucher
Title: Chief Financial Officer

Agent:

ATB FINANCIAL, as Agent

By: 
Name: 
Title: 

By: 
Name: 
Title: 

Lender:

ATB FINANCIAL, as Lender

DocuSigned by:
By: [Redacted - confidential information]

Name: [Redacted - confidential information]
Title: [Redacted - confidential information]

DocuSigned by:
By: [Redacted - confidential information]

Name: [Redacted - confidential information]
Title: [Redacted - confidential information]

Schedule "A" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

COMMITMENTS AND ADDRESSES

Lender	Facility Commitment
<p><u>ATB Financial</u> 410 - 585 8th Avenue S.W. Calgary, Alberta T2P 1G1</p> <p>Attention: Redacted - confidential information Email: Redacted - confidential information</p>	
<p>as Term Facility Lender</p>	<p>Term Facility Commitment Cdn. \$40,000,000</p>
<p>as Operating Lender</p>	<p>Operating Facility Commitment (a) During the period commencing on the Effective Date and ending on the Limited Availability Date, Cdn. \$Redacted - commercially sensitive info (b) Following the Limited Availability Date, Cdn. \$10,000,000</p>

FORM OF BORROWING NOTICE

TO: ATB Financial, as Operating Lender
410, 585 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: **Redacted - confidential information**
Email: **Redacted - confidential information**

RE: Credit Agreement (the "**Credit Agreement**") dated as of February 9, 2026 among Decibel Cannabis Company Inc. (the "**Borrower**"), ATB and those other financial institutions which are or hereafter become lenders thereunder (the "**Lenders**"), and ATB, as administrative agent for the Lenders (the "**Agent**")

DATE: _____, 20__

1. The Drawdown Date is _____, 20__.
2. Pursuant to Section 3.4 of the Credit Agreement, the undersigned hereby irrevocably requests that the following Accommodations be made available under the applicable Facility:
 - (a) Amount of Drawdown: \$ _____
 - (b) Type of Loan and Facility: _____
 - (c) Interest Period (only applicable for Benchmark Loans and Letters of Credit): _____

 - (d) Payment, delivery or issuance instructions (if any): _____

 - (e) If a Letter of Credit is requested, such Letter of Credit is a **[Financial LC/Non-Financial LC]**.
3. As of the date of this Borrowing Notice, no Default or Event of Default has occurred and is continuing and each of the representations and warranties deemed to be made by the Borrower pursuant to Section 2.2 of the Credit Agreement (other than those made as of a specific date) are, as of the date of such request, and will be, as of the applicable Drawdown Date, true and correct in all material respects.
4. This Notice is irrevocable.
5. Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

DATED effective the date and year first above written.

DECIBEL CANNABIS COMPANY INC.

By: _____
Name:
Title:

FORM OF ROLLOVER NOTICE OR CONVERSION NOTICE OR NOTICE OF REPAYMENT

TO: ATB Financial, as Operating Lender
410, 585 8th Avenue S.W.
Calgary, Alberta T2P 1G1

Attention: **Redacted - confidential information**
Email: **Redacted - confidential information**

RE: Credit Agreement (the "**Credit Agreement**") dated as of February 9, 2026 among Decibel Cannabis Company Inc. (the "**Borrower**"), ATB and those other financial institutions which are or hereafter become lenders thereunder (the "**Lenders**"), and ATB, as administrative agent for the Lenders (the "**Agent**")

DATE: _____, 20__

Capitalized terms used herein and not otherwise defined herein have the meanings given to them by the Credit Agreement.

1. Pursuant to Section 3.12 (Notice of Repayment), 3.14 (Conversion Option) and 3.15 (Rollovers) of the Credit Agreement, the undersigned hereby irrevocably notifies [the Agent] [the Operating Lender] that it will be:

(a) Rolling Over part or all of the Accommodation as follows:

- (i) Rollover Date: _____
- (ii) Amount of Rollover: _____
- (iii) Type of Loan and Facility: _____
- (iv) New Interest Period: _____

or;

(b) Converting part or all of the Accommodation as follows:

- (i) Conversion Date: _____
- (ii) Conversion of the following Loans under the referred Facility:
 - (A) Type of Loan and Facility: _____
 - (B) Amount being Converted: _____
 - (C) Interest Period maturity (for Term CORRA Loans and Daily Compounded CORRA Loans): _____

INTO the following:

(D) Type of Loan: _____

(E) Interest Period (for Term CORRA Loans and Daily Compounded CORRA Loans): _____

(iii) Payment, delivery or issuance instructions (if any): _____

(c) Repaying part or all of an Accommodation as follows:

(i) Date of repayment: _____

(ii) Loan(s) and Facility: _____

(iii) Interest Period maturity (for Term CORRA Loans and Daily Compounded CORRA Loans) _____

(iv) Amount being repaid: _____

2. This Notice is irrevocable.

3. No Default or Event of Default has occurred and is continuing. **[NTD: To be included for Rollovers and Conversions only]**

4. **[In the case on an Increased Rollover or Conversion:]** As of the date of this Borrowing Notice, no Default or Event of Default has occurred and is continuing and each of the representations and warranties deemed to be made by the Borrower pursuant to Section 2.2 of the Credit Agreement (other than those made as of a specific date) are, as of the date of such request, and will be, as of the applicable Drawdown Date, true and correct in all material respects.

DATED effective the date and year first above written.

DECIBEL CANNABIS COMPANY INC.

By: _____

Name:

Title:

FORM OF COMPLIANCE CERTIFICATE

TO: ATB Financial ("**ATB**"), as Agent
410 585 8th Avenue S.W.
T2P 1G1

Attention: **Redacted - confidential information**
Email: **Redacted - confidential information**

RE: Credit Agreement (the "**Credit Agreement**") dated as of February 9, 2026 among Decibel Cannabis Company Inc. (the "**Borrower**"), ATB and those other financial institutions which are or hereafter become lenders thereunder (the "**Lenders**"), and ATB, as administrative agent for the Lenders (the "**Agent**")

DATE: _____, 20__

I, _____, of the City of Calgary, in the Province of Alberta, hereby certify as follows:

