

TRUST INDENTURE

DATED AS OF THE 24th DAY OF APRIL, 2018

BETWEEN

KRUGER PRODUCTS L.P., AS ISSUER

AND

THE GUARANTORS

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, AS TRUSTEE

PROVIDING FOR THE ISSUE OF

6.00% SENIOR UNSECURED NOTES DUE APRIL 24, 2025

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THIS INDENTURE made as of the 24th day of April, 2018.

BETWEEN:

KRUGER PRODUCTS L.P., a limited partnership established under the laws of the Province of Quebec, by its general partner, KPGP Inc., a corporation established under the laws of Canada (hereinafter called the “**Issuer**”);

AND

The Guarantors party to this Indenture;

AND

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company subsisting under the laws of Canada and registered to carry on business in the Province of Ontario (hereinafter called the “**Trustee**”).

WITNESSETH THAT:

WHEREAS the Issuer considers it desirable for its business purposes to create and issue 6.00% Senior Unsecured Notes due April 24, 2025 from time to time in the manner and subject to the terms and conditions set forth in this Indenture.

AND WHEREAS each Guarantor (as that term is defined herein) has agreed to guarantee the punctual payment and performance when due of all Indenture Obligations (as that term is defined herein) of the Issuer in accordance with the terms of Article 13.

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Issuer and not by the Trustee.

NOW THEREFORE it is hereby covenanted, agreed and declared as set forth herein:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture (including the recitals hereto) and in the Notes, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings:

“**1933 Act**” means the United States Securities Act of 1933, as amended.

“**1934 Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Acquired Debt**” has the meaning given to such term in Section 5.13(c)(iii).

“**Additional Notes**” has the meaning given to such term in Section 2.2.

“**Adjusted Consolidated**” means, with respect to financial information or financial statements of the Issuer, that such financial information or financial statements shall be calculated, established and determined on a consolidated basis in accordance with GAAP, applied in a consistent manner, save and except however that, irrespective of the relevant GAAP that would otherwise be applicable to consolidation, the Unrestricted Subsidiaries (other than the Non-Material Subsidiaries) shall be accounted for as investments at cost.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “**control**”, as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise. For purposes of this definition, the terms “**controlling**”, “**controlled by**” and “**under common control with**” have correlative meanings.

“**Affiliate Transaction**” has the meaning given to that term in Section 5.14(a).

“**Applicable Premium**” means, with respect to any Note on any redemption date, the greater of:

- (1) 1.0% of the Called Principal of the Note; and
- (2) the excess of:
 - (a) the Discounted Value at such redemption date of the Remaining Scheduled Payments of the Note; over
 - (b) the Called Principal of the Note.

“**Applicable Securities Legislation**” means, at any time, applicable securities laws (including rules, regulations, policies and instruments) in each of the Provinces of Canada.

“**Asset Sale**” means any of the following:

- (1) the sale, lease, conveyance or other disposition of any assets or rights, other than the granting of a Lien in accordance with this Indenture; and
- (2) (i) the issuance of Equity Interests by any of the Issuer’s Restricted Subsidiaries or (ii) the sale by the Issuer or any of its Restricted Subsidiaries of Equity Interests in any of its Subsidiaries (other than directors' qualifying

shares or shares required to be owned by other Persons pursuant to applicable law).

Notwithstanding the preceding, the following items will be deemed not to be an Asset Sale:

- (1) any single transaction or series of related transactions that involves assets having a Fair Market Value of less than \$15.0 million;
- (2) a sale, lease, conveyance or other disposition of assets between or among the Issuer and its Restricted Subsidiaries;
- (3) an issuance or sale of Equity Interests by a Restricted Subsidiary to the Issuer or to another Restricted Subsidiary or by the Issuer to KPGP Inc.;
- (4) any disposition of worn-out, obsolete, retired or otherwise unsuitable or excess assets or equipment or facilities or of assets or equipment no longer used or useful (including intellectual property), in each case, in the ordinary course of business;
- (5) the sale or lease of equipment, inventory, accounts receivable or other assets in the ordinary course of business (including transfers of assets, revenues or liabilities between or among the Issuer and its Restricted Subsidiaries in the ordinary course of business for the Fair Market Value thereof);
- (6) the sale or other disposition of cash or Cash Equivalents, Hedging Obligations or other financial instruments in the ordinary course of business;
- (7) any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, pursuant to Section 9.1;
- (8) any Restricted Payment that is permitted pursuant to Section 5.12 and any Permitted Investment (but excluding, for certainty, any sale or other disposition of a Permitted Investment unless such sale or other disposition would constitute a Permitted Investment or a Restricted Payment permitted pursuant to Section 5.12);
- (9) the creation or perfection of a Lien (but not the sale or other disposition of any asset subject to such Lien);
- (10) the surrender or waiver of contract rights or the settlement, release or surrender of contract, tort or other claims of any kind;
- (11) dispositions of receivables owing to the Issuer or any of its Restricted Subsidiaries in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar

- proceedings of the account debtor and exclusive of factoring or similar arrangements;
- (12) the licensing or sublicensing of intellectual property or other general intangibles and licenses, leases or subleases of other property in the ordinary course of business and which do not materially interfere with the business of the Issuer and its Restricted Subsidiaries;
 - (13) any sale of assets received by the Issuer or any of its Restricted Subsidiaries upon foreclosure of a Lien;
 - (14) any sale, issuance or other disposition of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
 - (15) a sale, transfer or other disposition of assets by the Issuer or any of its Restricted Subsidiaries in connection with a corporate reorganization that is carried out as a step transaction if:
 - (a) the step transaction is completed within three Business Days; and
 - (b) at the completion of the step transaction, such assets are owned by the Issuer or any of its Restricted Subsidiaries;
 - (16) sales, conveyances, transfers and other dispositions of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell or put/call arrangements between the joint venture parties set forth in joint venture arrangements or similar binding arrangements; and
 - (17) any sale of receivables and customary related assets effected under a Qualified Receivables Transaction.

“**Asset Sale Offer**” has the meaning given to such term in Section 5.16(e).

“**Attributable Debt**” in respect of a Sale/Leaseback Transaction means, as at the time of determination, the present value of the total obligations of the lessee for rental payments during the remaining term of the lease included in such Sale/Leaseback Transaction (including during any period for which such lease has been extended), calculated using a discount rate equal to the rate of interest implicit in such transaction, determined in accordance with GAAP; provided, however, that if such Sale/Leaseback Transaction results in a Capital Lease Obligation, the amount of Indebtedness represented thereby will be determined in accordance with the definition of “Capital Lease Obligation”.

“**Authentication Order**” has the meaning given to that term in Section 2.8(c).

“**Bankruptcy Law**” means the *Bankruptcy and Insolvency Act* (Canada), the *Companies’ Creditors Arrangement Act* (Canada), and the *Winding Up and Restructuring Act* (Canada), each as now and hereafter in effect, any successors to such statutes, any

other applicable insolvency, winding-up, dissolution, restructuring, reorganization, liquidation, or other similar law of any jurisdiction, and any law of any jurisdiction (including any corporate law relating to arrangements, reorganizations, or restructurings) permitting a debtor to obtain a stay or a compromise of the claims of its creditors against it.

“Beneficial Holders” means any person who holds a beneficial interest in Global Notes as shown on the books of the Depository or a participant of such Depository.

“Board of Directors” means:

- (1) with respect to a corporation, the board of directors of the corporation or any committee thereof duly authorized to act on behalf of such board;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership;
- (3) with respect to a limited liability company, the managing member or members or any controlling committee of managing members thereof; and
- (4) with respect to any other Person, the board or committee of such Person serving a similar function.

“Board Resolution” means a copy of a resolution certified by any officer of the Issuer to have been duly adopted by the Board of Directors of the Issuer and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Book Entry Only Notes” means notes of a series which, in accordance with the terms applicable to such series, are to be held only by or on behalf of the Depository.

“Business Day” means any day other than a Saturday or Sunday and other than any other day on which the Trustee’s office in Toronto, Ontario is not generally open for business, and other than any other day on which Canadian chartered banks are generally closed in Toronto, Ontario or Montreal, Quebec.

“Called Principal” means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to an optional redemption.

“Capital Lease Obligation” means, at the time any determination is to be made, the amount of the liability in respect of a capital lease that would at that time be required to be capitalized on a statement of financial position prepared in accordance with GAAP, and the Stated Maturity thereof shall be the date of the last payment of rent or any other amount due under such lease prior to the first date upon which such lease may be prepaid by the lessee without payment of a penalty. Notwithstanding the foregoing, any lease (whether entered into before or after the Issue Date) that would have been classified as an operating lease pursuant to GAAP as in effect on the Issue Date shall be deemed not to be a capital lease or a financing lease.

“Capital Stock” means:

- (1) in the case of a corporation, share capital or capital stock;
- (2) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (3) in the case of a partnership or limited liability company, partnership interests (whether general or limited) or membership interests; and
- (4) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person,

but excluding from all of the foregoing any debt securities convertible or exchangeable into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“Cash Equivalents” means:

- (1) Canadian dollars or United States dollars;
- (2) securities issued by or directly and fully guaranteed or insured by the federal government of Canada, the United States of America, or any member state of the European Union (provided that such member state has a rating of “A” or higher from S&P, “A2” or higher from Moody’s or “A” or higher from DBRS) or any agency or instrumentality thereof (provided that the full faith and credit of the federal government of Canada, the United States or the relevant member state of the European Union is pledged in support of those securities) having maturities of not more than two years from the date of acquisition;
- (3) demand accounts, time deposit accounts, bearer deposit notes, certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers’ acceptances with maturities not exceeding one year, demand and overnight bank deposits and other similar types of investments routinely offered by commercial banks or trust companies, in each case, with any bank or trust company that has a rating of “A” or higher from S&P, “A2” or higher from Moody’s or “A” or higher from DBRS;
- (4) repurchase obligations with a term of not more than 365 days for underlying securities of the types described in clauses (2) and (3) above entered into with any financial institution meeting the qualifications specified in clause (3) above;

- (5) commercial paper having a rating of "P-1" from Moody's, "A-1" or higher from S&P or "R-1 (low)" or higher from DBRS and in each case maturing within 365 days after the date of acquisition;
- (6) readily marketable direct obligations issued by a state of the United States of America or a province of Canada or any political subdivision thereof having a rating of "A" or higher from S&P, "A2" or higher from Moody's, or "A" from DBRS, in each case with maturities not exceeding two years from the date of acquisition; and
- (7) money market or investment funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (1) through (6) of this definition.

"Cash Management Obligations" means obligations in respect of cash management services consisting of automated clearing house transactions, controlled disbursement services, treasury, depository, overdraft and electronic funds transfer services, foreign exchange facilities, currency exchange transactions or agreements and options with respect thereto, credit card processing services, credit or debit cards, purchase cards and any indemnity given in connection with any of the foregoing.

"CDS" means CDS Clearing and Depository Services Inc. and its successors.

"Change of Control" means the occurrence of any of the following events:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of plan of arrangement, merger, amalgamation or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets (including Equity Interests of the Issuer's Restricted Subsidiaries) of the Issuer and its Restricted Subsidiaries, taken as a whole to any Person or group of Persons acting jointly or in concert (any such group, a "Group") other than a Person or Group that is a Permitted Holder;
- (2) either (i) during the lifetime of Joseph Kruger II, the failure of Joseph Kruger II to control the Issuer, either directly or through control of Kruger Inc. or of any other Affiliate of the Issuer, or (ii) thereafter, as a result of any disposition, legal or beneficial, effected by the legal representatives or heirs of Joseph Kruger II, the failure of the legal representatives or the heirs of Joseph Kruger II collectively to control the Issuer, either directly or through control of Kruger Inc. or of any other Affiliate of the Issuer, where references in this clause (2) to "control" shall mean to possess, directly or indirectly, the power to direct or cause the direction of the management and policies of the relevant Person, whether through the ownership of voting shares, by contract or otherwise; or
- (3) the adoption of a plan relating to the liquidation or dissolution of the Issuer.

“Change of Control Offer” has the meaning given to that term in Section 5.17(a).

“Change of Control Payment” has the meaning given to that term in Section 5.17(a).

“Change of Control Payment Date” has the meaning given to that term in Section 5.17(a).

“Code” has the meaning given to that term in Section 5.2(b)(ix).

“Commodity Hedging Contracts” means any transaction, arrangement or agreement entered into between a Person and a counterparty on a case by case basis, including any futures contract, a commodity option, a swap, a forward sale or otherwise, the purpose of which is to mitigate, manage or eliminate its exposure to fluctuations in commodity prices, transportation or basis costs or differentials or other similar financial factors including contracts settled by physical delivery of the commodity not settled within 60 days of the date of any such contract.

“Consolidated EBITDA” means, for any period, Consolidated Net Income for such period plus the sum of (without duplication):

- (1) Consolidated Interest Expense, to the extent that Consolidated Interest Expense was deducted in determining Consolidated Net Income and was not added back thereto pursuant to the definition thereof; plus
- (2) provision for income taxes, to the extent that such provision for income taxes was deducted in computing such Consolidated Net Income and was not added back thereto pursuant to the definition thereof; plus
- (3) depreciation and amortization and other non-cash items, in each case to the extent deducted in computing such Consolidated Net Income and not added back thereto pursuant to the definition thereof; plus
- (4) the net amount of losses deducted in determining Consolidated Net Income (and not added back thereto pursuant to the definition thereof) resulting from the disposition of assets (excluding inventory), provided, however, if there is a net gain resulting from the disposition of assets (excluding inventory) which increases Consolidated Net Income for such period (and which is not deducted therefrom pursuant to the definition thereof), such amount shall be deducted from Consolidated EBITDA; minus
- (5) realized foreign exchange gains related to the repayment of foreign currency denominated debt, provided however, if there was a realized foreign exchange loss related to the repayment of foreign currency debt, such amount will be added to Consolidated EBITDA; minus
- (6) non-cash items increasing Consolidated Net Income for such period and not deducted therefrom pursuant to the definition thereof;

in each case, on a consolidated basis determined in accordance with GAAP.

“Consolidated Interest Expense” means, for any period, the total interest expense of the Issuer and its Reporting Subsidiaries determined on a consolidated basis in accordance with GAAP (excluding any accretion or accrual of discounted liabilities and non-cash interest expense related to pension and post-retirement liabilities not constituting Indebtedness), plus, to the extent not included in such total interest expense, and to the extent Incurred by the Issuer and its Reporting Subsidiaries (determined on a consolidated basis in accordance with GAAP), without duplication:

- (1) the amortization of debt discount and debt issuance costs; plus
- (2) the amortization of all fees (including, without limitation, fees with respect to Hedging Obligations) payable in connection with the incurrence of Indebtedness; plus
- (3) interest payable on Capital Lease Obligations; plus
- (4) payments in the nature of interest pursuant to Hedging Obligations; plus
- (5) interest accruing on any Indebtedness of any other Person, to the extent such Indebtedness is guaranteed by, or secured by a Lien on any asset of, the Issuer or any of its Reporting Subsidiaries.

“Consolidated Net Income” means, for any period, the aggregate net income (or loss) of the Issuer and its Reporting Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, provided that the following (without duplication, and in each case to the extent that they are included in such comprehensive income (or loss)) will be excluded in computing Consolidated Net Income:

- (1) any impairment charges (including, for certainty, impairment charges attributable to tangible and intangible assets) or restructuring charges or write-offs (other than write-offs of inventory and accounts receivables in the ordinary course of business), in each case pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP;
- (2) the cumulative effect of a change in accounting principles;
- (3) any non-cash expense realized or resulting from stock option plans, employee benefit plans or postemployment benefit plans, or grants or sales of stock, stock appreciation or similar rights, stock options, restricted stock, preferred stock or other rights;
- (4) any net after tax non-cash gains, losses, income and expenses resulting from fair value accounting required by the applicable standard under GAAP and

related interpretations, including, for certainty, the mark-to-market adjustments for Hedging Obligations and the partnership unit liability;

- (5) any unrealized foreign exchange gains or losses resulting from the period-end revaluations of foreign currency denominated debt;
- (6) any extraordinary or non-recurring gains or losses, together with and related provision for taxes on such extraordinary or non-recurring gains or losses;
- (7) any net earnings (losses) from discontinued operations;
- (8) any net earnings (losses) of any Person (other than the Issuer) that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting, except to the extent of dividends and other equity distributions received in cash or Cash Equivalents by the Issuer or a Restricted Subsidiary; and
- (9) any net earnings (but not any loss) of any Restricted Subsidiary, to the extent that the declaration or payment of dividends or similar distributions by that Restricted Subsidiary of those net earnings is not at the date of determination permitted without any prior governmental approval (that has not been obtained) or, directly or indirectly, by operation of the terms of its charter or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to that Restricted Subsidiary or its shareholders.

“Consolidated Net Tangible Assets” means, as of any date of determination, the total amount of assets set forth on the consolidated statement of financial position of the Issuer and its Reporting Subsidiaries as of the end of the most recently ended fiscal quarter for which internal financial statements are available, after deducting therefrom all goodwill, trade names, trademarks, patents, licenses, copyrights and other intangible assets as of such date, determined as of such date on a consolidated basis in accordance with GAAP.

“Counsel” means a barrister or solicitor or firm of barristers or solicitors retained or employed by the Trustee or retained or employed by the Issuer and reasonably acceptable to the Trustee.

“Covenant Defeasance” has the meaning given to that term in Section 7.4.

“Covenant Suspension Event” has the meaning given to that term in Section 5.18(a).

“Credit Facilities” means one or more credit or debt facilities (including, without limitation, under the Syndicated Credit Facility), commercial paper facilities or Debt Issuances, in each case with banks, investment banks, insurance companies, mutual or other institutional lenders or investors providing for, among other things, revolving credit loans, term loans, letters of credit or letter of credit guarantees or

Debt Issuances, in each case, as amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

“Currency Agreement” means any financial arrangement entered into between a Person and a counterparty on a case by case basis in connection with a foreign exchange futures contract, currency swap agreement, currency option or currency exchange or other similar currency related transactions, the purpose of which is to mitigate or eliminate its exposure to fluctuations in exchange rates and currency values.