1. I am the **[insert title of senior officer]** of Decibel Cannabis Company Inc. (the "**Borrower**").
2. This Certificate applies to the **[Fiscal Year/Fiscal Quarter]** ending _____.
3. I am familiar with and have examined the provisions of the Credit Agreement, and have made such reasonable investigations of records and inquiries of officers, if any, and senior personnel of the Loan Parties and their agents as I have deemed necessary for purposes of this Certificate.
4. Except where the context otherwise requires, all capitalized terms used herein have the same meaning as in the Credit Agreement.
5. No Default or Event of Default has occurred and is continuing.
6. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]** the Total Funded Debt to EBITDA Ratio was _____, and included in Exhibit "A" attached hereto are the detailed particulars of the manner in which the Total Funded Debt to EBITDA Ratio was calculated.
7. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]** the Senior Funded Debt to EBITDA Ratio was _____, and included in Exhibit "A" attached hereto are the detailed particulars of the manner in which the Senior Funded Debt to EBITDA Ratio was calculated.
8. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]** the Fixed Charge Coverage Ratio was _____, and included in Exhibit "A" attached hereto are the detailed particulars of the manner in which the Fixed Charge Coverage Ratio was calculated.
9. As of the last day of the above referenced **[Fiscal Quarter/Fiscal Year]**, the EBITDA of the Borrower on a consolidated basis was _____, and included in Exhibit "A" attached hereto are the detailed particulars of the manner in which EBITDA was calculated.

10. As of the last day of the above referenced Fiscal Quarter, the Secured Cash of the Borrower on a consolidated basis was _____.
11. **[NTD: Provide in annual compliance certificate only.][Unfunded Capital Expenditures for Fiscal Year 20__ were \$_____, and included in Exhibit "A" attached hereto are the detailed particulars of the manner in which Unfunded Capital Expenditures were calculated.]**
12. The details of all of the Loan Parties' hedging arrangements are set forth in Exhibit "B" hereto.
13. The Loan Parties are as set forth in Schedule "I" to the Credit Agreement, each of which has provided Security to the Agent as required by Article 6 of the Credit Agreement. **[The Borrower's only other Subsidiaries are [■] and [■], none of which are Material Subsidiaries.]**
14. The Loan Parties do not carry on business, or have any Real Estate, in any jurisdiction other than Alberta, British Columbia, Saskatchewan and Ontario. **[Or if new jurisdiction, specify:_____.]**
15. **[Certification to be included if any changes to Schedules "I", "J", "K", "L" are required] [Attached hereto as Exhibit "C" is a list of all [Real Estate][Intellectual Property][Cannabis Authorizations][Approved Jurisdictions] of the Loan Parties as at the last day of the above referenced [calendar month/Fiscal Quarter/Fiscal Year]].**
16. The Borrower and its Subsidiaries are in compliance with the *Cannabis Act* (Canada) and all other laws applicable to controlled substances in Canada and possess all required Cannabis Authorizations.
17. This Certificate is given by the undersigned officer in his or her capacity as an officer of the Borrower, for and on behalf of the Borrower, without any personal liability.

[signature page follows]

DATED effective the date and year first above written.

DECIBEL CANNABIS COMPANY INC.

By: _____
Name:
Title:

Exhibit "A" to Compliance Certificate

[Calculation Details in respect of the Certifications in paragraphs 6, 7, 8, 9 and 11, as applicable]

[Provide required calculations]

Exhibit "B" To Compliance Certificate

Applicable to the Fiscal Quarter ending _____

Details of Swaps to which the Loan Parties are a party as of _____, _____.

(Note: List all Swaps to which the Borrower or any Material Subsidiary is a party)

Deal Type	Counterparty	Notional Amounts or Volumes	Start Date	Maturity Date	Mark-to Market	Deal Description	Collateral posted (if any)
Interest Rate							
Commodity:							
(a) physically settled							
(b) financially settled							
Other							
TOTAL							

Exhibit "C" to Compliance Certificate

Real Estate

FORM OF ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "**Assignment and Assumption**") is dated as of the Effective Date set forth below and is entered into by and between **[the] [each]**¹ Assignor identified in item 1 below (**[the] [each, an]** "**Assignor**") and **[the] [each]**² Assignee identified in item 2 below (**[the] [each, an]** "**Assignee**"). **[It is understood and agreed that the rights and obligations of [the Assignors] [the Assignees]³ hereunder are several and not joint.]**⁴ Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, the "**Credit Agreement**"), receipt of a copy of which is hereby acknowledged by **[the] [each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, **[the] [each]** Assignor hereby irrevocably sells and assigns to **[the Assignee] [the respective Assignees]**, and **[the] [each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor][the respective Assignors]**, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of **[the Assignor's] [the respective Assignors']** rights and obligations in **[its capacity as a Lender][their respective capacities as Lenders]** under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor] [the respective Assignors]** under the respective Facilities identified below (including any letters of credit and Guarantees included in such Facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)] [the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the] [any]** Assignor to **[the] [any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the] [an]** "**Assigned Interest**"). Each such sale and assignment is without recourse to **[the][any]** Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by **[the] [any]** Assignor.

1. Assignor[s]: _____

[Assignor [is] [is not] a Defaulting Lender]

2. Assignee[s]: _____

[for each Assignee, indicate [Affiliate] [Approved Fund] of [identify Lender]]

¹ For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.
² For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.
³ Select as appropriate.
⁴ Include bracketed language if there are either multiple Assignors or multiple Assignees.

3. Borrower(s): _____
4. Agent: _____ as the administrative agent under the Credit Agreement
5. Credit Agreement: The Credit Agreement dated as of February 9, 2026, among the Borrower and a consortium of lenders, with ATB Financial, as Agent
6. Assigned Interest[s]:

Assignor[s] ⁵	Assignee[s] ⁶	Facility Assigned ⁷	Aggregate Amount of Commitment/Loans for all Lenders ⁸	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans ⁹
			\$	\$	\$
			\$	\$	\$
			\$	\$	\$

7. [Trade Date: _____]¹⁰

Effective Date: _____, 20____ [TO BE INSERTED BY ADMINISTRATIVE AGENT AND WHICH SHALL BE THE EFFECTIVE DATE OF RECORDATION OF TRANSFER IN THE REGISTER THEREFOR.]

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR[S]¹¹
[NAME OF ASSIGNOR]

By: _____
Name:
Title:

⁵ List each Assignor, as appropriate.

⁶ List each Assignee, as appropriate.

⁷ Fill in the appropriate terminology for the types of facilities under the Credit Agreement that are being assigned under this Assignment (e.g., "Syndicated Facility Commitment," "Operating Facility Commitment," "Term Facility Commitment", etc.)