“Custodian” means any receiver, receiver-manager, trustee, assignee, liquidator, monitor, or similar official under any Bankruptcy Law.

“DBRS” means, collectively, DBRS Limited, DBRS, Inc. and DBRS Ratings Limited, or any successor to the rating agency business thereof.

“Debt Issuances” means, with respect to the Issuer or any of its Restricted Subsidiaries, one or more issuances after the Issue Date of Indebtedness evidenced by notes, debentures, bonds or other similar securities or instruments.

“Default” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

“Defeased Covenant” has the meaning given to that term in Section 7.4.

“Depository” means CDS and such other Person as is designated in writing by the Issuer and acceptable to the Trustee to act as depository in respect of any series of Book Entry Only Notes.

“Designated Non-cash Consideration” means the Fair Market Value of non-cash received by the Issuer or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an Officers’ Certificate executed by an executive officer of the Issuer or such Restricted Subsidiary setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent sale, redemption or repayment of, or with respect to, such Designated Non-cash Consideration.

“Designated Rating Organization” means (i) each of DBRS, Moody’s and S&P, and (ii) if DBRS, Moody’s and S&P cease to rate the Notes for reasons outside of the Issuer’s control, any such other “Designated Rating Organization” as such term is given in National Instrument 44-101 – *Short Form Prospectus Distributions*.

“Discounted Value” means, with respect to the Called Principal of any Notes, the amount obtained by discounting, on a semi-annual basis, all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the date of calculation of the redemption price with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor

(applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

“Disqualified Stock” means, with respect to any Person, any Capital Stock that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, in each case at the option of the holder of the Capital Stock), or upon the happening of any event, matures or is mandatorily redeemable pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder of the Capital Stock, in whole or in part, prior to the Stated Maturity of the principal of the Notes. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders of the Capital Stock have the right to require the issuer thereof to repurchase such Capital Stock upon the occurrence of a change of control or an asset sale will not constitute Disqualified Stock if the provisions applicable to such Capital Stock either (i) are no more favourable to the holders of such Capital Stock than the provisions contained in Sections 5.16 and 5.17 and such Capital Stock specifically provides that the issuer will not repurchase or redeem any of such Capital Stock pursuant to such provisions prior to the Issuer’s repurchase of such of the Notes as are required to be repurchased pursuant to Sections 5.16 and 5.17, or (ii) provide that the issuer thereof may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption is permitted by Section 5.12.

“Equity Interests” means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

“Equity Offering” means any public or private issuance or sale of Equity Interests (other than Disqualified Stock) of the Issuer.

“Event of Default” has the meaning given to that term in Section 6.1 and any other event defined as an “Event of Default” in this Indenture.

“Excess Cash” means for any period of four consecutive fiscal quarters ending with the Issuer’s most recent fiscal quarter for which internal annual or quarterly financial statements are available, Consolidated EBITDA for such period minus the sum of:

- (1) Consolidated Interest Expense for such period;
- (2) consolidated cash income taxes payable by the Issuer and its Restricted Subsidiaries in respect of the earnings attributable solely to such period; and
- (3) any payments for permitted distributions made pursuant to Section 5.12(c)(xi).

“Excess Proceeds” has the meaning given to that term in Section 5.16(e).

“Existing Indebtedness” means Indebtedness of the Issuer and its Restricted Subsidiaries in existence on the Issue Date (other than Indebtedness under the

Syndicated Credit Facility incurred under clause (1) of the definition of “Permitted Indebtedness”, Indebtedness represented by the Notes and the Note Guarantees issued on the Issue Date and Indebtedness repaid with the proceeds of the Notes issued on the Issue Date), until such Indebtedness is repaid or otherwise extended, refinanced, renewed, replaced, defeased or refunded.

“**Extraordinary Resolution**” means a resolution passed as an extraordinary resolution by the affirmative votes of the Holders of at least 66⅔% of the outstanding principal amount of Notes, represented and voting on a poll at a meeting of Holders duly convened for the purpose and held in accordance with the provisions of this Indenture.

“**Facility Indebtedness**” means any indebtedness under the Syndicated Credit Facility or any Indebtedness incurred to replace or refinance all or any portion of the Indebtedness under the Syndicated Credit Facility.

“**Fair Market Value**” means the value that would be paid by a willing buyer to a willing seller that is not an Affiliate of the willing buyer in a transaction not involving distress or necessity of either party, provided that, in the case of an Asset Sale where such value exceeds \$15.0 million, such determination shall be made in good faith by the Chief Executive Officer or Chief Financial Officer of KPGP Inc.

“**Fixed Charge Coverage Ratio**” means, with respect to the Issuer for any period, the ratio of the Consolidated EBITDA of the Issuer for such period to the Fixed Charges of the Issuer for such period. In the event that the Issuer or any of its Restricted Subsidiaries incurs, assumes, guarantees, repays, repurchases, redeems, defeases or otherwise discharges any Indebtedness (other than ordinary working capital borrowings) or issues, repurchases or redeems preferred stock subsequent to the commencement of the period for which the Fixed Charge Coverage Ratio is being calculated and on or prior to the date on which the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “**Calculation Date**”), then the Fixed Charge Coverage Ratio will be calculated giving pro forma effect to such incurrence, assumption, guarantee, repayment, repurchase, redemption, defeasance or other discharge of Indebtedness, or such issuance, repurchase or redemption of preferred stock, and the use of the proceeds therefrom, as if the same had occurred at the beginning of the applicable four-quarter reference period.

In addition, for purposes of calculating the Fixed Charge Coverage Ratio:

- (1) acquisitions that have been made by the Issuer or any of its Restricted Subsidiaries, including through mergers, consolidations or amalgamations, or any Person or any of its Restricted Subsidiaries acquired by the Issuer or any of its Restricted Subsidiaries, and including all related financing transactions and including increases in ownership of Restricted Subsidiaries, during the four-quarter reference period or subsequent to such reference period and on or prior to the Calculation Date, or that are to be made on the Calculation Date, will be given pro forma effect as if they had occurred on the first day of the four-quarter reference period;

- (2) the Consolidated EBITDA attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded;
- (3) the Fixed Charges attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses (and ownership interests therein) disposed of prior to the Calculation Date, will be excluded, but only to the extent that the obligations giving rise to such Fixed Charges will not be obligations of the Issuer or any of its Restricted Subsidiaries following the Calculation Date;
- (4) any Person that is a Restricted Subsidiary on the Calculation Date will be deemed to have been a Restricted Subsidiary at all times during such four-quarter period;
- (5) any Person that is not a Restricted Subsidiary on the Calculation Date will be deemed not to have been a Restricted Subsidiary at any time during such four-quarter period; and
- (6) if any Indebtedness bears a floating rate of interest, the interest expense on such Indebtedness will be calculated as if the rate in effect on the Calculation Date had been the applicable rate for the entire period (taking into account any Hedging Obligation applicable to such Indebtedness if such Hedging Obligation has a remaining term as at the Calculation Date in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness).

For purposes of this definition, whenever pro forma effect is to be given to any calculation under this definition, the pro forma calculations will be determined in good faith by a responsible financial or accounting officer of the Issuer, which determination shall be conclusive for all purposes under this Indenture; provided that such officer may in such officer's discretion include any reasonably identifiable and factually supportable pro forma changes to Consolidated EBITDA or Fixed Charges, including any pro forma expense and cost reductions or operational improvements or synergies that have occurred or are reasonably expected to occur within the 12 months immediately following the Calculation Date and are set forth in an officers' certificate signed by the chief financial officer of the Company that states (a) the amount of each such adjustment and (b) that such adjustments are based on the reasonable good faith belief of the officers executing such officers' certificate at the time of such execution and the factual basis on which such good faith belief is based.

"Fixed Charges" means, for any period, the sum, without duplication, of:

- (1) Consolidated Interest Expense for such period; plus

- (2) the product of (a) the amount of all dividends or distributions on any series of preferred stock of the Issuer and the Restricted Subsidiaries held by Persons other than the Issuer or a Restricted Subsidiary, whether paid or accrued and whether or not in cash, other than dividends or distributions on Equity Interests payable solely in Equity Interests of the Issuer (other than Disqualified Stock), times (b) a fraction, the numerator of which is one and the denominator of which is one minus the then current combined federal, provincial, state and local statutory tax rate of the Issuer, expressed as a decimal, in each case, determined on a consolidated basis in accordance with GAAP.

“GAAP” means (1) any accounting principles that are recognized as being generally accepted in Canada which are in effect from time to time; provided, however, that if any such accounting principle with respect to the accounting for leases (including Capital Lease Obligations) changes after the Issue Date, the Issuer may, at its option, elect to employ such accounting principle as in effect on the Issue Date or (2) if elected by the Issuer by written notice to the Trustee in connection with the delivery of financial statements and information, International Financial Reporting Standards (**“IFRS”**) in effect on the first date of the period for which the Issuer is making such an election and thereafter as in effect from time to time.

“Global Notes” means certificates representing the aggregate principal amount of Notes issued and outstanding and held by, or on behalf of, a Depository.

“Government Securities” means direct non-callable obligations of, or obligations guaranteed by, the federal government of Canada for the payment of which guarantee or obligations the full faith and credit of the federal government of Canada is pledged.

“guarantee” means a guarantee other than by endorsement of negotiable instruments for collection in the ordinary course of business, direct or indirect, in any manner including, without limitation, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof, of all or any part of any Indebtedness (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take or pay or to maintain financial statement conditions or otherwise).

“Guarantor” means a Restricted Subsidiary of the Issuer which delivers a Note Guarantee pursuant to or in accordance with this Indenture and its successors and assigns, in each case, until the Note Guarantee of such Person has been released in accordance with the provisions of this Indenture.

“Hedging Obligations” means, with respect to any specified Person, all obligations of such Person under all Currency Agreements, all Interest Rate Agreements and all Commodity Hedging Contracts, with the amount of such obligations being equal to the net amount payable if such obligations were terminated at that time due to default by such Person (after giving effect to any contractually permitted set-off).

“Holder” means a Person in whose name a Note is registered.

“Holders’ Request” means an instrument signed in one or more counterparts by the Holder or Holders of not less than 25% in aggregate principal amount of the outstanding Note requesting the Trustee to take an action or proceeding permitted by this Indenture.

“Indebtedness” means, with respect to any specified Person, whether or not contingent:

- (1) all indebtedness of such Person in respect of borrowed money;
- (2) all obligations of such Person evidenced by bonds, notes, debentures or similar instruments or letters of credit, letters of guarantee or tender cheques (or reimbursement agreements in respect thereof);
- (3) all obligations of such Person in respect of banker’s acceptances;
- (4) all Capital Lease Obligations and Purchase Money Obligations of such Person and all Attributable Debt in respect of Sale/Leaseback Transactions entered into by such Person;
- (5) all obligations of such Person representing the balance deferred and unpaid of the purchase price of any property that would be included on a balance sheet as a liability in accordance with GAAP, except any such balance that constitutes an accrued expense or trade payable;
- (6) all net obligations of such Person under Hedging Obligations;
- (7) all conditional sale obligations of such Person and all obligations of such Person under title retention agreements, but excluding a title retention agreement to the extent it constitutes an operating lease under GAAP;
- (8) all obligations of such Person under an agreement or arrangement that in substance provides financing pursuant to the factoring of accounts receivable;
- (9) all preferred stock issued by such Person, if such Person is a Restricted Subsidiary of the Issuer and is not a Guarantor; and
- (10) all Indebtedness of others secured by a Lien on any asset of the specified Person (whether or not such Indebtedness is assumed by the specified Person) and, to the extent not otherwise included, a guarantee by the specified Person of any Indebtedness of any other Person.

The amount of any Indebtedness issued at a price that is less than the principal amount thereof shall be the accreted value of the Indebtedness.

The amount of any Indebtedness of another Person secured by a Lien on the assets of the specified Person shall be the lesser of:

- (a) the Fair Market Value of such assets at the date of determination; and
- (b) the amount of such Indebtedness of such other Person.

For the avoidance of doubt, "Indebtedness" of any Person shall not include:

- (1) trade payables and accrued liabilities incurred in the ordinary course of business and payable in accordance with customary practice;
- (2) deferred tax obligations;
- (3) minority interests;
- (4) uncapitalized interest;
- (5) non-interest bearing instalment obligations and accrued liabilities incurred in the ordinary course of business;
- (6) in connection with a purchase by the Issuer or any Restricted Subsidiary of any business or assets, any post-closing payment adjustment to which the seller may become entitled to the extent such adjustment is determined by a final closing balance sheet or such adjustment depends on the performance of such business or assets after the closing; provided, however, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid within 45 days thereafter; and
- (7) pension fund obligations or rehabilitation obligations that are classified as "indebtedness" under GAAP but that would not otherwise constitute Indebtedness under clauses (1) through (9) in the first paragraph of the definition thereof.

"Indenture" means this indenture (including, for the avoidance of any doubt, the preamble and recitals hereto), as originally executed or as it may from time to time be supplemented, amended, restated, or otherwise modified in accordance with the terms hereof.

"Indenture Obligations" means all Obligations of the Issuer and the Guarantors due or to become due under or in connection with this Indenture (including, for certainty, the Note Guarantees) and the Notes owed to the Trustee and/or the Holders according to the terms hereof and thereof.

"Interest Payment Date" means April 24 and October 24 of each year that the Notes are outstanding, commencing (except in respect of any Additional Notes) on October 24, 2018.

“Interest Rate Agreement” means any financial arrangement entered into between a Person and a counterparty on a case by case basis in connection with interest rate swap transactions, interest rate options, cap transactions, floor transactions, collar transactions and other similar interest rate protection related transactions, the purpose of which is to mitigate or eliminate its exposure to fluctuations in interest rates.

“Investment Grade” means a rating equal to or higher than “BBB (low)” (or the equivalent) in the case of DBRS, “BBB-” (or the equivalent) in the case of S&P, “Baa3” (or the equivalent) in the case of Moody’s, or any equivalent rating by any other Designated Rating Organization.

“Investments” means, with respect to any Person, all direct or indirect investments by such Person in other Persons (including Affiliates) in the form of (i) direct or indirect loans (including guarantees of loans), (ii) advances or capital contributions (excluding commission, travel and similar advances to officers and employees made in the ordinary course of business), (iii) purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, (iv) any guarantee of Indebtedness of another Person, and (v) all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP; provided that **“Investments”** with respect to any Person shall exclude extensions of trade credit in the ordinary course of business on commercially reasonable terms in accordance with the normal trade practices of such Person.

If the Issuer or any Restricted Subsidiary sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary, the Person making such sale or other disposition will be deemed to have made an Investment on the date of any such sale or disposition equal to the Fair Market Value of the Issuer’s Investments in such Restricted Subsidiary that were not sold or disposed of. The acquisition by the Issuer or any Restricted Subsidiary of a Person that holds an Investment in a third Person will be deemed to be an Investment by the Issuer or such Restricted Subsidiary in such third Person in an amount equal to the Fair Market Value of the Investment held by the acquired Person in such third Person. If the Issuer designates any of its Restricted Subsidiaries as an Unrestricted Subsidiary in accordance with Section 5.10, the Issuer will be deemed to have made an Investment in such Subsidiary on the date of such designation equal to the Fair Market Value of such Person. In each of the foregoing cases, the amount of the Investment will be determined as provided in Section 5.12(e). Except as otherwise provided in this Indenture, the amount of an Investment will be determined at the time the Investment is made and without giving effect to subsequent changes in value.

“IQ Secured Loan” means the loan made available to the Issuer pursuant to the loan agreement dated August 9, 2016 entered into between the Issuer, as borrower, and Investissement Québec, as lender, providing for a secured non-revolving loan in a

maximum amount of \$39.5 million, as amended supplemented or restated from time to time (less any repayments).

“Issue Date” means the date of the initial issuance of the Notes.

“Issuer” means Kruger Products L.P., through its general partner KPGP Inc.

“Issuer Order” means an order or direction in writing signed by any one officer or director of the Issuer.

“Issuer’s Auditors” means an independent firm of chartered accountants duly appointed as auditors of the Issuer.

“KP Tissue” means KP Tissue Inc.

“Lien” means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to sell or give a security interest in but excluding a lease or rental agreement that is not classified as a capital lease in accordance with GAAP, and excluding transfers of accounts and consignments.

“Limited Partnership Agreement” means the amended and restated limited partnership agreement dated as of December 13, 2012 between KPGP Inc., as general partner, and Kruger Inc. and KP Tissue.

“LVTS” means the large value electronic money transfer system operated by the Canadian Payments Association and any successor thereto.

“Maturity Account” means an account or accounts required to be established by the Issuer (and which shall be maintained by and subject to the control of the Paying Agent) for the Notes issued pursuant to and in accordance with this Indenture.

“Moody’s” means Moody’s Investors Service, Inc. and/or its licensors and affiliates or any successor to the rating agency business thereof.

“Net Cash Proceeds” means, with respect to any issuance or sale of Equity Interests, the cash proceeds of such issuance or sale net of legal fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually incurred in connection with such issuance or sale and net of taxes paid or payable as a result of such issuance or sale.