⁸ Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

⁹ Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

¹⁰ To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

¹¹ Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[NAME OF ASSIGNOR]

By: _____
Name:
Title:

ASSIGNEE[S]¹²
[NAME OF ASSIGNEE]

By: _____
Name:
Title:

[NAME OF ASSIGNEE]

By: _____
Name:
Title:

¹² Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and]¹³ Accepted:

ATB FINANCIAL, as Agent

By: _____
Name:
Title:

[Consented to:]¹⁴

[NAME OF RELEVANT PARTY]

By: _____
Name:
Title:

¹³ To be added only if the consent of the Agent is required by the terms of the Credit Agreement.

¹⁴ To be added only if the consent of the Agent is required by the terms of the Credit Agreement.

ANNEX 1

[_____]¹⁵

**STANDARD TERMS AND CONDITIONS FOR
ASSIGNMENT AND ASSUMPTION**

1. Representations and Warranties.

- (a) Assignor[s]. **[The][Each]** Assignor:
- (i) represents and warrants that:
 - (A) it is the legal and beneficial owner of **[the][the relevant]** Assigned Interest;
 - (B) **[the] [such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim;
 - (C) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and
 - (D) it is **[not]** a Defaulting Lender; and
 - (ii) assumes no responsibility with respect to:
 - (A) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document;
 - (B) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder;
 - (C) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document; or
 - (D) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.
- (b) Assignee[s]. **[The][Each]** Assignee:
- (i) represents and warrants that:
 - (A) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement;
 - (B) it meets all the requirements to be an assignee under Section 13.1(b)(iii), (v) and (vi) of the Credit Agreement (subject to such consents, if any, as may be required under Section 13.1(b)(iii) of the Credit Agreement);

¹⁵ Describe Credit Agreement at option of the Agent.

- (C) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of **[the] [the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder;
 - (D) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type;
 - (E) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Sections 9.4(a) and 9.4(b) thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the] [such]** Assigned Interest; and
 - (F) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase **[the][such]** Assigned Interest; and
- (ii) agrees that:
- (A) it will, independently and without reliance on the Agent, **[the] [any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents; and
 - (B) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2. **Payments.**

From and after the Effective Date, the Agent shall make all payments in respect of **[the] [each]** Assigned Interest (including payments of principal, interest, fees and other amounts) to **[the] [the relevant]** Assignor for amounts which have accrued to but excluding the Effective Date and to **[the] [the relevant]** Assignee for amounts which have accrued from and after the Effective Date¹⁶. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to **[the] [the relevant]** Assignee.

3. **General Provisions.**

This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in

¹⁶ The Agent should consider whether this method conforms to its systems. In some circumstances, the following alternative language may be appropriate:

"From and after the Effective Date, the Agent shall make all payments in respect of **[the][each]** Assigned Interest (including payments of principal, interest, fees and other amounts) to **[the][the relevant]** Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor[s] and the Assignee[s] shall make all appropriate adjustments in payments by the Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves."

any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the Province of Alberta and of Canada applicable therein.

Schedule "F" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

FORM OF LOAN PARTY GUARANTEE

This Guarantee is made as of _____, 20_____.

TO: ATB Financial, in its capacity as Agent (as hereinafter defined)

For valuable consideration, receipt whereof is hereby acknowledged, each of the undersigned (each a "**Guarantor**" and, together with each other entity from time to time which becomes a Guarantor pursuant to Section 26 hereof, collectively, the "**Guarantors**") hereby irrevocably, absolutely and unconditionally guarantees to the Agent for and on behalf of itself and the Lenders (as hereinafter defined) the full, prompt and punctual payment and performance by each Other Loan Party of the Obligations (as hereinafter defined).

And each Guarantor agrees with the Agent and the Lenders as follows:

1. Definitions. In this Guarantee, including any preamble and recitals and the guarantees provisions set forth above, unless there is something in the subject matter or context inconsistent therewith, the following terms and expressions (including the singular and plural form and derivatives thereof) shall have the following meanings:
 - (a) "**Agent**" means ATB Financial, in its capacity as agent for the Lenders, and includes any successor agent appointed pursuant to the Credit Agreement, and any successor entity to ATB Financial;
 - (b) "**Borrower**" means Decibel Cannabis Company Inc., together with its successors and permitted assigns;
 - (c) "**Credit Agreement**" means the credit agreement dated as of February 9, 2026 among the Borrower, as borrower, the financial institutions which are or may thereafter become party thereto from time to time, as lenders, and the Agent, as such credit agreement may be amended, amended and restated, modified, replaced, restated or supplemented from time to time;
 - (d) "**Guarantee**" means this Loan Party Guarantee, as the same may be amended, amended and restated, modified, supplemented, replaced or restated from time to time;
 - (e) "**including**" has the meaning given to it in the Credit Agreement;
 - (f) "**Lenders**" has the meaning given to it in the Credit Agreement, and for the purposes of this Guarantee, also includes the Swap Lenders, the Creditcard Lenders and the Cash Management Lenders in those respective capacities;
 - (g) "**Obligations**" means all Secured Obligations of any Other Loan Party;
 - (h) "**Other Loan Parties**" means, collectively, the Borrower and each other Loan Party from time to time other than the Guarantor and "**Other Loan Party**" means any of them; and
 - (i) "**other Person**" without limiting the breadth of such expression, includes other Guarantors under this Guarantee, and any others who from time to time guarantee all or any part of the Obligations under any other Loan Document.

Capitalized terms which are not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