“Net Proceeds” means, with respect to any Asset Sale, the proceeds therefrom in the form of cash or Cash Equivalents, including payments in respect of deferred payment obligations when received in the form of cash or Cash Equivalents, or stock

or other assets when disposed of for cash or Cash Equivalents, received by the Issuer or any of the Restricted Subsidiaries from such Asset Sale, net of:

- (1) all legal, title, engineering and environmental fees and expenses (including fees and expenses of legal counsel, advisors, accountants, consultants and investment banks, sales commissions and relocation expenses) related to such Asset Sale;
- (2) provisions for all cash taxes payable or required to be accrued in accordance with GAAP as a result of such Asset Sale;
- (3) payments made to retire Indebtedness where payment of such Indebtedness is secured by a Lien on the assets or properties that are the subject of such Asset Sale;
- (4) amounts required to be paid to any Person owning a beneficial interest in the assets or properties that are subject to the Asset Sale; and
- (5) appropriate amounts to be provided by the Issuer or any Restricted Subsidiary, as the case may be, as a reserve required in accordance with GAAP against any liabilities associated with such Asset Sale and retained by the seller after such Asset Sale, including pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale;

provided that cash and/or Cash Equivalents in which the Issuer or a Restricted Subsidiary has an individual beneficial ownership shall not be deemed to be received by the Issuer or a Restricted Subsidiary until such time as such cash and/or Cash Equivalents are free from any restrictions under agreements with the other beneficial owners of such cash and/or Cash Equivalents which prevent the Issuer or a Restricted Subsidiary from applying such cash and/or Cash Equivalents to any use permitted by Section 5.16.

“New Nordea Credit Facility” means a new credit facility provided by Nordea Bank A.B. (publ) for the purposes of an Investment in connection with the acquisition of a Through Air Drying paper machine.

“Non-Material Subsidiaries” means each Unrestricted Subsidiary of the Issuer that at any time is designated as a Non-Material Subsidiary, provided that:

- (1) each such Subsidiary is inactive and carries on no business, except for West Tree Farms Limited;
- (2) the aggregate amount of the assets of all such Non-Material Subsidiaries does not exceed at any time Cdn\$5,000,000;

- (3) the aggregate Consolidated EBITDA of all such Non-Material Subsidiaries does not exceed at any time Cdn\$5,000,000; and
- (4) the value of the material contracts of all such Non-Material Subsidiaries does not exceed at any time Cdn\$5,000,000.

As of the Issue Date, the Non-Material Subsidiaries are Canadian Tissue Limited, Aztec Investments Inc., White Swan Tissue Company, Westminster Paper Company Limited and West Tree Farms Limited. At any time that any Non-Material Subsidiary is in violation of any of the foregoing clauses (1) to (4), the Issuer shall (i) cause such Subsidiary to become unconsolidated and removed from the Adjusted Consolidated financial statements of the Issuer, or (ii) designate such Subsidiary as a Restricted Subsidiary if the Issuer is able to do so pursuant to Section 5.10.

“Non-Recourse Debt” means Indebtedness:

- (1) as to which neither the Issuer nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable as a guarantor or otherwise, or (c) constitutes the lender; and
- (2) no default with respect to which (including any rights that the holders of the Indebtedness may have to take enforcement action against an Unrestricted Subsidiary) would permit upon notice, lapse of time or both any holder of any other Indebtedness (other than the Notes) of the Issuer or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment of such Indebtedness to be accelerated or payable prior to its Stated Maturity.

“Nordea Credit Facility” means the credit facility provided for in the fourth amended and restated credit agreement dated as of the date hereof among the Issuer, as borrower, the lender party thereto and Nordea Bank A.B. (publ), as administrative agent, providing for a term credit facility in the aggregate maximum principal amount of US\$46.2 million, as amended, supplemented or restated from time to time.

“Note Guarantee” means the guarantee by each Guarantor of the Issuer’s obligations under this Indenture and the Notes, contained in this Indenture or executed and delivered pursuant to the provisions of this Indenture.

“Obligations” means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

“Officers’ Certificate” means a certificate signed by any two officers of KPGP Inc., one of whom shall be the Chief Executive Officer or the Chief Financial Officer.

“Ontario Loan” means the conditional loan agreement dated as of July 1, 2015 entered into by the Issuer, as borrower, and the Government of Ontario, as lender, pursuant to which a secured non-revolving loan in a maximum amount of \$10.0 million is made available to the Issuer.

“Pari Passu Indebtedness” means Indebtedness of the Issuer and any Restricted Subsidiary that ranks equally in right of payment to the Notes and the Note Guarantees, as applicable.

“Participant” means a participant in the depository service of CDS.

“Paying Agent” has the meaning given to that term in Section 2.9(a).

“Payment Default” has the meaning given to that term in Section 6.1(e)(i).

“Payor” has the meaning given to that term in Section 5.2(a).

“Permitted Assets” means any and all properties or assets that are used or useful in a Permitted Business (including Capital Stock in a Person that is a Restricted Subsidiary and Capital Stock in a Person whose primary business is a Permitted Business that shall become a Restricted Subsidiary immediately upon the acquisition of such Capital Stock by the Issuer or by a Restricted Subsidiary, but excluding any other securities).

“Permitted Business” means any of the business in which the Issuer and its Restricted Subsidiaries are engaged on the Issue Date as described in this offering memorandum, and any business reasonably related, incidental, complementary or ancillary thereto.

“Permitted Holder” means any Person, including Kruger Inc. and its Affiliates, that (i) during the lifetime of Joseph Kruger II, is controlled by Joseph Kruger II, either directly or through control of an Affiliate of such Person or otherwise, or (ii) thereafter, is controlled by the legal representatives or the heirs of Joseph Kruger II, either directly or through control of an Affiliate of such Person or otherwise, where references in this definition to “control” and “controlled” shall mean to possess, directly or indirectly, the power to direct or cause the direction of management and policies of the relevant Person, whether through the ownership of voting shares, by contract or otherwise.

“Permitted Investments” means, without duplication:

- (1) any Investment in the Issuer or in a Restricted Subsidiary;
- (2) any Investment in Cash Equivalentents;
- (3) any Investment in a Person, if as a result of such Investment:
 - (a) such Person becomes a Restricted Subsidiary, or

- (b) such Person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, the Issuer or a Restricted Subsidiary;
- (4) any Investment made as a result of the receipt of non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 5.16;
- (5) any acquisition of assets or other Investments in a Person solely in exchange for the issuance of Capital Stock (other than Disqualified Stock) of the Issuer or warrants, options or other rights to acquire Capital Stock (other than Disqualified Stock) of the Issuer;
- (6) Investments resulting from repurchases of the Notes;
- (7) any Investments received in compromise of (a) obligations of trade creditors or customers that were incurred in the ordinary course of business, including pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of any trade creditor or customer or (b) litigation, arbitration or other disputes;
- (8) Hedging Obligations incurred in the ordinary course of business and not for speculative purposes;
- (9) Investments (a) existing on the Issue Date or (b) that are an extension, modification or renewal of any such Investments described under the preceding clause (a), but only to the extent not involving additional advances, contributions or other Investments of cash or other assets or other increases thereof, and Investments made with the proceeds, including, without limitation, from sales or other dispositions, of such Investments and any other Investments made pursuant to this clause (9);
- (10) guarantees permitted by Section 5.13;
- (11) guarantees of performance or other obligations (other than Indebtedness) arising in the ordinary course of business;
- (12) loans or advances made to officers, directors or employees of the Issuer or any of its Restricted Subsidiaries; provided that the aggregate principal amount outstanding at any time under this clause (12) shall not exceed \$2.0 million;
- (13) Investments in Permitted Joint Ventures or Unrestricted Subsidiaries provided that the aggregate amount of such Investments made pursuant to this clause (13) shall not exceed 30% of Consolidated Net Tangible Assets measured at the time of each Investment;
- (14) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged into, amalgamated with, or consolidated with the Issuer or any

of its Restricted Subsidiaries in a transaction that is not prohibited by Section 9.1 after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;

- (15) Investments in Qualified Receivable Transactions;
- (16) receivables owing to the Issuer or any Restricted Subsidiary if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms; provided, however, that such trade terms may include such concessionary trade terms as the Issuer or any such Restricted Subsidiary deems reasonable under the circumstances;
- (17) lease, utility and other similar deposits in the ordinary course of business; and
- (18) other Investments having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (18) that are at the time outstanding not to exceed the greater of (i) \$40 million and 4.0% of Consolidated Net Tangible Assets (calculated as at the time of making any such Investment).

“Permitted Joint Venture” means a Person which is not a Subsidiary of the Issuer and is, directly or indirectly, through its Subsidiaries or otherwise, engaged principally in a Permitted Business, and the Capital Stock of which is owned by the Issuer or its Restricted Subsidiaries, on the one hand, and one or more Persons other than the Issuer or any of its Affiliates, on the other hand.

“Permitted Liens” means, as of any date:

- (1) Liens securing Indebtedness under Credit Facilities; provided that the aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the members of the Issuer or its Restricted Subsidiaries thereunder) of such Indebtedness does not exceed the greater of the amounts set forth in clause (1) of the definition of Permitted Indebtedness (measured at the time of the incurrence of such Indebtedness);
- (2) Liens securing Indebtedness under a New Nordea Credit Facility; provided that the aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the members of the Issuer or its Restricted Subsidiaries thereunder) of such Indebtedness does not exceed the amount set forth in clause (2) of the definition of Permitted Indebtedness (measured at the time of the incurrence of such Indebtedness);

- (3) Liens securing Indebtedness under Capital Lease Obligations or Purchase Money Obligations; provided that the aggregate principal amount of such Indebtedness does not exceed the greater of the amounts set forth in clause (5) of the definition of Permitted Indebtedness (measured at the time of the incurrence of such Indebtedness);
- (4) Liens in favour of the Issuer of any of its Restricted Subsidiaries;
- (5) Liens on property of a Person existing at the time such Person is acquired by or amalgamated or merged with or into or consolidated with the Issuer or any Restricted Subsidiary; provided that such Liens were in existence prior to, and were not created in contemplation of, such acquisition, amalgamation, merger or consolidation and do not extend to any assets other than those of the Person acquired by or amalgamated or merged into or consolidated with the Issuer or the Restricted Subsidiary;
- (6) Liens securing Hedging Obligations incurred in the ordinary course of business and not for speculative purposes;
- (7) Liens for any judgment rendered, or claim filed, against the Issuer or any Restricted Subsidiary which is being contested in good faith by appropriate proceedings and that does not constitute an Event of Default if during such contestation a stay of enforcement of such judgment or claim is in effect;
- (8) Liens on property existing at the time of acquisition of such property by the Issuer or any Restricted Subsidiary, provided that such Liens do not extend to any other property of the Issuer or any Restricted Subsidiary and were in existence prior to, and were not created in contemplation of, such acquisition;
- (9) Liens incurred or deposits made to secure the performance of or otherwise in connection with statutory obligations, environmental reclamation obligations, bids, leases, government contracts, surety or appeal bonds, performance or return-of-money bonds or other obligations of a like nature incurred in the ordinary course of business;
- (10) Liens existing on the Issue Date securing Indebtedness outstanding on the Issue Date (other than Liens described in clause (1) above); provided that (i) the aggregate principal amount of the Indebtedness, if any, secured by such Liens does not increase; and (ii) such Liens do not encumber any property other than the property subject thereto on the Issue Date (plus improvements, accessions, proceeds or dividends or distributions in respect thereof);
- (11) Liens for taxes, workers' compensation, unemployment insurance and other types of social security, assessments or other governmental charges or claims that are not yet due and payable or, if due and payable and delinquent, that are being contested by the Issuer or a Restricted Subsidiary in good faith by appropriate proceedings promptly instituted and diligently concluded,

provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

- (12) licences, permits, reservations, covenants, servitudes, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, in respect of sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) and zoning, land use and building restrictions, by-laws, regulations and ordinances of federal, provincial, regional, state, municipal and other governmental authorities;
- (13) Liens imposed by law that are incurred in the ordinary course of business and do not secure Indebtedness for borrowed money, such as carriers', warehousemen's, mechanics', landlords', materialmen's, employees', labourers', employers', suppliers', banks', builders', repairmen's and other like Liens;
- (14) easements, rights-of-way, zoning restrictions and other similar charges, restrictions or encumbrances in respect of real property or immaterial imperfections of title that do not, in the aggregate, impair in any material respect the ordinary conduct of the business of the Issuer and its Restricted Subsidiaries taken as a whole;
- (15) Liens securing Permitted Refinancing Indebtedness in respect of Indebtedness that was secured by Permitted Liens, provided that such Liens secure only the same property as, and have no greater priority than, such Permitted Liens;
- (16) Liens given to a public utility or any municipality or governmental or other public authority when required by such utility or other authority in connection with the operation of the business or the ownership of the assets of the Issuer or any of its Restricted Subsidiaries;
- (17) Liens arising from precautionary Personal Property Security Act or Uniform Commercial Code (or its equivalent) financing statement filings regarding operating leases entered into by the Issuer and its Restricted Subsidiaries in the ordinary course of business;
- (18) applicable municipal and other governmental restrictions, including municipal by laws and regulations, affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with;
- (19) subdivision agreements, site plan control agreements, servicing agreements, development agreements, facilities sharing agreements, cost sharing agreements and other similar agreements provided they do not materially impair the use of the affected property for the purpose for which it is used by the Issuer or its Restricted Subsidiary, as the case may be, or materially

impair the value of the property subject thereto or interfere with the ordinary conduct of the business of such Person and provided the same are complied with;

- (20) landlord distraint rights and similar rights arising under the leasehold interests of the Issuer and its Restricted Subsidiaries limited to the assets located at or about such leased properties;
- (21) title defects, encroachments or irregularities which are of a minor nature;
- (22) the reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein or in any comparable grant in jurisdictions other than Canada;
- (23) Liens in favour of customs, revenue, and taxation authorities arising by operation of law;
- (24) Liens securing the IQ Secured Loan provided that the aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the members of the Issuer or its Restricted Subsidiaries thereunder) of such Indebtedness does not exceed the amount set forth in clause (6) of the definition of Permitted Indebtedness (measured at the time of the incurrence of such Indebtedness);
- (25) Liens in favour of any federal government or any province, state or territory thereof or any municipality therein or any political subdivision, department, agency or instrumentality of any of them to secure the performance of any covenant or obligation to or in favour of or entered into at the request of such authorities where such security is required pursuant to any contract, statute or regulation or with respect to any franchise, grant, license or permit (including related to periodic payments in connection therewith) or arises by operation of law and any defects in title to structures or other facilities arising solely from the fact that such structures or facilities are constructed or installed on lands held by the Issuer or any of its Restricted Subsidiaries under government permits, leases or grants, provided that such Lien is not given in connection with Indebtedness;
- (26) Liens securing Indebtedness under a Qualified Receivables Transaction; provided that the aggregate principal amount of such Indebtedness does not exceed the amount set forth in clause (16) of the definition of Permitted Indebtedness (measured at the time of the incurrence of such Indebtedness); and
- (27) other Liens securing Indebtedness and related obligations in an aggregate principal amount not to exceed, at any one time outstanding under this clause (27), the greater of (i) \$40.0 million and (ii) 4.0% of Consolidated Net Tangible Assets (calculated as at the time of the incurrence of such Liens).

“Permitted Refinancing Indebtedness” means any Indebtedness of the Issuer or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Issuer or any of its Restricted Subsidiaries (other than intercompany Indebtedness); provided that:

- (1) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness extended, refinanced, renewed, replaced, defeased or refunded (plus all accrued interest on the Indebtedness and the amount of all reasonable fees and expenses and premiums incurred in connection therewith);
- (2) the Stated Maturity of the principal of such Permitted Refinancing Indebtedness is (i) no earlier than the Stated Maturity of the principal of the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded, or (ii) at least 91 days after the Stated Maturity of the principal of the Notes;
- (3) the Permitted Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Permitted Refinancing Indebtedness is incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being extended, refinanced, renewed, replaced, deferred or refunded;
- (4) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is Subordinated Indebtedness of the obligor thereon, such Permitted Refinancing Indebtedness is subordinated in right of payment to the Notes issued by, or the Note Guarantee of, the obligor thereon, as the case may be, on terms at least as favourable, taken as a whole, to the Holders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded;
- (5) (i) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is secured Indebtedness, no additional security, or security with greater priority, is granted in respect thereof; and (ii) if such Indebtedness is unsecured Indebtedness, no security is granted in respect thereof; and
- (6) such Permitted Refinancing Indebtedness is incurred by the Person that was the obligor on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded and is guaranteed only by Persons who were obligors on the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded.

“Person” means any individual, corporation, partnership, joint venture entity, association, joint-stock company, trust, unincorporated organization, limited liability company or government or other entity.

“Premium” means, at any time with reference to any Note and without duplication, the excess of the applicable Redemption Price of such Note at such time (provided that the Issuer has then exercised its rights of redemption in respect of or is then obligated to redeem such Note) over the principal amount of such Note and/or any other amount owing at such time with respect to such Note (other than interest) over the principal amount of such Note.

“Purchase Money Obligations” means Indebtedness of the Issuer and its Restricted Subsidiaries incurred for the purpose of financing all or any part of the purchase price, or the cost of installation, construction or improvement, of Permitted Assets.

“Qualified Receivables Transaction” means any transaction or series of transactions, including factoring arrangements, that may be entered into by the Issuer or any Restricted Subsidiary in connection with or reasonably related to a transaction or series of transactions in which the Issuer or any Restricted Subsidiary may sell, convey or otherwise transfer to (1) a Special Purpose Vehicle or (2) any other Person, or may grant a security interest in, any equipment and related assets (including contract rights) or Receivables or interests therein which may be secured by goods or services financed thereby (whether such Receivables are then existing or arising in the future) of the Issuer or any Restricted Subsidiary, and any assets relating thereto including, without limitation, all security or ownership interests in goods or services financed thereby, the proceeds of such Receivables, and other assets which are customarily sold or in respect of which security interests are customarily granted in connection with securitization transactions involving such assets, as any agreement governing any such transactions may be renewed, refinanced, amended, restated or modified from time to time.

“Receivables” means any right of payment from or on behalf of any obligor, whether constituting an account, chattel paper, instrument, general intangible or otherwise, arising from the financing by the Issuer or any Restricted Subsidiary of goods or services, and monies due thereunder, security or ownership interests in the goods and services financed thereby, records relating thereto, and the right to payment of any interest or finance charges and other obligations with respect thereto, proceeds from claims on insurance policies related thereto, any other proceeds related thereto, and other related rights.

“Record Date” means the date specified for determining holders entitled to receive interest on the Notes on any Interest Payment Date.