2. Acknowledgment of Agent Capacity. This Guarantee is given to the Agent in its capacity as agent for the Lenders. All of the covenants, representations, warranties, rights, benefits and protections made or given in favour of the Agent hereunder are acknowledged to be for the benefit of the Agent and each of the Lenders from time to time.
3. Evidence of Accounts. Any account settled or stated between the Agent or any Lender, on the one hand, and any Other Loan Party, on the other hand, shall be accepted by each Guarantor as *prima facie* evidence that the amount thereby appearing due by such Other Loan Party is so due.
4. Waiver of Defences. The liability of each Guarantor under this Guarantee shall be irrevocable, unconditional and absolute and, without limiting the generality of the foregoing, the obligations of each Guarantor shall not be released, discharged, limited or otherwise affected by, and each Guarantor hereby waives as against the Agent for and on behalf of the Lenders to the fullest extent permitted by Applicable Law, any defence relating to:
 - (a) any extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release of the Borrower, any Guarantor or any other Person in respect of any Obligation or otherwise unless such extension, other indulgence, renewal, settlement, discharge, compromise, waiver, subordination or release shall expressly and specifically release a specific Guarantor from its indebtedness, obligations or liabilities hereunder or any part thereof, or is a payment of all the Obligations in full;
 - (b) any modification or amendment of or supplement to the Obligations, including any increase or decrease in the principal, the rates of interest or other amounts payable in respect thereof;
 - (c) any incapacity, disability or lack or limitation of status or power of the Borrower, any Guarantor or any other Person or of the directors, officers, employees, partners or agents thereof, or that the Borrower, any Guarantor or any other Person may not be a legal entity, or any irregularity, defect or informality in the borrowing or obtaining of moneys or credits in respect of the Obligations;
 - (d) any change in the existence, structure, constitution, name, control or ownership of the Borrower, any Guarantor or any other Person;
 - (e) any insolvency, bankruptcy, amalgamation, merger, reorganization, arrangement or other similar proceeding affecting the Borrower, any Guarantor or any other Person or the assets of the Borrower, any Guarantor or any other Person;
 - (f) any change in the shareholdings or membership of the Borrower, any Guarantor or any other Person through the retirement of one or more shareholders or partners or the introduction of one or more shareholders or partners or otherwise;
 - (g) the existence of any claim, set-off or other rights which a Guarantor may have at any time against the Borrower, any other Guarantor, the Agent, any Lender or any other Person, whether in connection with the Obligations or any unrelated transactions;
 - (h) any release or non-perfection or any invalidity, illegality or unenforceability relating to or against the Borrower, any Guarantor or any other Person, whether relating to any instrument evidencing the Obligations or any other Loan Document or any provision of Applicable Law purporting to prohibit the payment by the Borrower, any Guarantor or any other Person of any of the Obligations;

- (i) any limitation, postponement, prohibition, subordination or other restriction on the rights of the Agent or any Lender to payment of the Obligations or to take any steps in respect thereof, including any stay of proceedings against the Borrower, any Guarantor or any other Person;
- (j) any addition, substitution or release of any co-signer, endorser, other guarantor or any other Person in respect of the Obligations;
- (k) any failure of the Agent or any Lender to make any presentment, demand for performance, notice of non-performance, protest, and any other notice, including notice of:
 - (i) acceptance of this Guarantee;
 - (ii) partial payment or non-payment of all or any part of the Obligations; and
 - (iii) the existence, creation or incurring of new or additional Obligations;
- (l) any failure of the Agent or any Lender to proceed against the Borrower, any other Guarantor or any other Person, to proceed against, apply or exhaust any security held from the Borrower, any Guarantor or any other Person, or to proceed against or to pursue any other remedy or recourse in the power of the Agent or any Lender whatsoever;
- (m) the benefit of any law which provides that the obligation of a guarantor must neither be larger in amount nor in other respects more burdensome than that of the principal obligation or which reduces a guarantor's obligation in proportion to the principal obligations;
- (n) any incapacity, lack of authority, or other defence of the Borrower, any Guarantor or any other Person, or by reason of the cessation from any cause whatsoever of the liability of the Borrower, any Guarantor or any other Person with respect to all or any part of the Obligations, or by reason of any act or omission of the Agent, any Lender or others which directly or indirectly results in the discharge or release of the Borrower, any Guarantor or all or any part of the Obligations or any security, or guarantee therefor, whether by operation of law or otherwise;
- (o) any failure by the Agent or any Lender to obtain, perfect or maintain a perfected (or any) Security Interest upon any property of the Borrower, any Guarantor or any other Person or by reason of any interest of the Agent or any Lender in any property, whether as owner thereof or the holder of a Security Interest therein or lien or encumbrance thereon, being invalidated, voided, declared fraudulent or preferential or otherwise set aside, or by reason of any impairment by the Agent or any Lender of any right to recourse or collateral;
- (p) the failure of the Agent or any Lender to marshal any assets;
- (q) any failure of the Agent or any Lender to give to the Borrower, any Guarantor or any other Person notice of any sale or other disposition of any property securing any or all of the Obligations or any guarantee thereof, or any defect in any notice that may be given in connection with any sale or other disposition of any such property, or any failure of the Agent or any Lender to comply with any provision of Applicable Law in enforcing any Security Interest upon any such property, including any failure by the Agent or any Lender to dispose of any such property in a commercially reasonable manner;
- (r) any dealing whatsoever with the Borrower, any Guarantor or any other Person or any security, whether negligently or not, or any failure to do so;

- (s) any extinguishment of all or any of the Obligations for any reason whatsoever (other than the actual satisfaction thereof);
- (t) whether any Lender Swaps shall be in respect of commodity risk, interest rate risk, currency risk or otherwise and whether on a financial or physical basis, and whether speculative or not; or
- (u) any other law, event or circumstance which might otherwise constitute a defence available to, or a discharge of, any Guarantor, any other act or omission to act or delay of any kind by the Borrower, any Guarantor, the Agent, any Lender or any other Person, or any other circumstance whatsoever, whether similar or dissimilar to the foregoing, which might, but for the provisions of this Section 4, constitute a legal or equitable discharge, limitation or reduction of the obligations of any Guarantor hereunder (other than the payment or satisfaction in full of all of the Obligations).

The foregoing provisions apply (and the foregoing waivers shall be effective) even if the effect is to destroy or diminish any Guarantor's subrogation rights, its right to proceed against any Other Loan Party for reimbursement, its right to recover contribution from any other Person or any other right or remedy.

5. Indemnity. Each Guarantor shall be liable for and shall indemnify and save the Agent and the Lenders harmless from and against any and all losses, damages, costs, expenses or liabilities suffered or incurred by the Agent or any Lender resulting or arising from or relating to any failure of any Other Loan Party to pay in full or fully perform the Obligations as and when due, provided that the amount of such indemnification shall not exceed the amount of the Obligations together with any and all other amounts due and owing hereunder from time to time.
6. No Waiver. No delay on the part of the Agent or any Lender in exercising any of its options, powers or rights, or partial or single exercise thereof, shall constitute a waiver thereof. No amendment to this Guarantee or waiver of any of the rights of the Agent or any Lender hereunder shall be deemed to be made by the Agent or any Lender unless the same shall be in writing, duly signed by the Agent and the Guarantors and each such waiver, if any, shall apply only with respect to the specific instance involved and for the specific purpose for which given, and shall in no way impair the rights or liabilities of the Agent, any Lender or any Guarantor in any other respect at any other time.
7. Deemed Existence. If at any time, all or any part of any payment previously applied by the Agent or any Lender to any Obligation is or must be rescinded or returned to by the Agent or any Lender for any reason whatsoever (including the insolvency, bankruptcy or reorganization of the Borrower, any Guarantor or any other Person) such Obligation shall, for the purpose of this Guarantee, to the extent that such payment is rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Agent or such Lender, and this Guarantee shall continue to be effective or be reinstated, as the case may be, as to such Obligation, all as though such application had not been made.
8. Assignment and Postponement. All present and future indebtedness and liabilities of the Other Loan Parties to each Guarantor is hereby assigned by such Guarantor to the Agent and, following the occurrence and during the continuance of an Event of Default, postponed to the Obligations and all moneys received by such Guarantor in respect thereof will be received in trust for and will be paid over to the Agent upon demand by the Agent. If the Agent or any Lender receives from any Guarantor a payment or payments in full or on account of the liability of such Guarantor hereunder, such Guarantor will not be entitled to claim repayment against any Other Loan Party until the Agent and the Lender's claims against all Other Loan Parties have been irrevocably and unconditionally paid in full. In case of liquidation, winding-up or bankruptcy of any Other Loan Party (whether voluntary or involuntary) or any composition with creditors or scheme of arrangement, the Agent and the Lenders will have the right to rank for their full claims and receive all dividends or other payments in respect thereof in priority to such Guarantor until the claims of the Agent and the

Lenders have been irrevocably and unconditionally paid in full and such Guarantor will continue to be liable hereunder for any balance which may be owing to the Agent or the Lenders by the Other Loan Parties. The foregoing provisions of this Section 8 will not in any way limit or lessen the liability of any Guarantor under any other section of this Guarantee.

9. Other Securities. This Guarantee is in addition to and not in substitution for any other guarantee or any other securities by whomsoever given at any time held by the Agent or any Lender for any present or future Obligations and the Agent or such Lender shall at all times have the right to proceed against or realize upon all or any portion of any other guarantees or securities or any other money or assets to which it may become entitled or have a claim in such order and in such manner as it in its sole and unfettered discretion may deem fit.
10. Continuing Guarantee. Subject to Section 29, this Guarantee is a continuing guarantee and (a) shall remain in full force and effect in accordance with its terms until payment in full of all amounts payable under this Guarantee and termination of the Lenders' Commitments and obligations under and pursuant to the Loan Documents; and (b) shall enure to the benefit of the Agent, each Lender and their respective successors and assigns, and shall be binding upon each Guarantor, its successors and permitted assigns.
11. Enforcement of Guarantee. The obligations of each Guarantor under this Guarantee shall be enforceable by the Agent upon demand by the Agent for payment of the Obligations made after the occurrence and during the continuance of an Event of Default in accordance with the terms hereof without the necessity of any action or recourse whatsoever against any Other Loan Party or any other Person. The remedies provided in this Guarantee are cumulative and not exclusive of any remedies provided by Applicable Law, the Loan Documents or otherwise.
12. Subrogation. This Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or times of any sum or sums of money for the time being due or remaining unpaid to the Agent or any Lender, and all dividends, compensations, proceeds of security valued and payments received by the Agent or any Lender from any Other Loan Party, any Guarantor or any other Person or from any estate shall be regarded for all purposes as payments in gross without any right on the part of any Guarantor to claim in reduction of the liability under this Guarantee the benefit of any such dividends, compositions, proceeds or payments or any securities held by the Agent or any Lender or proceeds thereof, and no Guarantor shall have any right to be subrogated in any rights of the Agent or any Lender until the Agent and the Lenders shall have received full, final and indefeasible payment and performance of the Obligations and the Lenders have no further obligation to extend credit or advance monies to or for the benefit of any Other Loan Party.
13. Foreign Currency Obligations. Each Guarantor will make payment relative to each Obligation in the currency (the "**Original Currency**") in which the Other Loan Party is required to pay such Obligation. If any Guarantor makes payment relative to any Obligation to the Agent or a Lender in a currency (the "**Other Currency**") other than the Original Currency (whether voluntarily or pursuant to an order or judgment of a court or tribunal of any jurisdiction), such payment will constitute a discharge of the liability of such Guarantor hereunder in respect of such Obligation only to the extent of the amount of the Original Currency which the Agent or such Lender is able to purchase at Calgary, Alberta with the amount it receives on the date of receipt. If the amount of the Original Currency which the Agent or such Lender is able to purchase is less than the amount of such currency originally due to it in respect of the relevant Obligation, each Guarantor will indemnify and save the Agent and the Lenders harmless from and against any loss or damage arising as a result of such deficiency. This indemnity will constitute an obligation separate and independent from the other obligations contained in this Guarantee, will give rise to a separate and independent cause of action, will apply irrespective of any indulgence granted by the Agent or any Lender and will continue in full force and effect notwithstanding any judgment or order in respect of any amount due hereunder or under any judgment or order.

14. Guarantee of Payment and Performance. This Guarantee is a guarantee of payment and performance and not of collection and is in addition and without prejudice to any securities of any kind now or hereafter held by the Agent or any Lender.
15. Costs. The Guarantors shall pay to the Agent all legal fees on a solicitor and his own client basis and all other reasonable and documented out-of-pocket costs and expenses incurred by the Agent and the Lenders from time to time in the enforcement, realization and collection of or in respect of this Guarantee, which for the avoidance of doubt, in the case of legal fees and expenses, should be limited to the fees and expenses of one separate law firm for the Lenders unless such representation by the same legal counsel would be inappropriate due to actual or potential differing interests or the employment thereof has been specifically authorized by the applicable Guarantor in writing and such firm or firms shall be designated in writing by the Agent on behalf of each Lender. The term "**Obligations**" herein shall include all such costs and expenses.
16. Payment. All payments hereunder with respect to any Obligations shall be made to the Agent on behalf of the Lenders at the Agent's Branch of Account or at such other branch or agency of the Agent as the Agent shall designate from time to time by notice in writing to the Borrower. All Obligations shall be payable by the Guarantors on demand, shall from the date of such demand bear interest at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Credit Agreement (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).
17. Payment on Stay. If (a) any Other Loan Party is prevented from making payment of any of the Obligations when it would otherwise be required to do so; or (b) the Agent is prevented from demanding payment of the Obligations because of a stay or other judicial proceeding or any other legal impediment, all Obligations or other amounts otherwise subject to demand, acceleration or payment shall be payable by the Guarantors as provided for hereunder.
18. Waiver of Notice. Each Guarantor waives all notices which may be required by any statute, rule of law, contract or otherwise to preserve the rights of the Agent or any Lender against such Guarantor.
19. Taxes. (a) Any and all payments by any Guarantor hereunder shall be made without set-off or counterclaim, free and clear of, and without deduction for or on account of, any Tax. If any Guarantor shall be required by Applicable Law to deduct any Taxes from such payments, then: (i) the sum payable shall be increased as necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 19) the Agent or Lender, as the case may be, receives an amount equal to the sum it would have received had no such deductions been made; (ii) the applicable Guarantor shall make such deductions; and (iii) the applicable Guarantor shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with Applicable Law.