“Redemption Notice” has the meaning given to that term in Section 4.8.

“Redemption Price” has the meaning given to that term in Section 4.1.

“Registrar” has the meaning given to that term in Section 2.9(a).

“Reinstatement Date” has the meaning given to that term in Section 5.18(b).

“Reinvestment Yield” means, with respect to the Called Principal of any Note, the sum of (i) 0.50% per annum plus (ii) the bid yield to maturity on such date compounded semi-annually which a non-callable non-amortizing Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity which most closely approximates the remaining term to April 24, 2021 of the Notes on such date, as determined by the Issuer based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market place at or about 10:00 a.m. (Toronto time), on the relevant date for each of the two outstanding non-callable non-amortizing Government of Canada nominal bonds which have the terms to maturity which most closely span the remaining term to April 24, 2021 of the Notes on such date, where such arithmetic average is based in each case on the bids quoted to an independent investment dealer acting as agent of the Issuer by two independent registered members of the Investment Industry Regulatory Organization of Canada selected by the Issuer (and acceptable to the Trustee, acting reasonably), calculated in accordance with standard practice in the industry.

“Relevant Taxing Jurisdiction” has the meaning given to that term in Section 5.2(a).

“Remaining Scheduled Payments” means, with respect to the Called Principal of any Note, (i) the redemption price of such Called Principal at April 24, 2021 (such redemption price being set forth in the table appearing in Section 4.2(d), and (ii) all required payments of interest on such Called Principal that would be due after the date of calculation of the redemption price with respect to such Called Principal through and including April 24, 2021 if no payment of such Called Principal were made prior to its scheduled due date, provided that if such date of calculation of the redemption price is not a date on which interest payments are due to be made under the terms of such Notes, then the amount of the next succeeding interest payment will be reduced by the amount of interest accrued to such date of calculation of the redemption price and required to be paid on such date.

“Reporting Subsidiaries” means the Restricted Subsidiaries and the Non-Material Subsidiaries of the Issuer.

“Restricted Subsidiary” means, with respect to the Issuer, any Subsidiary of the Issuer that is not an Unrestricted Subsidiary.

“Restricted Investment” means an Investment other than a Permitted Investment.

“S&P” means Standard & Poor’s Rating Services, a division of The McGraw-Hill Companies, Inc., or any successor to the rating agency business thereof.

“Sale/Leaseback Transaction” means an arrangement relating to property owned by the Issuer or a Restricted Subsidiary on the Issue Date or thereafter acquired by the Issuer or a Restricted Subsidiary whereby the Issuer or a Restricted Subsidiary transfers such property to a Person and the Issuer or a Restricted Subsidiary leases it from such Person.

“Secured Debt” means all Indebtedness (excluding Hedging Obligations) secured by a Lien.

“Secured Leverage Ratio” means, as of any date of determination, with respect to the Issuer and its Restricted Subsidiaries, the ratio of (1) all Secured Debt as of such date to (2) Consolidated EBITDA for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which financial statements are internally available, in each case with such pro forma adjustment provisions set forth in the definition of “Fixed Charge Coverage Ratio”.

“Significant Subsidiary” means: (1) any Restricted Subsidiary of the Issuer: (a) whose proportionate share of Consolidated Net Tangible Assets (after intercompany eliminations) exceeds 10.0% as of the end of the most recently completed four fiscal quarters for which internal annual or quarterly financial statements are available; or (b) who contributed in excess of 10.0% of Consolidated EBITDA for the most recently completed four fiscal quarters for which internal annual or quarterly financial statements are available; and (2) any Restricted Subsidiary of the Issuer that, when aggregated with all other Restricted Subsidiaries that are not otherwise Significant Subsidiaries and as to which any event described in Section 6.1(f), 6.1(g) or 6.1(h) has occurred and is continuing, would constitute a Significant Subsidiary under clause (1) of this definition.

“Special Purpose Vehicle” means a bankruptcy-remote entity or trust or other special purpose entity which is formed by the Issuer, any Affiliate of the Issuer or any other Person for the purpose of, and engages in no material business other than in connection with a Qualified Receivables Transaction or other similar transactions of Receivables, including factoring arrangements, or other similar or related assets.

“Stated Maturity” means, with respect to any instalment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness (as amended, supplemented or otherwise modified in any manner that is not prohibited by this Indenture), and will not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

“Subordinated Indebtedness” means Indebtedness of the Issuer or a Guarantor that is subordinated in right of payment to the Notes or the Note Guarantee issued by the Issuer or such Guarantor, as the case may be.

“Subsidiary” means, with respect to any specified Person:

- (1) any corporation, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency and after giving effect to any voting agreement or stockholders’ agreement that effectively transfers voting power) to vote in the election of directors, managers or trustees of the corporation, association or other business entity is at the time owned or

controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof); and

- (2) any partnership or limited liability company of which (i) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person (or a combination thereof), whether in the form of membership, general, special or limited partnership interests or otherwise, and (ii) that Person or any Affiliate of that Person is a controlling general partner or otherwise controls such entity.

“Syndicated Credit Facility” means the credit facility provided for in the sixth amended and restated credit agreement dated as of the date hereof entered into between, inter alia, the Issuer, as borrower, the lenders named therein, providing for a revolving credit facility in the aggregate maximum amount of \$200 million, as amended, supplemented or restated from time to time.

“Supplemental Indenture” means an indenture supplemental to this Indenture which may be executed, acknowledged and delivered for any of the purposes set out in Section 11.5.

“Suspended Covenants” has the meaning given to that term in Section 5.18(a).

“Suspension Period” means the period of time between a Covenant Suspension Event and the related Reversion Date.

“TAD Canco” means TAD Canco Inc., and includes any successor thereto.

“Tax Act” means the *Income Tax Act* (Canada), as amended.

“Taxes” means any present or future tax, levy, impost, assessment or other government charge (including penalties, interest and any other liabilities related thereto) imposed or levied by or on behalf of a Taxing Authority.

“Taxing Authority” means any government or any political subdivision or territory or possession of any government or any authority or agency therein or thereof having power to tax.

“Total Assets” means, as of the date of determination, the total assets of the Issuer and the Restricted Subsidiaries without giving effect to any impairment or amortization of the amount of intangible assets since the Issue Date, determined on a consolidated basis in accordance with GAAP, as set forth on the internal balance sheet of the Issuer as of the last day of the fiscal quarter most recently ended for which internal financial statements have been (or were required to be) delivered pursuant to Sections 5.7(a)(i) and 5.7(a)(ii).

“Unrestricted Subsidiary” means on the Issue Date, TAD Canco Inc., TAD Luxembourg s.à.r.l., K.T.G. (U.S.A) Inc., 1061021 Delaware Inc., 8528365 Canada Inc., Canadian Tissue Limited, Aztec Investments Inc., White Swan Tissue Company, Westminster Paper Company Limited and West Tree Farms Limited and any Subsidiary (including a newly acquired or newly formed Subsidiary) of the Issuer that is designated as an Unrestricted Subsidiary pursuant to Section 5.10, and includes any Subsidiary of an Unrestricted Subsidiary.

“Weighted Average Life to Maturity” means, when applied to any Indebtedness at any date, the number of years obtained by dividing:

- (1) the sum of the products obtained by multiplying (a) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect of the Indebtedness, by (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by
- (2) the then outstanding principal amount of such Indebtedness.

1.2 Meaning of “Outstanding”

Every Note issued, certified and delivered in accordance with this Indenture shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation or redemption for monies or a new Note is issued in substitution for it pursuant to Section 2.14 or the payment for redemption thereof shall have been set aside under Section 4.10, provided that:

- (a) when a new Note has been issued in substitution for a Note which has been lost, stolen or destroyed, only one of such Notes shall be counted for the purpose of determining the aggregate principal amount of Notes outstanding;
- (b) Notes which have been partially redeemed or purchased shall be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount thereof; and
- (c) for the purposes of any provision of this Indenture entitling Holders of outstanding Notes to vote, sign consents, resolutions, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Holders, Notes owned directly or indirectly, legally or equitably, by the Issuer or any of its Subsidiaries shall be disregarded (unless the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding aggregate principal amount of Notes at the time outstanding in which case they shall not be disregarded) except that:

- (i) for the purpose of determining (A) whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or (B) the Holders present or represented at any meeting of Holders, only the Notes in respect of which the Trustee has received an Officers' Certificate confirming that the Issuer and/or one or more of its Subsidiaries are the only Holders shall be so disregarded; and
- (ii) Notes so owned which have been pledged in good faith other than to the Issuer or any of its Subsidiaries shall not be so disregarded if the pledgee shall establish, to the satisfaction of the Trustee, the pledgee's right to vote such Notes, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Issuer or any of its Subsidiaries.

1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;
- (c) all references to Sections refer, unless otherwise specified, to sections, subsections or clauses of this Indenture;
- (d) words and terms denoting inclusiveness (such as "include" or "includes" or "including"), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them; and
- (e) "this Indenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include the Note Guarantees, as applicable, and any and every Supplemental Indenture;

1.4 Headings, Etc.

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

1.5 Statute Reference

Any reference in this Indenture to a statute is deemed to be a reference to such statute as amended, re-enacted or replaced from time to time.

1.6 Day not a Business Day

In the event that any day on or before which any action required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the first Business Day thereafter.

1.7 Applicable Law

This Indenture, the Notes and the Note Guarantees shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as Ontario contracts.

1.8 Monetary References

Whenever any amounts of money are referred to herein, such amounts shall be deemed to be in lawful money of Canada unless otherwise expressed.

1.9 Invalidity, Etc.

Each provision in this Indenture or in a Note is distinct and severable and a declaration of invalidity or unenforceability of any such provision by a court of competent jurisdiction will not affect the validity or enforceability of any other provision hereof or thereof.

1.10 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer and its Restricted Subsidiaries shall bind their successors and assigns, as applicable, whether expressed or not.

1.11 Benefits of Indenture

Nothing in this Indenture or in the Notes, express or implied, shall give to any Person, other than the parties hereto and their successors or assigns hereunder, any Paying Agent, the Holders and the Trustee, any benefit or any legal or equitable right, remedy or claim under this Indenture.

1.12 Accounting Terms; Changes in Generally Accepted Accounting Principles

Each accounting term used in this Indenture, unless otherwise defined herein, has the meaning assigned to it under GAAP applied consistently throughout the relevant period and relevant prior periods.

ARTICLE 2 THE NOTES

2.1 Issue and Designation of Notes

In accordance with this Indenture, the Issuer is authorized to issue a series of Notes designated "6.00% Senior Unsecured Notes due April 24, 2025". The Notes may be issued from time to time, subject to the conditions and limitations set out in this Indenture, shall be dated on the date of issue thereof, and shall be issued in denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000. The Notes will become due and payable, together with accrued interest and unpaid interest thereon, on April 24, 2025, unless earlier redeemed or repurchased in accordance herewith.

2.2 Additional Notes

The aggregate principal amount of Notes which may be issued under this Indenture on the Issue Date will consist of and initially be limited to \$125,000,000 in lawful money of Canada. The Issuer shall be entitled, subject to Section 5.13, to issue additional notes ("**Additional Notes**") from time to time under this Indenture which shall have identical terms as the Notes issued on the Issue Date, other than with respect to the date of issuance, issue price and, if applicable, the first Interest Payment Date, and which shall bear the same designation and designating letters as those applied to such previous issue and will be numbered consecutively upwards in respect of such denominations of Notes in like manner and following the numbers of the Notes of such previous issue. The Notes issued on the date hereof, and any Additional Notes shall be treated as a single class for all purposes under this Indenture, including waivers, amendments, redemptions and offers to purchase. With respect to any Additional Notes, the Issuer shall set forth in an Officer's Certificate, a copy of each of which shall be delivered to the Trustee, the aggregate principal amount of such Additional Notes to be authenticated and delivered pursuant to this Indenture, and the Holder(s), issue date and first Interest Payment Date of such Additional Notes.

2.3 Interest

The Notes will bear interest on the unpaid principal amount thereof at the rate of 6.00% per annum from their date of issue to, but excluding, the Maturity thereof, payable semi-annually in arrears in respect of each Interest Period (after, as well as before, Maturity, default and judgment, with overdue interest at the same rate) on each Interest Payment Date in accordance with Section 2.15 and Section 2.18. The first Interest Payment Date will be October 24, 2018.

2.4 Ranking of the Notes

Each Note will rank equal in right of payment with each other Note (regardless of their actual date or terms of issue).

2.5 Currency of Payment

The principal of, and interest and Premium (if any) on, the Notes will be payable in Canadian dollars.

2.6 Appointment of Trustee and Depository

- (a) The Trustee will be the trustee for the Notes, subject to Article 10.
- (b) The Issuer initially appoints CDS to act as Depository with respect to the Notes.

2.7 Form of Notes

- (a) The Notes and the Trustee's certificate of authentication shall be substantially in the form set out in Appendix "A" hereto, together with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture. Notes may have notations, legends or endorsements required by law, stock exchange rule or usage.
- (b) The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Issuer and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling.
- (c) Notes may be typed, engraved, printed, lithographed or reproduced in a different form, or partly in one form and partly in another, as the Issuer may determine. The execution of any such Notes by the Issuer and the authentication by the Trustee in accordance with Section 2.8 of any such Notes will be conclusive evidence that such Notes are Notes authorized by this Indenture.

2.8 Execution, Authentication and Delivery of Notes

- (a) All Notes shall be signed (either manually or by electronic or facsimile signature) by any two authorized directors or officers of the Issuer, holding office at the time of signing. An electronic or facsimile signature upon a Note shall for all purposes of this Indenture be deemed to be the signature of the individual whose signature it purports to be. Notwithstanding that any individual whose signature, either manual or in facsimile or other electronic means, appears on a Note as a director or officer may no longer hold such office at the date of the Note or at the date of the authentication and delivery thereof, such Note shall be valid and binding upon the Issuer and the Holder thereof shall be entitled to the benefits of this Indenture.

- (b) No Notes will be valid or obligatory for any purpose unless such Notes have been authenticated by or on behalf of the Trustee substantially in the form provided for herein. Such authentication upon any Notes will be conclusive evidence, and the only evidence, that such Notes have been duly authenticated, issued and delivered and that the Holder thereof is entitled to the benefits hereof.
- (c) Subject to the terms of this Indenture, the Trustee shall from time to time authenticate one or more Notes (including Global Notes) for original issue on the issue date for such Notes upon and in accordance with an Issuer Order signed by an executive officer of the Issuer (an “**Authentication Order**”), without the Trustee receiving any consideration therefor. Each such Authentication Order shall specify the principal amount of such Notes to be authenticated and the date on which such Notes are to be authenticated. The aggregate principal amount of Notes outstanding at any time may not exceed the aggregate principal amount specified in the Authentication Orders except as provided in Section 2.14. Except as provided in Section 5.13, there is no limit on the amount of Notes that may be issued hereunder.
- (d) The certificate by or on behalf of the Trustee authenticating Notes will not be construed as a representation or warranty of the Trustee as to the validity of this Indenture or of any Notes or their issuance (except the due authentication thereof by the Trustee) or as to the performance by the Issuer of its obligations under this Indenture or any Notes and the Trustee will be in no respect liable or answerable for the use made of the proceeds of such Notes. The certificate by or on behalf of the Trustee authenticating Notes issued under this Indenture will constitute a representation and warranty by the Trustee that such Notes have been duly authenticated by and on behalf of the Trustee pursuant to the provisions of this Indenture.

2.9 Registrar and Paying Agent

- (a) The Issuer shall maintain for the Notes an office or agency where such Notes may be presented for registration of transfer or for exchange (“**Registrar**”) and an office or agency where such Notes may be surrendered for payment (“**Paying Agent**”). The Registrar shall keep a register of such Notes and of their transfer and exchange.
- (b) The Issuer may appoint one or more co-Registrars and one or more additional Paying Agents for the Notes in such other locations as it shall determine. The term “**Registrar**” includes any co-Registrar and the term “**Paying Agent**” includes any additional Paying Agent. The Issuer may change any Paying Agent or Registrar without notice to any Holder. The Issuer will notify the Trustee in writing of the name and address of any Registrar or Paying Agent which is not a party to this Indenture. The Issuer or any of its Subsidiaries may act as Paying Agent or Registrar for the Notes. The Issuer initially appoints the Trustee at its corporate office in Toronto,

Ontario to act as the Registrar, transfer agent, authentication agent and Paying Agent with respect to the Notes under this Indenture.

2.10 Paying Agent to Hold Money in Trust

The Issuer shall require each Paying Agent, other than the Trustee, to agree in writing that the Paying Agent will, and the Trustee when acting as Paying Agent agrees that it will, hold in trust, for the benefit of the Holders or the Trustee all money held by the Paying Agent for the payment of principal, Premium, if any, and interest on the Notes and shall notify the Trustee of any default by the Issuer in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the Trustee and to account for any money disbursed by it. The Issuer at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Issuer or a Subsidiary) shall have no further liability for the money. If the Issuer or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Issuer, the Trustee shall serve as Paying Agent for the Notes.

2.11 Book Entry Only Notes

- (a) Subject to Section 3.2(b), the provisions of the Notes or any Supplemental Indenture providing for the issuance thereof, Notes shall be issued as book-entry only Notes represented by a Global Note. Each Global Note authenticated in accordance with this Indenture and any Supplemental Indenture shall be registered in the name of the Depository designated for such Global Note or a nominee thereof and delivered to such Depository or a nominee thereof or custodian therefor, and each such Global Note shall constitute a single Note for all purposes of this Indenture and all Supplemental Indentures. Beneficial interests in a Global Note will not be shown on the register or the records maintained by the Depository but will be represented through book-entry accounts of Participants on behalf of the Beneficial Holders of such Note in accordance with the rules and procedures of the Depository. None of the Issuer or the Trustee shall have any responsibility or liability for any aspects of the records relating to or payments made by any Depository on account of the beneficial interest in any Global Notes or for maintaining, reviewing or supervising any records relating to such beneficial interests therein. Except as otherwise provided in this Indenture, Beneficial Holders shall not be entitled to have Notes registered in their names, shall not receive or be entitled to receive definitive Notes and shall not be considered owners or Holders thereof under this Indenture or any Supplemental Indenture. Nothing herein shall prevent Beneficial Holders from voting such Notes using duly executed proxies.
- (b) Every Note authenticated and delivered upon registration or transfer of a Global Note, or in exchange for or in lieu of a Global Note or any portion thereof, shall be authenticated and delivered in the form of, and shall be, a

Global Note, unless such Note is registered in the name of a Person other than the Depository for such Global Notes or a nominee thereof.