(b) If the Agent or any Lender is entitled to an exemption from or reduction of withholding tax under the law of the jurisdiction in which a Guarantor is located, or any treaty to which such jurisdiction is a party, with respect to payments under this Guarantee, it shall use commercially reasonable efforts to deliver to the applicable Guarantor, at the time or times prescribed by Applicable Law, such properly completed and executed documentation prescribed by Applicable Law or reasonably requested by such Guarantor as will permit such payments to be made without withholding or at such reduced rate.

(c) If the Agent or the applicable Lender receives a refund, credit or deduction from a taxing authority in respect of a payment by any Guarantor of Taxes, such Agent or Lender, as the case may be, thereupon shall make commercially reasonable efforts to repay the applicable Guarantor the amount with respect to such refund, credit or deduction equal to any net reduction in Taxes actually obtained by such Agent or Lender, as the case may be, to be attributable to such refund, credit or deduction (net all reasonable out-of-pocket expenses related thereto); provided that, such Guarantor shall, upon a request by the Agent or the applicable Lender, return such refund, credit

or deduction to such party if such party is required to repay such amount to the applicable taxing authority.

20. Representations and Warranties. Each Guarantor confirms and makes and repeats on its own behalf in favour of the Agent and the Lenders each of the representations and warranties set forth in the Credit Agreement to the extent such representations and warranties relate to such Guarantor or any matter in respect thereof, and shall be deemed to make, repeat and re-affirm each such representation and warranty on each date on which such representations and warranties are made or deemed to be made or re-made by the Borrower under the Credit Agreement, all to the same extent as if such Guarantor was a party to the Credit Agreement, and all as though such representations and warranties were set out at length herein.
21. Covenants. Each Guarantor acknowledges receipt of a copy of the Credit Agreement and the other Loan Documents and understands the Obligations of the Loan Parties thereunder. Each Guarantor consents and agrees to be bound by any provision in the Credit Agreement which relates to such Guarantor. In addition, each Guarantor covenants and agrees that it shall perform each and every term, covenant, condition and agreement which the Borrower has covenanted in the Credit Agreement to cause such Guarantor to perform, and such Guarantor will comply with each and every term, covenant, condition and agreement which the Borrower has covenanted under the Credit Agreement to cause such Guarantor to comply with, when and as provided for by the terms of the Credit Agreement and such Guarantor will not do anything which would result in a breach of the Credit Agreement.
22. Governing Law and Submission to Jurisdiction. The parties agree that this Guarantee is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and of Canada applicable therein. There shall be no application of any conflict of laws or rules which would result in any laws other than internal laws in force in the Province of Alberta applying to this Guarantee. The parties hereto do hereby irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta for all matters arising out of or relating to this Guarantee, or any of the transactions contemplated hereby or by any thereof, without prejudice to the rights of the Agent or any Lender to take proceedings in other jurisdictions in which any assets of a Guarantor may be situate.
23. Severability. Any provision of this Guarantee which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.
24. Notices. Any notice or other communication hereunder shall be made in accordance with the terms of the Credit Agreement.
25. Acknowledgment. Each Guarantor confirms that its obligations under this Guarantee are not subject to any promise or condition affecting or limiting its liability, and no statement, representation, collateral agreement or promise by the Agent or any Lender or by any officer, employee or agent of it, forms any part of this Guarantee or has induced the making thereof, or shall be deemed in any way to affect any Guarantor's liability hereunder.
26. Additional Guarantors. Any Person may become a Guarantor hereunder by executing a Guarantor Supplement substantially in the form of Exhibit A attached hereto and delivering the same to the Agent. Any such Person shall thereafter be a "Guarantor" for all purposes under this Guarantee, to the same extent as if it were an original signatory hereto.
27. Joint and Several Obligations. Each Guarantor's liability under this Guarantee is joint and several with all other Guarantors under this Guarantee, and with any other Person who from time to time guarantees all or any part of the Obligations under any other Loan Document.

28. Waiver of Trial by Jury. The parties hereby waive, to the fullest extent permitted by Applicable Law, any right they may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this guarantee or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). The parties (a) certify that no representative, agent or attorney of any other party has represented, expressly or otherwise, that such other party would not, in the event of litigation, seek to enforce the foregoing waiver and (b) acknowledge that they have been induced to enter into this guarantee by, among other things, the waivers and certifications in this section.
29. Termination and Release. At such time as the Obligations have been unconditionally and irrevocably paid in full, the obligations of each Guarantor hereunder shall terminate, all without delivery of any instrument or performance of any act by any party. The Agent shall, at the request and expense of the Borrower or the other Guarantors, execute and deliver to the Borrower or the other Guarantors such documents as the Borrower or the other Guarantors shall reasonably request to evidence any termination or release contemplated by this Section 29. Without limiting the generality of the foregoing provision, each Guarantor shall automatically be released from its obligations hereunder in the event that the Guarantor is no longer required to be a Loan Party in accordance with Section 9.5(b) of the Credit Agreement.
30. Conflict. In the event of any conflict between the provisions of this Guarantee and the provisions of the Credit Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Credit Agreement will prevail to the extent of such conflict.
31. Counterpart Execution. This Guarantee may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party hereto may execute this Guarantee by signing any counterpart. The words "execution", "execute", "executed", "signed", "signature" and words of like import in this Guarantee or in or related to any document to be signed in connection with this Guarantee and the transactions contemplated hereby, shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, in accordance with Applicable Law including, without limitation, as in provided Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act (Canada)*, the *Electronic Transactions Act (Alberta)*, or any other similar laws based on the *Uniform Electronic Commerce Act of the Uniform Law Conference of Canada*. The Agent may, in its discretion, require that any such documents and signatures executed electronically or delivered by fax or other electronic transmission be confirmed by a manually-signed original thereof; provided that the failure to request or deliver the same shall not limit the effectiveness of any document or signature executed electronically or delivered by fax or other electronic transmission.

[Signature Page Follows]

IN WITNESS WHEREOF each Guarantor has caused this Guarantee to be signed by the proper officer duly authorized in that behalf as of the date and year first above written.

GUARANTOR:

[NAME OF GUARANTOR]

By: _____

Name:

Title:

Exhibit "A"**Guarantor Supplement**

This Guarantor Supplement (this "**Guarantor Supplement**"), dated as of [_____, 20__] is made by [_____] a [_____] (the "**Additional Guarantor**"), in favour of ATB Financial, in its capacity as Agent (the "**Agent**").

RECITALS

- A. Pursuant to the Credit Agreement dated as of February 9, 2026 (as amended, amended and restated, modified, replaced, restated or supplemented from time to time, the "**Credit Agreement**"), by and among Decibel Cannabis Company Inc. (the "**Borrower**"), the Lenders party thereto from time to time (the "**Lenders**"), and the Agent, the Lenders have made certain Facilities available to the Borrower.
- B. The Borrower is required pursuant to the Credit Agreement to cause the Additional Guarantor to deliver this Guarantor Supplement in order to cause the Additional Guarantor to become a Guarantor under the Loan Party Guarantee (the "**Guarantee**") dated as of February 9, 2026 executed by the Loan Parties.
- C. The Additional Guarantor has received and will receive substantial direct and indirect benefits from the Loan Parties compliance with the terms and conditions of the Credit Agreement.
- D. Capitalized terms which are not otherwise defined herein shall have the meanings given to them in the Credit Agreement.

AGREEMENT

NOW THEREFORE, in consideration of the funds advanced to the Other Loan Parties by the Lenders under the Loan Documents from time to time, and to enable the Borrower to comply with the terms of the Credit Agreement, the Additional Guarantor hereby covenants, represents and warrants to the Agent and the Lenders as follows:

The Additional Guarantor hereby becomes a Guarantor (as defined in the Guarantee) for all purposes of the Guarantee. Without limiting the foregoing, the Additional Guarantor hereby (a) jointly and severally with the other Guarantors under the Guarantee (as provided in Section 27 thereof), guarantees to the Agent for and on behalf of itself and the Lenders (as defined in the Guarantee) the full, prompt and punctual payment and performance by each by each Other Loan Party (as defined in the Guarantee) of the Obligations (as defined in the Guarantee) in the same manner and to the same extent as is provided in the Guarantee, (b) accepts and agrees to perform and observe all of the covenants and agreement set forth therein, and (c) waives the rights set forth in Section 4 of the Guarantee.

Notice of acceptance of this Guarantor Supplement and of the Guarantee, as supplemented hereby, is hereby waived by the Additional Guarantor.

Notices and other communications shall be delivered to the Additional Guarantor pursuant to Section 24 of the Guarantee.

IN WITNESS WHEREOF, the Additional Guarantor has caused this Guarantor Supplement to be duly executed and delivered as of the date and year first above written.

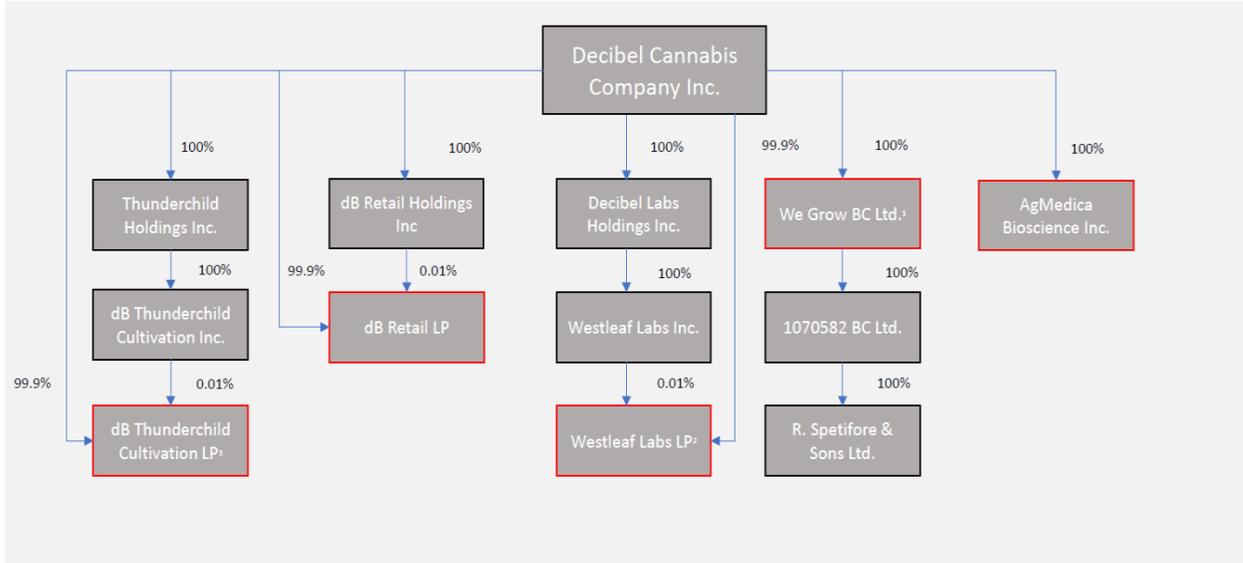
[NAME OF GUARANTOR]

By: _____
Name:
Title:

Schedule "G" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

OWNERSHIP STRUCTURE/ORGANIZATIONAL CHART

(A) ORGANIZATIONAL CHART



(B) EQUITY INTERESTS

Issuer	Obligor	Number/Class	Certificate No.	Percentage of Issued and Outstanding Securities
AgMedica Bioscience Inc.	Decibel Cannabis Company Inc.	Redacted - confidential information		100%
1070582 BC Ltd.	We Grow BC Ltd.			100%
db Thunderchild Cultivation Inc.	Thunderchild Holdings Inc.			100%
db Thunderchild Cultivation LP	dB Thunderchild Cultivation Inc.			0.01%
	Decibel Cannabis Company Inc.			99.99%
Decibel Labs Holdings Inc.	Decibel Cannabis Company Inc.			100%
R. Spetifore & Sons Ltd.	1070582 B.C. Ltd.			100%
Thunderchild Holdings Inc.	Decibel Cannabis Company Inc.			100%
We Grow BC Ltd.	Decibel Cannabis Company Inc.			100%
	Decibel Cannabis Company Inc.			
	Decibel Cannabis Company Inc.			
	Decibel Cannabis Company Inc.			
	Decibel Cannabis Company Inc.			