2.12 Global Notes

Notes issued to a Depository in the form of Global Notes shall be subject to the following in addition to the provisions of Section 3.2, unless and until definitive Notes have been issued to Beneficial Holders pursuant to Section 3.2(b):

- (a) the Trustee may deal with such Depository for all purposes as the sole Holder of the Notes and the authorized representative of the Beneficial Holders of such Notes;
- (b) the rights of the Beneficial Holders of such Notes shall be exercised only through such Depository and the rights of Beneficial Holders shall be limited to those established by applicable law and agreements between the Depository and the Participants and between such Participants and Beneficial Holders, and must be exercised through a Participant in accordance with the rules and procedures of the Depository;
- (c) whenever this Indenture requires or permits actions to be taken based upon instructions or directions of Holders evidencing a specified percentage of the outstanding Notes, the Depository shall be deemed to be counted in that percentage to the extent that it has received instructions to such effect from Beneficial Holders or Participants;
- (d) such Depository will make book-entry transfers among the direct Participants of such Depository and will receive and transmit distributions of principal, Premium and interest on the Notes to such direct Participants;
- (e) the direct Participants of such Depository shall have no rights under this Indenture or under or with respect to any of the Notes held on their behalf by such Depository, and such Depository may be treated by the Trustee and its agents, employees, officers and directors as the absolute owner of the Notes represented by such Global Notes for all purposes whatsoever;
- (f) whenever a notice or other communication is required to be provided to Holders, the Trustee shall provide all such notices and communications to the Depository and the Depository shall deliver such notices and communications to the Beneficial Holders in accordance with Applicable Securities Legislation and the procedures of the Depository; and
- (g) notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders thereof.

2.13 Interim Notes

Pending the delivery of definitive Notes to the Trustee, the Issuer may issue and the Trustee authenticate in lieu thereof (but subject to the same provisions, conditions and limitations as set forth in this Indenture) interim printed, mimeographed or typewriter Notes in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Notes when the same are ready for delivery; or the Issuer may execute and deliver to the Trustee and the Trustee authenticate a temporary Note for the whole principal amount of Notes then authorized to be issued hereunder and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Note so delivered to it, as the Issuer and the Trustee may approve entitling the holders thereof to definitive Notes when the same are ready for delivery; and, when so issued and certified, such interim or temporary Notes or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Notes duly issued hereunder and, pending the exchange thereof for definitive Notes, the holders of the interim or temporary Notes or interim certificates shall be deemed without duplication to be Holders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Issuer shall have delivered the definitive Notes to the Trustee, the Trustee shall call in for exchange all temporary or interim Notes or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Issuer or the Trustee to the holders of such interim or temporary Notes or interim certificates for the exchange thereof.

2.14 Mutilation, Loss, Theft or Destruction

In case any of the Notes issued hereunder shall become mutilated or be lost, stolen or destroyed, the Issuer, in its discretion, may issue, and thereupon the Trustee shall authenticate and deliver, a new Note upon surrender and cancellation of the mutilated Note, or in the case of a lost, stolen or destroyed Note, in lieu of and in substitution for the same, and the substituted Note shall be in a form approved by the Trustee and shall entitle the Holder thereof to the benefits of this Indenture and shall rank equally in accordance with its terms with all other Notes issued or to be issued hereunder. In case of loss, theft or destruction the applicant for a substituted Note shall furnish to the Issuer and to the Trustee such evidence of the loss, theft or destruction of the Note as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Note.

2.15 Concerning Interest

- (a) All Notes issued hereunder, whether originally or upon exchange or in substitution for previously issued Notes (including for certainty Notes issued under Sections 2.13 and 2.14), which are interest bearing, shall bear interest (i) from and including their respective issue date, or (ii) from and including the last Interest Payment Date therefor to which interest shall have been paid or made available for payment on such outstanding Notes, whichever shall be

the later, in all cases, to and excluding the next Interest Payment Date therefor.

- (b) Subject to accrual of any interest on unpaid interest from time to time, interest on a Note will cease to accrue from the Maturity of such Note unless, upon due presentation and surrender of such Note for payment on or after the Maturity thereof, such payment is improperly withheld or refused.
- (c) If the date for payment of any amount of principal, Premium or interest in respect of a Note is not a Business Day at the place of payment, then payment thereof will be made on the next Business Day and the Holder of such Note will not be entitled to any further interest on such principal, or to any interest on such interest, Premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.
- (d) The Holder of any Note at the close of business on any Record Date with respect to any Interest Payment Date shall be entitled to receive the interest, if any, payable on such Interest Payment Date notwithstanding any transfer or exchange of such Note subsequent to such Record Date and prior to such Interest Payment Date, except if and to the extent the Issuer shall default in the payment of the interest due on such Interest Payment Date, in which case such defaulted interest shall be paid to the Persons in whose names such Note is registered at the close of business on a subsequent Record Date (which shall be not less than two Business Days prior to the date of payment of such defaulted interest) established by notice given by mail by or on behalf of the Issuer to the Holders of all affected Notes not less than 15 days preceding such subsequent Record Date.
- (e) Wherever in this Indenture or any Note there is mention, in any context, of the payment of interest, such mention is deemed to include the payment of interest on amounts in default to the extent that, in such context, such interest is, was or would be payable pursuant to this Indenture or the Note, and express mention of interest on amounts in default in any of the provisions of this Indenture will not be construed as excluding such interest in those provisions of this Indenture where such express mention is not made.
- (f) Unless otherwise specifically provided in this Indenture or the terms of any Note, interest on Notes shall be computed on the basis of a year of 365 days (or 366 days in the case of a leap year). Whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.
- (g) Subject to the terms of this Indenture, the Issuer understands and acknowledges that it is able to calculate the rate of interest applicable to the Notes under this Indenture based on the methodology for calculating per

annum rates provided for under paragraph 2.15(f). The Trustee, or applicable calculation agent, agrees that if requested in writing by the Issuer it will calculate the nominal and effective per annum rate of interest on the Notes outstanding at the time of such request and provide such information to the Issuer promptly following such request; provided that any error in any such calculation, or any failure to provide such information on request, shall not relieve the Issuer of any of its obligations under this Indenture, nor result in any liability to the Trustee or calculation agent. The Issuer confirms that it agrees not to plead or assert, whether by way of defence or otherwise, in any proceeding relating to this Indenture, that the interest payable under the Notes and the calculation thereof has not been adequately disclosed to the Issuer, whether pursuant to Section 4 of the *Interest Act* (Canada) or any other applicable law or legal principle.

2.16 Legend on Notes

- (a) Unless otherwise provided in the Notes, Notes will not be registered under any United States federal or state securities laws, and any Notes issued and sold in the United States will be issued and sold only to persons who are qualified institutional buyers within the meaning of, and in reliance on, Rule 144A under the 1933 Act. Each definitive certificate representing Notes issued and sold in the United States in accordance with the foregoing sentence (as well as all Notes issued in exchange thereof or in substitution thereof) shall bear, unless otherwise directed by the Issuer, the following legend (the “R. 144A U.S. Legend”):

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR UNDER ANY STATE SECURITIES LAWS. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF KRUGER PRODUCTS L.P. (THE “COMPANY”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY, WHETHER DIRECTLY OR INDIRECTLY, (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT (C) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT, OR (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT IN ACCORDANCE WITH RULE 144 THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR THE APPLICABLE SECURITIES LAWS OF ANY OTHER JURISDICTION, DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA, A NEW CERTIFICATE BEARING NO LEGEND, DELIVERY OF WHICH WILL CONSTITUTE “GOOD DELIVERY”, MAY BE OBTAINED FROM COMPUTERSHARE TRUST COMPANY OF CANADA (THE “TRUSTEE”) UPON DELIVERY OF THIS

CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE TRUSTEE, AND THE ISSUER AND, IF REQUIRED BY THE TRUSTEE, AN OPINION OF COUNSEL TO THE EFFECT THAT THE SALE OF THIS SECURITY IS BEING MADE IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT”;

- (b) The Trustee acknowledges and understands that the Notes have not been and will not be qualified for sale to the public under Applicable Securities Legislation, unless provided for in this Indenture. The Trustee acknowledges and understands that the Notes, and all Notes issued in exchange therefor or substitution thereof, shall bear a legend in substantially the following form until the legend is no longer required under Applicable Securities Legislation:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THIS SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) APRIL 24, 2018 AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.”

- (c) Each Global Note, and all Notes issued in exchange therefor or substitution thereof, shall bear the legend in substantially the following form, subject to such modification as required by the Depository:

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

UNLESS THIS NOTE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“CDS”) TO KRUGER PRODUCTS L.P. (THE “ISSUER”) OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY NOTE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR

TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS NOTE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS NOTE.”

Prior to the issuance of Notes, the Issuer shall notify the Trustee, in writing, concerning which Notes are to bear the legend or legends described in this Section 2.16.

2.17 Payments of Amounts Due on Maturity

- (a) Subject to Section 2.17(b), the following provisions shall apply to all Notes:
- (i) in the case of fully registered Notes, the Issuer will establish and maintain with the Paying Agent a Maturity Account for the Notes. On or before 11:00 a.m. (Eastern Standard Time) on the Business Day before the maturity date for the Notes, the Issuer shall deposit in the applicable Maturity Account by wire transfer or certified cheque an amount sufficient to pay all amounts payable in respect of the outstanding Notes (less any Taxes required by law to be deducted or withheld therefrom). The Paying Agent will pay to each Holder of such Notes entitled to receive payment, the principal amount of, and Premium (if any) on, such Notes, upon surrender of such Notes to the Paying Agent. The deposit or making available of such amounts into the applicable Maturity Account will satisfy and discharge the liability of the Issuer for the Notes to which the deposit or making available of funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture to such extent and such Holder will have no other right than to receive out of the money so deposited or made available the amount to which it is entitled. Failure to make a deposit or make funds available as required to be made pursuant to this Section 2.17(a)(i) will constitute Default in payment on the Notes in respect of which the deposit or making available of funds was required to have been made; and
 - (ii) in the case of any Notes issued and outstanding in the form of or represented by Global Notes, on or before 9:00 a.m. (Eastern Standard Time) on the Business Day before the maturity date for such Notes, the Issuer shall deliver to the Trustee, for delivery to the Depository, by electronic funds transfer an amount sufficient to pay the amount payable in respect of such Global Notes (less any Taxes required by law to be deducted or withheld therefrom). The Issuer will pay to the Trustee, for delivery to the Depository, the principal amount of, and Premium (if any) on, such Global Notes, against receipt of the relevant Global Notes. The delivery of such electronic funds to the

Depository will satisfy and discharge the liability of the Issuer for the Notes to which the electronic funds relates to the extent of the amount deposited or made available (plus the amount of any Taxes deducted or withheld as aforesaid) and such Notes will thereafter not be considered as outstanding under this Indenture unless such electronic funds transfer is not received. Failure to make delivery of funds available as required pursuant to this Section 2.17(a)(ii) will constitute Default in payment on the Notes in respect of which the delivery or making available of funds was required to have been made.

- (b) Notwithstanding Section 2.17(a), all payments in excess of \$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor the Paying Agent shall have any obligation to disburse funds pursuant to Section 2.17(a)(i) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable date of Maturity. The Paying Agent shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.18 Payment of Interest

- (a) As interest becomes due on each fully registered Note (except on redemption thereof, when interest may at the option of the Issuer be paid upon surrender of such Note), the Issuer, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any Taxes required by law to be deducted or withheld therefrom) to the order of the Holder of such Note at the close of business on the Record Date prior to the applicable Interest Payment Date and addressed to the Holder at the Holder's last address appearing on the register (or in the case of joint Holders, to such address of one of the joint Holders), unless such Holder otherwise directs. If payment is made by cheque, such cheque shall be forwarded at least two days prior to each Interest Payment Date and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to Holders), such payment shall be made in a manner whereby the Holder receives credit for such payment on the Interest Payment Date. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any Taxes deducted or withheld as aforesaid, satisfy and discharge all liability for interest on such Note to such extent, unless in the case of payment by cheque, such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the Person to whom it is so sent as aforesaid, the

Issuer will issue to such Person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Issuer is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on any Note in the manner provided above, the Issuer may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above. If payment is made through the Trustee, by 11:00 a.m. (Eastern Standard Time) at least one Business Day prior to the related Interest Payment Date for a Note or to the date of mailing the cheques for the interest due on such Interest Payment Date for such Notes, whichever is earlier, the Issuer shall deliver sufficient funds to the Trustee by electronic transfer or certified cheque or make such other arrangements for the provision of funds as may be agreeable between the Trustee and the Issuer in order to effect such interest payment hereunder.

- (b) So long as the Notes or any portion thereof are issued in the form of or represented by a Global Note, then all payments of interest on such Global Note shall be made by 11:00 a.m. (Eastern Standard Time) at least one Business Day prior to the related Interest Payment Date by electronic funds transfer made payable to the Depository or its nominee for subsequent payment to Beneficial Holders of the applicable interests in that Global Note, unless the Issuer and the Depository otherwise agree.
- (c) Notwithstanding Sections 2.18(a) and 2.18(b), all payments in excess of \$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association or any successor thereto) shall be made by the use of the LVTS. Neither the Trustee nor the Paying Agent, as applicable, shall have any obligation to disburse funds in respect of any Note pursuant to Section 2.18(a) unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable with respect to such Interest Payment Date for such Note. The Trustee or Paying Agent, as applicable, shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

2.19 Record of Payment

The Trustee will maintain accounts and records evidencing any payment, by it on behalf of the Issuer, of principal, Premium (if any) and interest in respect of Notes, which accounts and records will constitute, in the absence of manifest error, *prima facie* evidence of such payment.

2.20 Representation Regarding Third Party Interest

The Issuer hereby represents to the Trustee that any account to be opened by, or interest to be held by, the Trustee in connection with this Indenture, for or to the credit of the Issuer, either (i) is not intended to be used by or on behalf of any third party; or (ii) is intended to be used by or on behalf of a third party, in which case the Issuer hereby agrees to complete, execute and deliver forthwith to the Trustee a declaration, in the Trustee's prescribed form or in such other form as may be reasonably satisfactory to it, as to the particulars of such third party.

ARTICLE 3 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

3.1 Register of Certificated Notes

- (a) With respect to Notes issuable in whole or in part as fully registered Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Toronto, Ontario or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Notes or as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the names and addresses of the Holders and particulars of the Notes held by them respectively and of all transfers of Notes. Such registration shall be noted on the relevant Notes by the Trustee or other Registrar unless a new Note shall be issued upon such transfer.
- (b) No transfer of a registered Note shall be valid unless made on such register referred to in Section 3.1(a) by the Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Trustee or other Registrar upon surrender of the Notes together with a duly executed form of transfer acceptable to the Trustee or other Registrar and upon compliance with such other reasonable requirements as the Trustee or other Registrar may prescribe, and unless the name of the transferee shall have been noted on the Note by the Trustee or other Registrar.

3.2 Global Notes

- (a) With respect to Notes issuable as or represented by, in whole or in part, one or more Global Notes, the Issuer shall cause to be kept by and at the principal office of the Trustee in Toronto, Ontario or by such other Registrar as the Issuer, with the approval of the Trustee, may appoint at such other place or places, if any, as the Issuer may designate with the approval of the Trustee, a register in which shall be entered the name and address of the Holder of each such Global Note (being the Depository, or its nominee, for such Global Note) as Holder thereof and particulars of the Global Note held by it, and of all transfers thereof. If any Notes are at any time not Global Notes, the

provisions of Section 3.1 shall govern with respect to registrations and transfers of such Notes.

- (b) Notwithstanding any other provision of this Indenture but subject to Section 3.2(c), a Global Note may not be transferred by the Holder thereof and, accordingly, no definitive Notes shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Trustee, a Board Resolution or an Officers' Certificate:
 - (A) the Issuer has determined that CDS (y) is no longer willing or able to discharge properly its responsibilities as Depository with respect to the Global Note; (z) ceases to be a recognized clearing agency under Applicable Securities Legislation, or otherwise ceases to be eligible to be a Depository, and, in each case, the Issuer is unable to locate a qualified successor to its reasonable satisfaction;
 - (B) the Issuer has determined, in its sole discretion, or is required by law, to terminate the book-entry only registration system in respect of such Global Notes and has communicated such determination or requirement to the Trustee in writing, or the book-entry system ceases to exist; or
 - (C) the Trustee has determined that an Event of Default has occurred and is continuing with respect to Notes issued as Global Notes, provided that Beneficial Holders representing, in the aggregate, not less than 50% of the aggregate outstanding principal amount of the Notes advise the Depository in writing, through the Participants, that the continuation of the book-entry only registration system for the Notes is no longer in their best interests.
- (c) Global Notes may be transferred by a Depository to a nominee of such Depository, or by a nominee of a Depository to such Depository, or to another nominee of such Depository, or by a Depository or its nominee to a successor Depository or its nominee.
- (d) Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 3.2(b), the Trustee shall notify all Beneficial Holders, through the Depository, of the availability of definitive Notes. Upon surrender by the Depository of the Global Notes and receipt of new registration instructions from the Depository, the Trustee shall deliver the definitive Notes to the Beneficial Holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Notes will be governed by Section 3.1 and the remaining provisions of this Article 3.

- (e) It is expressly acknowledged that transfer of beneficial ownership in any Note issuable in the form of or represented by a Global Note will be effected only (a) with respect to the interests of participants in the Depository (“**Participants**”), through records maintained by the Depository or its nominee for the Global Note, and (b) with respect to interests of Persons other than Participants, through records maintained by Participants. Beneficial Holders who are not Participants but who desire to purchase, sell or otherwise transfer ownership of or other interest in Notes represented by a Global Note may do so only through a Participant.

3.3 Transferee Entitled to Registration

The transferee of a Note shall be entitled, after a form of transfer in writing in form and execution satisfactory to the Trustee or other Registrar is deposited with the Trustee or other Registrar and upon compliance with all other conditions for such transfer required by this Indenture or by law, to be entered on the register as the owner of such Note free from all equities or rights of set-off or counterclaim between the Issuer and the transferor or any previous Holder of such Note, save in respect of equities of which the Issuer is required to take notice by law (including any statute or order of a court of competent jurisdiction).

3.4 No Notice of Trusts

None of the Issuer, the Trustee or any Registrar or Paying Agent will be bound to take notice of or see to the performance or observance of any duty owed to a third Person, whether under a trust, express, implied, resulting or constructive, in respect of any Note by the Holder or any Person whom the Issuer or the Trustee treats, as permitted or required by law, as the owner or the Holder of such Note, and the Trustee may transfer the same on the direction of the Person so treated as the owner or Holder of the Note, whether named as Trustee or otherwise, as though that Person were the Beneficial Holder thereof.

3.5 Registers Open for Inspection

The registers referred to in Sections 3.1 and 3.2 shall, subject to applicable law, at all reasonable times be open for inspection by the Issuer, the Trustee or any Holder. Every Registrar, including the Trustee, shall from time to time when requested so to do by the Issuer or by the Trustee, in writing, furnish the Issuer or the Trustee, as the case may be, with a list of names and addresses of Holders entered on the registers kept by them and showing the principal amount and serial numbers of the Notes held by each such Holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

3.6 Exchanges of Notes

- (a) Subject to Section 3.7, Notes in any authorized form or denomination, other than Global Notes, may be exchanged, upon reasonable notice, for Notes in any other authorized form or denomination.
- (b) In respect of exchanges of Notes permitted by Section 3.6(a), Notes may be exchanged only at the principal offices of the Trustee in Toronto, Ontario or

at such other place or places, if any, as may be specified in such Notes and at such other place or places as may from time to time be designated by the Issuer with the approval of the Trustee. Any Notes tendered for exchange shall be surrendered to the Trustee. The Issuer shall execute and the Trustee shall authenticate all Notes necessary to carry out exchanges as aforesaid. All Notes surrendered for exchange shall be cancelled.

- (c) Notes issued in exchange for previously issued Notes which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner as the previously issued Notes and shall have noted thereon a statement to that effect, provided that:
 - (i) Notes which have been selected or called for redemption may not be exchanged for Notes of larger denominations; and
 - (ii) if a Note that has been selected or called for redemption in part is presented for exchange for newly issued Notes of smaller denominations, the Trustee will designate, as it may deem equitable, particular Notes of those issued in exchange, which will be deemed to have been selected or called for redemption, in whole or in part, and the Trustee will note on such Notes a statement to that effect.

3.7 Closing of Registers

- (a) Neither the Issuer nor the Trustee nor any Registrar shall be required to:
 - (i) make transfers or exchanges of Notes on any Interest Payment Date for such Notes or
 - (A) while the Notes are in the form of one or more Global Notes, during the five Business Days preceding the relevant Interest Payment Date; and
 - (B) if the Notes cease to be represented by a Global Note, during the ten Business Days preceding the relevant Interest Payment Date;
 - (ii) make transfers or exchanges of Notes between the date of any selection of any Notes represented by fully registered Notes to be redeemed (as applicable) and the mailing of a Redemption Notice to Holders thereof; or
 - (iii) make exchanges of Notes which have been selected or called for redemption unless upon due presentation thereof for redemption such Notes are not redeemed.

- (b) Subject to any restriction provided in this Indenture, the Issuer with the approval of the Trustee may at any time close any register for the Notes (other than those kept at the principal office of the Trustee in Toronto, Ontario) and transfer the registration of any Notes registered thereon to another register (which may be an existing register) and thereafter such Notes shall be deemed to be registered on such other register. Notice of such transfer shall be given to the Holders of such Notes.

3.8 Charges for Registration, Transfer and Exchange

For each Note exchanged, registered, transferred or discharged from registration, the Trustee or other Registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Note issued (such amounts to be agreed upon from time to time by the Trustee and the Issuer), and payment of such charges and reimbursement of the Trustee or other Registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Holder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Note applied for within a period of two months from the date of the first delivery thereof;
- (b) for any exchange of any interim or temporary Note or interim certificate that has been issued under Section 2.13 for a definitive Note;
- (c) for any exchange of a Global Note as contemplated in Section 3.2; or
- (d) for any exchange of any Note resulting from a partial redemption under Section 4.7.

3.9 Ownership of Notes

- (a) The Holder for the time being of any Note shall be entitled to the principal, Premium, if any, and/or interest evidenced by such Note, free from all equities or rights of set-off or counterclaim between the Issuer and the original or any intermediate Holder thereof (except in respect of equities of which the Issuer is required to take notice by law) and all Persons may act accordingly and the receipt of any such Holder for any such principal, Premium, if any, or interest shall be a valid discharge to the Trustee, any Registrar and to the Issuer for the same and none shall be bound to inquire into the title of any such Holder.
- (b) Where Notes are registered in more than one name, the principal, Premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all or any of such Holders, failing written instructions from

them to the contrary, and the receipt of any one of such Holders therefor shall be a valid discharge, to the Trustee, any Registrar and to the Issuer.

- (c) In the case of the death of one or more joint Holders, the principal, Premium, if any, and interest from time to time payable on the Notes registered in the name of such Holders may be paid to the order of the survivor or survivors of such Holders and/or to the estate of the deceased, and the receipt thereof by such survivor or survivors and/or the estate of the deceased shall be a valid discharge by the Trustee, any Registrar and the Issuer.
- (d) Unless otherwise required by law, the Holder shall for all the purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of, Premium, if any, and interest on such Note shall be made only to or upon the order in writing of such Holder.
- (e) Notwithstanding any other provision of this Indenture, all payments in respect of Notes issuable in the form of or represented by a Global Note shall be made to the Depository or its nominee for subsequent payment by the Depository or its nominee to the Beneficial Holders thereof.

3.10 Cancellation and Destruction

All matured Notes shall forthwith after payment of all Obligations thereunder be delivered to the Trustee or to a Person appointed by it or by the Issuer with the approval of the Trustee and cancelled by the Trustee. All Notes which are cancelled or required to be cancelled under this or any other provision of this Indenture shall be destroyed by the Trustee and, if required by the Issuer, the Trustee shall furnish to it a destruction certificate setting out the designating numbers of the Notes so destroyed.

ARTICLE 4 REDEMPTION AND PURCHASE OF NOTES

4.1 Redemption of Notes

Notes may be redeemed before the Stated Maturity thereof, in whole at any time or in part from time to time, at the option of the Issuer and in accordance with and subject to the provisions set out in this Indenture, including those relating to the payment of any required redemption price (the “**Redemption Price**”).

4.2 Optional Redemption

- (a) At any time and from time to time prior to April 24, 2021, the Issuer may, on any one or more occasions, redeem up to 35% of the aggregate principal amount of Notes (including any Additional Notes) at a Redemption Price of 106% of the principal amount thereof, plus accrued and unpaid interest, if any, to the applicable redemption date, with the Net Cash Proceeds of one or more Equity Offerings; provided, however, that:

- (i) at least 65% of the aggregate principal amount of the Notes (including any Additional Notes) originally issued under this Indenture remains outstanding immediately after giving effect to such redemption; and
 - (ii) each such redemption occurs within 180 days of the date of the closing of the related Equity Offering.
- (b) At any time and from time to time prior to April 24, 2021, the Issuer may, on any one or more occasions, redeem all or a part of the Notes, at a Redemption Price equal to the greater of (i) the Applicable Premium, and (ii) 101% of the aggregate principal amount of the Notes redeemed, plus, in each case, accrued and unpaid interest, if any, to the applicable redemption date.
- (c) Except pursuant to Sections 4.2(a) and 4.2(b), the Notes will not be redeemable at the Issuer's option prior to April 24, 2021.
- (d) At any time and from time to time after April 24, 2021 and prior to the Stated Maturity of the Notes, the Issuer may, on any one or more occasions, redeem all or a part of the Notes, at the Redemption Price (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest, if any, on the Notes redeemed, to the applicable redemption date, if redeemed during the twelve-month period beginning on April 24 of the years indicated below:

<i>Year</i>	<i>Percentage</i>
2021.....	104.500%
2022.....	103.000%
2023.....	101.500%
2024 and thereafter.....	100.000%

4.3 Optional Redemption for Changes in Withholding Taxes

- (a) The Notes may be redeemed, in whole but not in part, at the option of the Issuer, at any time at a Redemption Price equal to 100% of the aggregate principal amount thereof, plus accrued and unpaid interest to the redemption date, if the Issuer or a Guarantor is, has become or would become obligated to pay, on the next date on which any amount would be payable with respect to the Notes or a Note Guarantee, as applicable, any Additional Amounts (or to make a reimbursement envisioned under Section 5.2) as a result of any change in, or amendment to, the laws or treaties (including any regulations or rulings promulgated thereunder) of any Relevant Taxing Jurisdiction, which change or amendment is announced or becomes effective on or after the Issue Date, or as a result of any change in or amendment to any relevant policy or position or interpretation of any such laws or treaties, or judicial decision rendered by a court of competent jurisdiction, on or after the Issue

Date (whether or not taken or reached with respect to the Issuer or any of its Subsidiaries), and such obligation to pay Additional Amounts or reimbursement cannot be avoided by the taking of reasonable measures by the Issuer or such Guarantor, as the case may be; provided that no notice of such redemption (which notice will be irrevocable) will be given earlier than 90 days prior to the earliest date on which the Issuer or such Guarantor would be obliged to pay such Additional Amounts.

- (b) Prior to giving any Redemption Notice pursuant to Section 4.3(a), the Issuer will deliver to the Trustee:
 - (i) an Officers' Certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and the obligation to pay Additional Amounts or reimbursement, as the case may be, cannot be avoided by the taking of reasonable measures by the Issuer or the Guarantor, as the case may be; and
 - (ii) a written tax opinion of a law or accounting firm reasonably acceptable to the Trustee, that the Issuer or any Guarantor, as the case may be, has or will become obliged to pay Additional Amounts or reimbursement as a result of such change or amendment.

Such certificate and opinion will be made available for inspection by the Holders.

4.4 Payment of Interest upon Optional Redemption

If the redemption date for any optional redemption made pursuant to Sections 4.2 or 4.3 is on or after an interest Record Date and on or before the related Interest Payment Date, the accrued and unpaid interest, if any, on a redeemed Note, will be paid to the Holder of such Note as at the close of business on such Record Date, and no additional interest will be payable to Holders whose Notes shall be subject to such redemption.

4.5 Mandatory Redemption, Mandatory Purchases and Market Purchases

- (a) The Issuer is not required to make mandatory redemption or sinking fund payments with respect to the Notes; provided, however, that the Issuer may be required to offer to repurchase the Notes at the option of Holders pursuant to Sections 5.17.
- (b) The Issuer or any of its Subsidiaries may at any time and from time to time purchase Notes in the open market or otherwise in accordance with Section 4.13.

4.6 Places of Payment

The Redemption Price will be payable upon presentation and surrender of the Notes called for redemption at any of the places where the principal of such Notes is expressed to be payable and at any other places specified in the Redemption Notice.

4.7 Partial Redemption

- (a) If less than all of the Notes are to be redeemed at any time, the Trustee will select Notes for redemption as follows:
- (i) if the Notes are listed on any national securities exchange, in compliance with the requirements of the principal national securities exchange on which such Notes are listed; or
 - (ii) if the Notes are not listed on any national securities exchange, on a *pro rata* basis or by such method that approximates a *pro rata* selection as the Trustee deems fair and appropriate.

Subject to the foregoing, Notes or portions of Notes the Trustee selects for redemption shall be in minimum amounts of \$1,000 or a multiple of \$1,000 in excess thereof.

- (b) If Notes are to be optionally redeemed in part only, the Redemption Notice that relates to such Notes will state the portion of the principal amount of such Notes that is to be redeemed. In the event that one or more of such Notes becomes subject to redemption in part only, upon surrender of any such Notes for payment of the Redemption Price, together with interest accrued to but excluding the redemption date, the Issuer shall execute and the Trustee shall authenticate and deliver without charge to the Holder thereof or upon the Holder's order one or more new Notes for the unredeemed part of the principal amount of the Notes so surrendered or, with respect to Global Notes, the Trustee shall make notations on the Global Notes of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "Note" or "Notes" as used in this Article 4 shall be deemed to mean or include any part of the principal amount of any Note which in accordance with the foregoing provisions has become subject to redemption.

4.8 Notice of Redemption

- (a) Notice of redemption (the "**Redemption Notice**") of any Notes shall be given to the Holders of the Notes so to be redeemed not more than 60 days nor less than 15 days prior to the redemption date in the manner provided in Section 12.2; provided, however, that Redemption Notices in respect of optional redemptions of Notes may be mailed more than 60 days prior to a redemption date if the Redemption Notice is issued in connection with a

defeasance of the relevant Notes or a satisfaction and discharge of this Indenture.

- (b) Every such Redemption Notice shall specify the aggregate principal amount of Notes called for redemption, the redemption date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Notes called for redemption shall cease to be payable from and after the redemption date. Redemption Notices, including without limitation, upon an Equity Offering, may, at the Issuer's discretion, be subject to one or more conditions precedent, including, but not limited to, completion of the related Equity Offering. In addition, unless all the outstanding Notes are to be redeemed, the Redemption Notice shall specify:
- (i) the distinguishing letters and numbers of the Notes which are to be redeemed (as are registered in the name of such Holder);
 - (ii) if such Notes are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Notes so selected;
 - (iii) in the case of Global Notes, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Issuer; and
 - (iv) in all cases, the principal amounts of such Notes or, if any such Note is to be redeemed in part only, the principal amount of such part.

In the event that all Notes to be redeemed are Global Notes, publication of the Redemption Notice shall not be required.

4.9 Notes Due on Redemption Dates

Upon Redemption Notice having been given as provided in Section 4.8, all the Notes so called for redemption or the principal amount to be redeemed of the Notes called for redemption, as the case may be, shall thereupon be and become due and payable at the Redemption Price, together with accrued interest to but excluding the redemption date, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the Stated Maturity specified in such Notes, anything therein or herein to the contrary notwithstanding.

From and after such redemption date, if the monies necessary to redeem such Notes shall have been deposited as provided in Section 4.10 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such Redemption Notices shall have been lodged with it, interest upon the Notes shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

4.10 Deposit of Redemption Monies

- (a) Upon Notes being called for redemption, the Issuer will deposit with the Trustee or any Paying Agent to the order of the Trustee such sums of money as may be sufficient to pay the Redemption Price of the Notes so called for redemption, plus accrued and unpaid interest thereon up to but excluding the redemption date; in each case on or before 11:00 a.m. (Eastern Standard Time) on the Business Day immediately prior to the redemption date specified in the applicable Redemption Notice and less any Taxes required by law to be deducted or withheld therefrom. The Issuer shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid, to the Holders of such Notes so called for redemption, upon surrender of such Notes, the principal, Premium (if any) and interest (if any) to which they are respectively entitled on redemption.
- (b) Payment of funds to the Trustee upon redemption of Notes shall be made by electronic transfer or certified cheque or pursuant to such other arrangements for the provision of funds as may be agreed between the Issuer and the Trustee in order to effect such payment hereunder. Notwithstanding the foregoing, (i) all payments in excess of \$25,000,000 (or such other amount as determined from time to time by the Canadian Payments Association) shall be made by the use of the LVTS; and (ii) in the event that payment must be made to the Depository, the Issuer shall remit payment to the Trustee by LVTS. The Trustee shall have no obligation to disburse funds pursuant to this Section 4.10 unless it has received written confirmation satisfactory to it that the funds have been deposited with it in sufficient amount to pay in full all amounts due and payable on the applicable redemption date. The Trustee shall, if it accepts any funds received by it in the form of uncertified cheques, be entitled to delay the time for release of such funds until such uncertified cheques shall be determined to have cleared the financial institution upon which the same are drawn.

4.11 Failure to Surrender Notes Called for Redemption

In case the Holder of any Note so called for redemption shall fail on or before the redemption date so to surrender such Holder's Note, or shall not within such time specified on the Redemption Notice accept payment of the redemption monies payable, or give such receipt therefor, if any, as the Trustee may require, such redemption monies may be set aside in trust, without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Holder of the sum so set aside and, to that extent, such Note shall thereafter not be considered as outstanding hereunder and the Holder thereof shall have no other right except to receive payment of the Redemption Price of such Note, plus any accrued but unpaid interest thereon to but excluding the redemption date, less any Taxes required by law to be deducted or withheld, out of the monies so paid and deposited, upon surrender

and delivery up of such Holder's relevant Note. In the event that any money required to be deposited hereunder with the Trustee or any Paying Agent on account of principal, Premium, if any, or interest, if any, on Notes issued hereunder shall remain so deposited for a period of six years from the redemption date, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such Paying Agent to the Issuer on its demand, and thereupon the Trustee shall not be responsible to Holders of such Notes for any amounts owing to them and subject to applicable law, thereafter the Holders of Notes in respect of which such money was so repaid to the Issuer shall have no rights in respect thereof except to obtain payment of the money due from the Issuer, subject to any limitation period provided by the laws of Ontario. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of six years after the redemption date to the Issuer upon receipt from the Issuer, or one of its Subsidiaries, of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Issuer prior to the expiry of six years after the redemption date, and such funds or any portion thereof are claimed after the date of such payment of the remaining funds to the Issuer but prior to six years after the redemption, then the Trustee shall immediately provide to the Issuer written notice of such claim and the Issuer shall promptly deposit with the Trustee funds in the amount necessary to satisfy such claim.