	Decibel Cannabis Company Inc.	Redacted - confidential information	
	Decibel Cannabis Company Inc.		
Westleaf Labs Inc.	Decibel Labs Holdings Inc.		100%
Westleaf Labs LP	Decibel Cannabis Company Inc.		99.99%
	Westleaf Labs Inc.		0.01%

Schedule "H" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

MATERIAL AGREEMENTS

Redacted - confidential and commercially sensitive information



Schedule "I" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

REAL ESTATE

LEASED REAL ESTATE				
S/N	Lessor	Lessee	Date	
1.	5047346 Ontario Inc.	AgMedica Bioscience Inc.	October 28, 2024	Redacted - confidential information

				Redacted - confidential information	
2.	Redacted - confidential information	Westleaf Cultivation Management I Inc. (as predecessor to Decibel Cannabis Corporation Inc.), as assigned to dB Thunderchild Cultivation Inc. pursuant to an assignment agreement dated March 1, 2020	March 28, 2019	1	Redacted - confidential information

OWNED REAL ESTATE			
S/N	Owner	Municipal Address	Legal Description
1.	Westleaf Labs Inc.	Redacted - confidential information	
2.	R. Spetifore & Sons Ltd.	Redacted - confidential information	

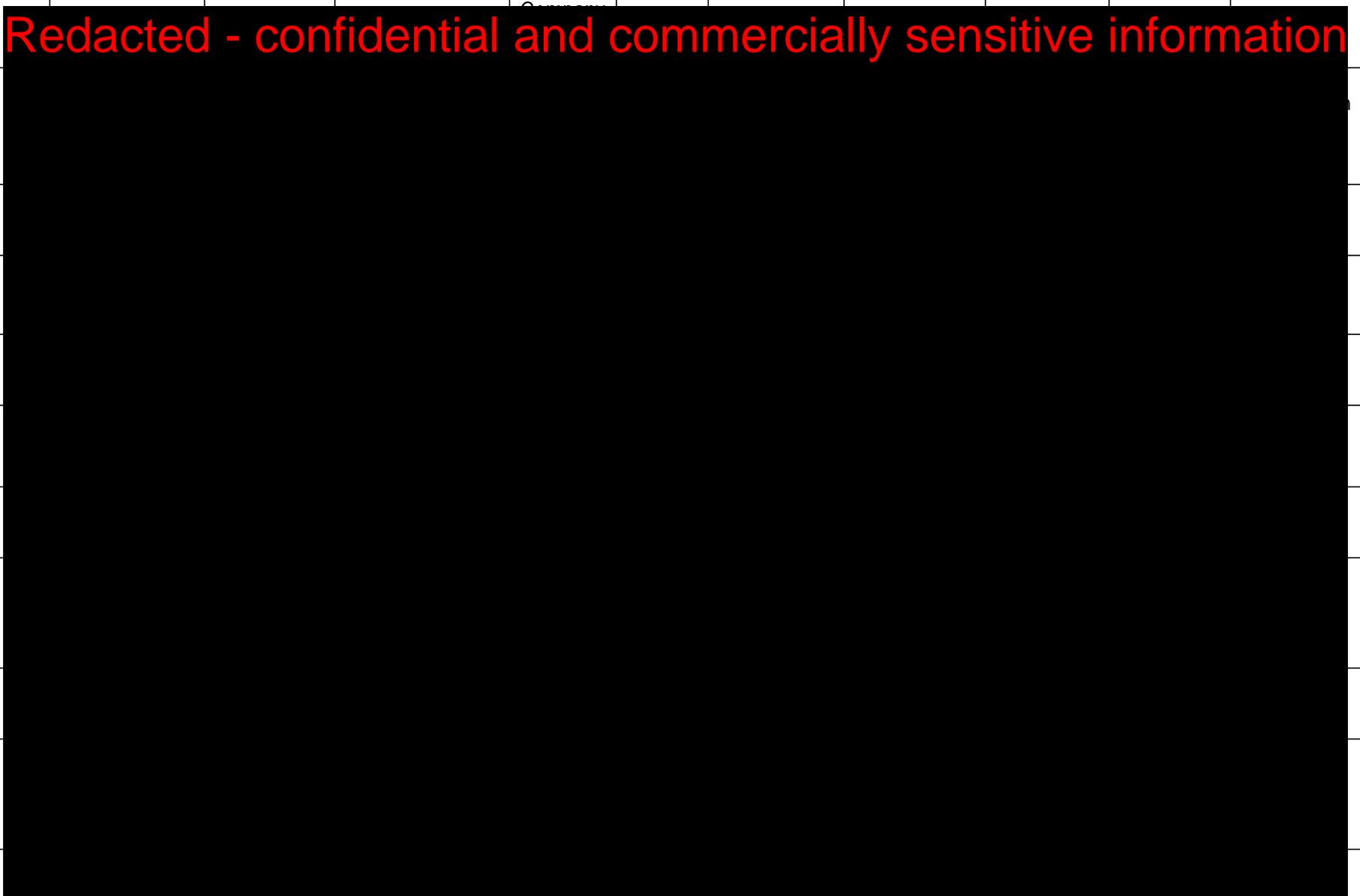
			Redacted - confidential information
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Schedule "J" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

INTELLECTUAL PROPERTY

S/N	Trademark	Application Number	Image	Owner	IP Office	Application Number	Registration Number	App. Date/Filing Date	Reg. Date/Issue Date	Status
Redacted - confidential and commercially sensitive information										

Redacted - confidential and commercially sensitive information



Redacted - confidential and commercially sensitive information

S/N	Title - Industrial Design	Owner	IP Office	Application Number	Registration Number	App. Date/Filing Date	Reg. Date/Issue Date	Status
Redacted - confidential and commercially sensitive information								

Schedule "K" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

CANNABIS AUTHORIZATIONS

S/N	Issuing Authority	License Holder	Type of License/Date of Expiry	Licensed Site	License No.
Redacted - confidential and commercially sensitive information					

Redacted - confidential and commercially sensitive information					

Schedule "L" to the Credit Agreement dated as of February 9, 2026 among DECIBEL CANNABIS COMPANY INC., as Borrower, and a consortium of Lenders with ATB FINANCIAL, as Agent

APPROVED JURISDICTIONS

Redacted - confidential and commercially sensitive information