4.12 Cancellation of Notes Redeemed

Subject to the provisions of Sections 4.7 and 4.13 as to Notes redeemed or purchased in part, all Notes redeemed and paid under this Article 4 shall forthwith be delivered to the Trustee and cancelled and no Notes shall be issued in substitution for those redeemed.

4.13 Purchase of Notes for Cancellation

- (a) Provided no Event of Default has occurred and is continuing, the Issuer and its Subsidiaries may, at any time and from time to time, acquire Notes by means other than a redemption, whether by tender offer, open market purchases (which shall include purchases from or through an investment dealer or a firm holding membership on a recognized stock exchange), negotiated transactions, private agreement or otherwise in accordance with Applicable Securities Legislation, so long as such acquisition does not violate the terms of this Indenture. All Notes so purchased may, at the option of the Issuer, be delivered to the Trustee and cancelled and no Notes shall be issued in substitution therefore.
- (b) If, upon an invitation for tenders, more Notes are tendered at the same lowest price that the Issuer is prepared to accept, the Notes to be purchased by the Issuer shall be selected by the Trustee on a *pro rata* basis or in such other manner as the Issuer directs in writing and as consented to by the exchange, if any, on which the Notes are then listed which the Trustee considers appropriate, from the Notes tendered by each tendering Holder thereof who tendered at such lowest price. For this purpose the Trustee may make, and from time to time amend, regulations with respect to the manner in which Notes may be so selected, and regulations so made shall be valid and binding

upon all Holders thereof, notwithstanding the fact that as a result thereof one or more of such Notes become subject to purchase in part only. The Holder of a Note of which a part only is purchased, upon surrender of such Note for payment, shall be entitled to receive, without expense to such Holder, one or more new Notes for the unpurchased part so surrendered, and the Trustee shall authenticate and deliver such new Note or Notes upon receipt of the Note so surrendered or, with respect to a Global Note, the Depository shall make book-entry notations on the Global Note in respect of the principal amount thereof so purchased.

ARTICLE 5 COVENANTS OF THE ISSUER

As long as any Notes remain outstanding, the Issuer and each Restricted Subsidiary hereby covenant and agree with the Trustee for the benefit of the Trustee and the Holders as follows (unless and for so long as the Issuer and/or one or more of its Subsidiaries are the only Holders (or Beneficial Holders) of the outstanding Notes, in which case the following provisions of this Article 5 shall not apply):

5.1 Payment of Principal, Premium, and Interest

- (a) The Issuer covenants and agrees for the benefit of the Holders that it will duly and punctually pay the principal of, Premium, if any, and interest on the Notes in accordance with the terms of the Notes and this Indenture. Principal, Premium and interest shall be considered paid on the date due if on such date the Trustee holds in accordance with this Indenture money sufficient to pay all principal, Premium and interest then due and the Trustee is not prohibited from paying such money to the Holders on that date pursuant to the terms of this Indenture.
- (b) The Issuer will pay interest on overdue principal and Premium, if any, at the rate specified therefor in the Notes, and it will pay interest on overdue instalments of interest at the same rate to the extent lawful.

5.2 Payment of Additional Amounts

- (a) All payments made by or on behalf of the Issuer or any Guarantor (each a “**Payor**”) under or with respect to the Notes or any Note Guarantee will be made free and clear of and without withholding or deduction for or on account of Taxes imposed or levied by or on behalf of any jurisdiction in which such Payor is organized, resident or carrying on business for tax purposes or from or through which such Payor (or its agents) makes any payment on the Notes or any Note Guarantee or any department or political subdivision thereof (each, a “**Relevant Taxing Jurisdiction**”), unless such Payor is required to withhold or deduct Taxes by law or by the interpretation or administration thereof. If a Payor is so required to withhold or deduct any amount for or on account of Taxes from any payment made under or with

respect to the Notes or any Note Guarantee, such Payor, subject to the exceptions stated below, will pay such additional amounts (“**Additional Amounts**”) as may be necessary such that the net amount received in respect of such payment by each Holder or Beneficial Holder after such withholding or deduction (including withholding or deduction attributable to Additional Amounts payable hereunder but excluding Taxes on net income) will not be less than the amount the Holder or Beneficial Holder, as the case may be, would have received if such Taxes had not been required to be so withheld or deducted.

- (b) A Payor will not, however, pay Additional Amounts to a Holder or Beneficial Holder with respect to:
- (i) Canadian withholding Taxes imposed on a payment to a Holder or Beneficial Holder by reason of the Payor not dealing at arm’s length with such Holder or Beneficial Holder for the purposes of the Tax Act at the time of making such payment;
 - (ii) Canadian withholding Taxes imposed on a payment to a Holder or Beneficial Holder by reason of such payment being made in respect of a debt or other obligation to pay an amount to a person with whom the applicable Payor is not dealing at arm’s length within the meaning of the Tax Act;
 - (iii) any Canadian withholding Taxes imposed on a payment or deemed payment to a Holder or Beneficial Holder by reason of such Holder or Beneficial Holder being a “specified shareholder” (within the meaning of subsection 18(5) of the Tax Act) of any member (either directly or indirectly through one or more partnerships) of the Issuer (the “**Issuer Partner**”) at the time of payment or deemed payment, or by reason of such Holder or Beneficial Holder not dealing at arm’s length for the purposes of the Tax Act with a “specified shareholder” (within the meaning of subsection 18(5) of the Tax Act) of the Issuer Partner at the time of payment or deemed payment;
 - (iv) Taxes giving rise to such Additional Amounts that would not have been imposed but for the existence of any present or former connection between such Holder ultimately entitled to obtain an interest in, such Notes, including a fiduciary, settler, beneficiary, member, partner, shareholder or other equity interest owner of, or possessor of power over, such Holder or Beneficial Holder, if such Holder or Beneficial Holder is an estate, trust, partnership, limited liability company, corporation or other entity) and the Relevant Taxing Jurisdiction (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, the Relevant Taxing Jurisdiction other than any connection resulting solely from the acquisition, ownership, or disposition of Notes, the receipt of payments thereunder and/or the

exercise or enforcement of rights under any Notes or any Note Guarantee);

- (v) Taxes giving rise to such Additional Amounts that would not have been imposed but for the failure of such Holder or Beneficial Holder, to the extent such Holder or Beneficial Holder is legally eligible to do so, to timely satisfy any certification, identification, information, documentation or other reporting requirements concerning the nationality, residence, identity or connection with the Relevant Taxing Jurisdiction or otherwise establishing the right to the benefit of an exemption from, or reduction in the rate of, withholding or deduction, if such compliance is required by statute, treaty, regulation or administrative practice of a Relevant Taxing Jurisdiction as a precondition to exemption from, or reduction in the rate of deduction or withholding of, such Taxes imposed by the Relevant Taxing Jurisdiction;
- (vi) any estate, inheritance, gift, sales, transfer, personal property or any similar Taxes;
- (vii) any Taxes that were imposed with respect to any payment on a Note to any Holder who is a fiduciary or partnership or person other than the sole beneficial owner of such payment and to the extent the Taxes giving rise to such Additional Amounts would not have been imposed on such payment had the Holder been the beneficiary, partner or sole beneficial owner, as the case may be, of such Note;
- (viii) Taxes imposed on, or deducted or withheld from, payments in respect of the Notes if such payments could have been made without such imposition, deduction or withholding of such Taxes had such Notes been presented for payment (where presentation is required) within 30 days after the date on which such payments or such Notes became due and payable or the date on which payment thereof is duly provided for, whichever is later (except to the extent such Holder or Beneficial Holder would have been entitled to such Additional Amounts had such Notes been presented on the last day of such 30-day period);
- (ix) any Taxes imposed under Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended from time to time (including regulations and guidance thereunder) (the “Code”), (b) any successor version thereof, (c) any agreement entered into pursuant to Section 1471(b)(1) of the Code or (d) any law, regulation, rule or practice implementing an intergovernmental agreement or approach thereto; or
- (x) any combination of the foregoing items (i) through (ix).

- (c) At least 30 calendar days prior to each date on which any payment under or with respect to the Notes or any Note Guarantee is due and payable, if a Payor will be obligated to pay Additional Amounts with respect to such payment (unless such obligation to pay Additional Amounts arises after the 35th day prior to the date on which such payment is due and payable, in which case it will be promptly thereafter), the Payor will deliver to the Trustee an Officers' Certificate stating that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Trustee to pay such Additional Amounts to holders on the payment date.
- (d) The Payors, jointly and severally, will indemnify and hold harmless the Holders and Beneficial Holders, and, upon written request of any Holder or Beneficial Holder, reimburse such Holder or Beneficial Holder for the amount of (i) any Taxes levied or imposed by a Relevant Taxing Jurisdiction and payable by such Holder or Beneficial Holder in connection with payments made under or with respect to the Notes held by such Holder or Beneficial Holder or under any Note Guarantee; and (ii) any Taxes levied or imposed with respect to any reimbursement under the foregoing clause (i) or this clause (ii), so that the net amount received by such Holder or Beneficial Holder after such reimbursement will not be less than the net amount such Holder or Beneficial Holder would have received if the Taxes giving rise to the reimbursement described in clauses (i) and/or (ii) had not been imposed; provided, however, that the indemnification or reimbursement obligations provided for in this paragraph shall not extend to Taxes for which the applicable Holder or Beneficial Holder would not have been eligible to receive payment of Additional Amounts hereunder by virtue of clauses (i) through (x) above if the Payor had been required to withhold from such payments or to the extent such Holder or Beneficial Holder received Additional Amounts with respect to such payments.
- (e) In addition, the Payor will pay any stamp, issue, registration, court, documentation, excise or other similar Taxes, charges and duties, including any interest, penalties and any similar liabilities with respect thereto, imposed by any Relevant Taxing Jurisdiction at any time in respect of the execution, issuance, registration or delivery of the Notes, any Note Guarantee or any other document or instrument referred to thereunder and any such Taxes, charges or duties imposed by any Relevant Taxing Jurisdiction on any payments made pursuant to the Notes or any Note Guarantee or as a result of, or in connection with, the enforcement of the Notes, any Note Guarantee and/or any other such document or instrument.
- (f) The obligations described in this Section 5.2 shall survive any termination, defeasance or discharge of this Indenture and shall apply mutatis mutandis to any successor Person to any Payor and to any jurisdiction in which such successor is organized or is otherwise resident or doing business for tax

purposes or any jurisdiction from or through which payment is made by such successor or its respective agents.

5.3 Existence

Subject to Article 9, the Issuer will, and will cause each of the Restricted Subsidiaries to, do or cause to be done all things necessary to preserve and keep in full force and effect the corporate, partnership or other legal existence, as applicable, and the corporate, partnership or other legal power, as applicable, of the Issuer and each Restricted Subsidiary; provided that neither the Issuer nor any Restricted Subsidiary will be required to preserve any such corporate, partnership or other legal existence and corporate, partnership or other legal power if the Board of Directors of the Issuer determines that the preservation thereof is no longer desirable in the conduct of the business of the Issuer, and the Restricted Subsidiaries taken as a whole and that the loss thereof is not disadvantageous in any material respect to the Holders.

5.4 Payment of Taxes and Other Claims

The Issuer and each of the Restrict Subsidiaries shall file all tax returns required to be filed in any jurisdiction and pay or discharge, or cause to be paid or discharged, all Taxes shown to be due and payable on such returns and all other Taxes imposed on them or any of their properties, assets, income or franchises, to the extent such Taxes have become due and payable and before they have become delinquent and all claims, which sums have become due and payable that have or might become a Lien on properties or assets of the Issuer or any Restricted Subsidiary; provided that neither the Issuer nor any Restricted Subsidiary need pay any such Taxes or claims if (a) the amount, applicability or validity thereof is contested by the Issuer or such Restricted Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Issuer or a Restricted Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Issuer or such Restricted Subsidiary or (b) the non-payment of all such Taxes in the aggregate would not reasonably be expected to have a material adverse effect on the business, affairs or financial condition of the Issuer and the Restricted Subsidiaries, taken as a whole.

5.5 Insurance

The Issuer and each Restricted Subsidiary will at all times keep all of the Issuer's and each Restricted Subsidiary's properties which are of an insurable nature insured with insurers, believed by the Issuer to be responsible, against loss or damage to the extent that property of similar character is usually so insured by Persons similarly situated and owning like properties and conducting like business as the Issuer or such Restricted Subsidiary, as applicable.

5.6 Statement by Officers

- (a) The Issuer will deliver to the Trustee, within 120 days after the end of each of its fiscal years, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his or her knowledge of compliance by the Issuer and the Restricted Subsidiaries with all conditions

and covenants in this Indenture. For purposes of this Section 5.6(a), such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

- (b) Upon becoming aware of any Default or Event of Default that has occurred and is continuing, the Issuer will promptly, and in any event within five Business Days thereafter, deliver to the Trustee by registered or certified mail or by facsimile transmission an Officers' Certificate or a certificate of an officer of the Restricted Subsidiary, as applicable, specifying such event, notice or other action giving rise to such Default or Event of Default and the action that the Issuer or the Restricted Subsidiary, as applicable, is taking or proposes to take with respect thereto.

5.7 Provision of Financial Information

- (a) So long as any of the Notes are outstanding, the Issuer will provide the following disclosure documents to the Trustee:
 - (i) within 90 days after the end of each quarterly fiscal period in each fiscal year of the Issuer (other than the last quarterly fiscal period of each such fiscal year):
 - (A) an unaudited Adjusted Consolidated statement of financial position of the Issuer and its Reporting Subsidiaries as at the end of such quarter; and
 - (B) unaudited Adjusted Consolidated statements of comprehensive income, cash flow, and equity of the Issuer and its Reporting Subsidiaries for such quarter and (in the case of the first, second and third quarters) for the portion of the fiscal year ending with such quarter, setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP;
 - (ii) within 120 days after the end of each fiscal year of the Issuer:
 - (A) an audited Adjusted Consolidated statement of financial position of the Issuer and its Reporting Subsidiaries as at the end of such year; and
 - (B) audited Adjusted Consolidated statements of comprehensive income, cash flow, and equity of the Issuer and its Reporting Subsidiaries.
- (b) The Issuer will maintain a non-public website or web-based portal on which holders of Notes are given access to the quarterly and annual financial information. The Issuer will direct holders of Notes and prospective investors

on its publicly available website to contact the Issuer's Director of Investor Relations to obtain access to the non-public website or web-based portal.

5.8 Guarantors

- (a) If the Issuer or any of its Restricted Subsidiaries acquires or creates another Restricted Subsidiary after the Issue Date, or if the Issuer designates any of its Unrestricted Subsidiaries as a Restricted Subsidiary in accordance with Section 5.10 and that newly acquired, created or designated Restricted Subsidiary is a secured obligor (whether as primary debtor or as secured guarantor) with respect to, or later incurs or guarantees on a secured basis, Facility Indebtedness, then the Issuer shall cause such Restricted Subsidiary to:
 - (i) thereupon become a Guarantor by providing a Note Guarantee in accordance with Article 13; and
 - (ii) deliver to the Trustee an Opinion of Counsel that such Note Guarantee has been duly authorized, executed and delivered by such Guarantor and constitutes a legal, valid and binding and enforceable obligation of such Guarantor.
- (b) Thereafter, such Restricted Subsidiary (including each Restricted Subsidiaries that is a Guarantor on the Issue Date) shall be a Guarantor for all purposes of this Indenture until it ceases to be an obligor, whether secured or unsecured, under any such Facility Indebtedness and its Note Guarantee is released in accordance with this Indenture.
- (c) The obligations of each Guarantor will be limited to the maximum amount that will, after giving effect to all other contingent and fixed liabilities of such Guarantor (including, without limitation, any guarantees under the Syndicated Credit Facility and the Nordea Credit Facility) and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to its contribution obligations under this Indenture, result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law.

5.9 Limitation on Business Activities

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except to such extent as would not be material to the Issuer and its Restricted Subsidiaries taken as a whole.

5.10 Limitation on Designation of Restricted and Unrestricted Subsidiaries

- (a) The Issuer, through the Board of Directors of KPGP Inc., may designate any Subsidiary of the Issuer that is a Restricted Subsidiary (including any newly acquired or newly formed Subsidiary pursuant to Section 5.8) to be an Unrestricted Subsidiary; provided that:
- (i) immediately after and giving effect to such designation, no Default or Event of Default shall have occurred and be continuing;
 - (ii) at the time of the designation, the Issuer and its Restricted Subsidiaries could make a Restricted Payment in an amount equal to the Fair Market Value of the Affiliate so designated in compliance with Section 5.12;
 - (iii) at the time of such designation, to the extent that any Indebtedness of the Subsidiary so designated is not Non-Recourse Debt, any guarantee or other credit support thereof by the Issuer or any of its Restricted Subsidiaries could be incurred at such time in compliance with Sections 5.12 and 5.13;
 - (iv) such Affiliate is not party to any agreement, contract, arrangement or understanding with the Issuer or any Restricted Subsidiary unless any such agreement, contract, arrangement or understanding would, immediately after giving effect to such designation, be permitted by Section 5.14; and
 - (v) such Affiliate is a Person with respect to which neither the Issuer nor any of its Restricted Subsidiaries has any direct or indirect obligation (a) to subscribe for additional Equity Interests or (b) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results unless such obligation could be performed by the Issuer in compliance with Section 5.12 (and the maximum amount of such obligation shall be deemed to be an Investment by the Issuer for purposes of such covenant).
- (b) Any designation of a Restricted Subsidiary of the Issuer as an Unrestricted Subsidiary will be evidenced to the Trustee by filing with the Trustee an Officers' Certificate certifying that such designation complied with the preceding conditions. If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any Indebtedness of such Affiliate will be deemed to be incurred by a Restricted Subsidiary as of such date and, if such Indebtedness is not permitted to be incurred as of such date under Section 5.13, the Issuer will be in default of such provision.

- (c) The Issuer, through the Board of Directors of KPGP Inc., may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; provided that:
- (i) immediately after and giving effect to such designation, no Default or Event of Default shall have occurred and be continuing;
 - (ii) such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if such Indebtedness is permitted under Section 5.13;
 - (iii) the aggregate Fair Market Value of all outstanding Investments owned by the Unrestricted Subsidiary so designated will be deemed to be an Investment made as of the time of the designation and any such designation will only be permitted if the Investment would be permitted at that time in compliance with Section 5.12; and
 - (iv) all Liens upon property and assets of such Unrestricted Subsidiary existing at the time of such designation would be permitted under Section 5.11.

5.11 Limitation on Liens

The Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, assume or otherwise cause or suffer to exist or become effective any Lien (other than Permitted Liens) upon or with respect to any of their property or assets, now owned or hereafter acquired, unless all payments due under this Indenture and the Notes are secured on an equal and ratable basis with (or prior to) the Obligations so secured until such time as such Obligations are no longer secured by a Lien.

5.12 Limitation on Restricted Payments

- (a) Subject to Section 5.12(c), the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly:
- (i) declare or pay any dividend or make any other payment or distribution on account of the Issuer's or any of its Restricted Subsidiaries' Equity Interests (including, without limitation, any payment in connection with any merger, consolidation or amalgamation involving the Issuer or any of its Restricted Subsidiaries) or to the direct or indirect holders of the Issuer's or any of its Restricted Subsidiaries' Equity Interests in their capacity as such (other than (A) dividends or distributions payable in Equity Interests (other than Disqualified Stock), and (B) dividends or distributions payable to the Issuer or any of its Restricted Subsidiaries);
 - (ii) purchase, retract, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger,

consolidation or amalgamation involving the Issuer) in whole or in part, any Equity Interests of the Issuer;

- (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness of the Issuer or any Guarantor that is contractually subordinated to the notes or to any Note Guarantee (excluding any intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries), except a payment of interest or principal within one year of the Stated Maturity thereof; or
- (iv) make any Restricted Investment;

(all such payments and other actions set forth in these clauses (i) through (iv) above being collectively referred to as “**Restricted Payments**”),

- (b) unless, at the time of and after giving effect to such Restricted Payment:
 - (i) no Default or Event of Default has occurred and is continuing or would occur as a consequence of such Restricted Payment;
 - (ii) the Issuer would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 5.13(a); and
 - (iii) such Restricted Payment, together with the aggregate amount of
 - (x) all other Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Issue Date pursuant to this Section 5.12(a) and
 - (y) all Restricted Payments made by the Issuer and its Restricted Subsidiaries after the Issue Date pursuant to Sections 5.12(c)(i), 5.12(c)(iv), 5.12(c)(v), 5.12(c)(vi), 5.12(c)(vii), and 5.12(c)(viii), is less than the sum, without duplication, of:
 - (A) 50% of Consolidated Net Income for the period (taken as one accounting period) from January 1, 2018 to the end of the Issuer’s most recently ended fiscal quarter for which consolidated internal financial statements are available at the time of such Restricted Payment (or, if such Consolidated Net Income for such period is a deficit, less 100% of such deficit); *plus*
 - (B) 100% of the aggregate Net Cash Proceeds received by the Issuer since the Issue Date (I) as a contribution to its Capital Stock, (II) from the issue or sale of Capital Stock (other than Disqualified Stock) of the Issuer, (III) from the issue or sale of

warrants, options or other rights to acquire Capital Stock (other than Disqualified Stock) of the Issuer, (IV) from the issue or sale of convertible or exchangeable Disqualified Stock or convertible or exchangeable debt securities of the Issuer, in each case that have been converted into or exchanged for Capital Stock (other than Disqualified Stock) of the Issuer (the case of each of the foregoing clauses (I) through (IV), other than a contribution from, or Capital Stock, Disqualified Stock or debt securities sold to a Subsidiary of the Issuer); *plus*

- (C) to the extent that any Restricted Investment that was made after the Issue Date is (I) sold for cash or otherwise cancelled, liquidated, or repaid for cash, or (II) in the case of a Restricted Investment constituting a guarantee, released, the initial amount of such Restricted Investment (or, if less, in the case of a sale, cancellation, liquidation or repayment for cash described in the foregoing sub-clause (I), the amount of cash received upon such sale, cancellation, liquidation or repayment), in each case, to the extent that any such payments or proceeds are not already included in Consolidated Net Income for the applicable period provided, for certainty, that any amount that would otherwise be included in this clause (III) as a result of the release of a guarantee due to the payment thereunder by the Issuer or any of its Restricted Subsidiaries shall be reduced by the aggregate amount of such payments; *plus*
 - (D) to the extent that any Unrestricted Subsidiary of the Issuer designated as such after the Issue Date is redesignated as a Restricted Subsidiary, the lesser of (I) the Fair Market Value of the Issuer's and its Restricted Subsidiaries' Investments in such Affiliate as at the date of such redesignation and (II) the Fair Market Value of such Investments at the date on which such Affiliate was originally designated as an Unrestricted Subsidiary; *plus*
 - (E) 100% of any dividends or distributions received in cash by the Issuer or any of its Restricted Subsidiaries from any Unrestricted Subsidiary after the Issue Date, to the extent not already included in Consolidated Net Income for the applicable period.
- (c) The provisions of Section 5.12(a) and (b) will not prohibit:
- (i) the payment by the Issuer or any Restricted Subsidiary of any dividend or distribution, or the consummation of any irrevocable redemption of any Subordinated Indebtedness, within 60 days after the date of the declaration of the dividend or distribution or the

giving of the notice of redemption, as the case may be, if at the date of declaration or notice the dividend or distribution or redemption of such Subordinated Indebtedness would have been permitted by this Indenture

- (ii) the making of any Restricted Payment in exchange for, or out of the Net Cash Proceeds of the substantially concurrent sale (other than to a Subsidiary of the Issuer) of, Capital Stock (other than Disqualified Stock) of the Issuer or warrants, options or other rights to acquire Capital Stock (other than Disqualified Stock) of the Issuer; provided that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from Section 5.12(b)(iii)(B);
- (iii) the defeasance, redemption, repurchase, retirement or other acquisition of Subordinated Indebtedness of the Issuer or any Guarantor with the net cash proceeds from a substantially concurrent incurrence of, or in exchange for, any Permitted Refinancing Indebtedness;
- (iv) the purchase, repurchase, redemption or other acquisition of any Equity Interests of the Issuer or any Restricted Subsidiary held by any current or former officer, director, employee or consultant (or their transferees, estates or beneficiaries) of the Issuer or any Restricted Subsidiary pursuant to any equity subscription agreement, shareholder agreement, employment agreement, stock option plan, equity incentive or other plan or similar agreement, in each case in effect as of the Issue Date, in an aggregate principal amount not to exceed \$5.0 million in each calendar year of the Issuer (with unused amounts in any calendar year being carried over to the immediately succeeding calendar year but not to any subsequent calendar year);
- (v) the purchase, repurchase, redemption or other acquisition or retirement for value of Equity Interests deemed to occur upon the exercise or exchange of stock options, warrants or other convertible securities if the Equity Interests represent a portion of the exercise or exchange;
- (vi) the payment, purchase, repurchase, redemption, defeasance, acquisition or other retirement for value of Subordinated Indebtedness of the Issuer or any Guarantor (A) in the event of a change of control at a purchase or redemption price no greater than 101% of the principal amount of such Subordinated Indebtedness, plus any accrued but unpaid interest thereon, or (B) in the event of an asset sale at a purchase or redemption price no greater than 100% of the principal amount of such Subordinated Indebtedness, plus any accrued but unpaid interest thereon, in each case, in accordance with provisions similar to the provisions set forth in Section 5.16 or 5.17, as

applicable; provided, however, that, prior to or simultaneously with such payment, purchase, repurchase, redemption, defeasance, acquisition or retirement, the Issuer has made the Change of Control Offer or Asset Sale Offer, if required, with respect to the Notes and has repurchased all Notes validly tendered for payment and not withdrawn in connection with such Change of Control Offer or Asset Sale Offer;

- (vii) the payment of quarterly dividends or distributions in the ordinary course of business on the Issuer's outstanding Capital Stock approved by the Board of Directors of the Issuer in an aggregate amount not to exceed, when combined with all such dividends or distributions, \$0.72 per unit of the Issuer in the aggregate in any calendar year;
- (viii) the declaration (if applicable) and payment of any additional dividend, or other distribution to holders of common Capital Stock of the Issuer; or the purchase, redemption or other acquisition, cancellation or retirement for value of the Issuer's Capital Stock provided that (A) the aggregate amount (which amount shall include all dividends or distributions made pursuant to Section 5.12(c)(vii) and shall not include distributions made pursuant to Section 5.12(c)(xi)) of all such distributions, dividends or other such payments concluded in the Issuer's current fiscal quarter and immediately preceding three fiscal quarters for which annual or quarterly financial statements are available does not exceed Excess Cash for the four consecutive fiscal quarters ending with the Issuer's most recent fiscal quarter for which annual or quarterly financial statements are available, and (B) the Secured Leverage Ratio would not exceed 2.5:1.0;
- (ix) the payment of any dividend (or, in the case of any partnership or limited liability company, any similar distribution) by a Restricted Subsidiary of the Issuer that is not a wholly owned Restricted Subsidiary to the holders of its Equity Interests on a pro rata basis;
- (x) the making of cash payments in lieu of the issuance by the Issuer or any Restricted Subsidiary of fractional shares or partnership interests in connection with stock dividends, distributions, splits or business combinations or the exercise of warrants, options or other securities convertible or exchangeable for Equity Interests that are not derivative securities;
- (xi) distributions to certain partners of the Issuer in the amounts required to fund the tax payable by such partners related to the taxable income generated by the Issuer together with any pro-rata distributions required to be made to the other partners of the Issuer as a result of such distributions;

- (xii) the purchase, redemption, acquisition, cancellation or other retirement for nominal value per right of any rights granted to all the holders of common Capital Stock of the Issuer pursuant to any shareholders' rights plan adopted for the purpose of protecting shareholders from unfair takeover tactics;
- (xiii) payments to dissenting stockholders (i) pursuant to applicable law or (ii) in connection with the settlement or other satisfaction of legal claims made pursuant to or in connection with a consolidation, merger or transfer of assets in connection with a transaction that is not prohibited by this Indenture; or
- (xiv) additional Restricted Payments in an aggregate amount which, when taken together with all other Restricted Payments made pursuant to this Section 5.12(c)(xiv), do not exceed the greater of (i) \$30.0 million and (ii) 3.0% of Consolidated Net Tangible Assets as of the date of the market of such Restricted Payment,

provided, however, that at the time of, and after giving effect to, Sections 5.12(c)(iii), 5.12(c)(vi), 5.12(c)(vii), 5.12(c)(viii), 5.12(c)(ix), 5.12(c)(xi) and 5.12(c)(xiv), no Default or Event of Default shall have occurred and be continuing.

- (d) For purposes of determining compliance with this Section 5.12, if a Restricted Payment or Permitted Investment at any time meets the criteria of more than one of the types of Restricted Payments described in clauses (i) through (xiv) of Section 5.12(c) or, meets the criteria of one or more types of Permitted Investments and/or is permitted pursuant to this Section 5.12, the Issuer may, in its sole discretion, divide and classify (or later redivide or reclassify in whole or in part, from time to time in its sole discretion) such transaction in any manner that complies with this covenant.
- (e) The amount of all Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Issuer or such Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment.

5.13 Incurrence of Indebtedness and Issuance of Disqualified Stock

- (a) Subject to Section 5.13(c), the Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, (i) create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable, contingently or otherwise, with respect to (in any such case, "**incur**") any Indebtedness, or (ii) issue any Disqualified Stock; provided, however, that:
 - (i) the Issuer and any of its Restricted Subsidiaries may incur Indebtedness or issue Disqualified Stock (in each case, including

Acquired Debt) if immediately after and giving effect thereto, the Fixed Charge Coverage Ratio for the Issuer's most recently ended four full fiscal quarters for which internal annual or quarterly financial statements are available immediately preceding the date on which such additional Indebtedness is incurred or Disqualified Stock issued would have been not less than 2.0 to 1.0, determined on a pro forma basis (including a pro forma application of the net proceeds therefrom), as if the additional Indebtedness had been incurred or Disqualified Stock issued at the beginning of such four-quarter period, and

- (ii) no Default or Event of Default shall have occurred and be continuing.
- (b) Notwithstanding Section 5.13(a), each of the following incurrences of Indebtedness shall be permitted (collectively, "**Permitted Indebtedness**"):
- (i) the incurrence by the Issuer and its Restricted Subsidiaries of Indebtedness pursuant to Credit Facilities; provided that the aggregate principal amount of all Indebtedness of the Issuer and its Restricted Subsidiaries at any one time outstanding incurred under this clause (i) (with letters of guarantee, tender cheques and letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Issuer and its Restricted Subsidiaries thereunder) shall not exceed the greater of (A) \$300.0 million and (B) the amount equal to (x) the aggregate amount of Consolidated EBITDA for the most recent four consecutive fiscal quarters of the Issuer for which the internal financial statements are available immediately preceding the date on which such Indebtedness is incurred (calculated in a manner consistent with any pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio") multiplied by (y) 2.5 (determined at the time of incurrence after giving effect to the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio");
 - (ii) the incurrence by the Issuer and any Restricted Subsidiary of Indebtedness under a New Nordea Credit Facility, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (ii), at any one time outstanding not to exceed US\$50.0 million (or if a permanent repayment is made under such facility, such reduced facility amount);
 - (iii) the incurrence by the Issuer and its Restricted Subsidiaries of the Existing Indebtedness;
 - (iv) the incurrence by the Issuer of Indebtedness evidenced by the Notes on the Issue Date and the incurrence by the Guarantors evidenced by the Note Guarantees;

- (v) the incurrence by the Issuer or any of its Restricted Subsidiaries of Indebtedness or Attributable Debt (including obligations represented by Capital Lease Obligations or Purchase Money Obligations), in each case, incurred for the purpose of financing all or any part of the purchase price or cost of design, construction, installation, development or improvement of property, plant or equipment or other assets used in the business of the Issuer or any of its Restricted Subsidiaries, in an aggregate outstanding principal amount, including all outstanding Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (5), not to exceed in an aggregate principal amount the greater of (i) \$50.0 million and (ii) 5.0% of Consolidated Net Tangible Assets as of any date of incurrence (after giving effect to the incurrence of such Indebtedness and the application of the proceeds therefrom);
- (vi) the incurrence of Indebtedness under the IQ Secured Loan in an aggregate principal amount, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (vi), at any one time outstanding not to exceed \$39.5 million excluding capitalized interest thereon in accordance with the terms of the IQ Secured Loan (or if a permanent repayment is made under such facility, such reduced facility amount);
- (vii) the incurrence by the Issuer or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to renew, refund, refinance, replace, defease or discharge any Indebtedness (other than intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries) that was permitted pursuant to this Indenture to be incurred under Section 5.13(a) or clauses (ii), (iii), (iv), (v), (vi), (vii) or (xv) of this Section 5.13(b);
- (viii) the incurrence by the Issuer or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Issuer and any of its Restricted Subsidiaries; provided, however, that:
 - (A) if the Issuer or any Guarantor is the obligor on such Indebtedness and the payee is not the Issuer or a Guarantor, as the case may be, such Indebtedness must be expressly subordinated to the prior payment in full in cash of all Obligations then due with respect to the Notes, in the case of the Issuer, or the Note Guarantee, in the case of a Guarantor; and
 - (B) (x) any subsequent issuance or transfer of Equity Interests that results in any such Indebtedness being held by a Person other

than the Issuer or a Restricted Subsidiary and (y) any sale or other transfer of any such Indebtedness to a Person that is not either the Issuer or a Restricted Subsidiary, will be deemed, in each case, to constitute an incurrence of such Indebtedness by the Issuer or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (viii);

(ix) the issuance by any of the Issuer's Restricted Subsidiaries to the Issuer or to any of its Restricted Subsidiaries of shares of Disqualified Stock; provided, however, that:

(A) any subsequent issuance or transfer of Equity Interests that results in any such Disqualified Stock being held by a Person other than the Issuer or a Restricted Subsidiary; and

(B) any sale or other transfer of any such Disqualified Stock to a Person that is not either the Issuer or a Restricted Subsidiary,

will be deemed, in each case, to constitute an issuance of such Disqualified Stock by such Restricted Subsidiary that was not permitted by this clause (ix);

(x) the incurrence by the Issuer or any of its Restricted Subsidiaries of Hedging Obligations for the purpose of managing risks in the ordinary course of business and not for speculative purposes;

(xi) the guarantee by the Issuer or any of its Restricted Subsidiaries of Indebtedness of the Issuer or any of its Restricted Subsidiaries that was permitted to be incurred by another provision of this Indenture; provided that, if the Indebtedness being guaranteed is Subordinated Indebtedness or Pari Passu Indebtedness, then the guarantee shall be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed;

(xii) Indebtedness incurred in connection with one or more standby letters of credit, bankers' acceptances, completion guarantees, performance bonds, bid bonds, appeal bonds or surety bonds or other similar reimbursement obligations, in each case, issued in the ordinary course of business (including for the purpose of providing security for environmental reclamation obligations to government agencies, workers' compensation claims, payment obligations in connection with self-insurance or similar statutory and other requirements) and not in connection with the borrowing of money or the obtaining of an advance or credit;

(xiii) Indebtedness arising (A) from the honouring by a bank or other financial institution of a cheque, draft or similar instrument drawn against insufficient funds in the ordinary course of business or (B) in

connection with endorsement of instruments for deposit in the ordinary course of business;

- (xiv) the incurrence by the Issuer or any of its Restricted Subsidiaries of Cash Management Obligations in the ordinary course of business;
 - (xv) Indebtedness or Disqualified Stock of the Issuer or any of its Restricted Subsidiary incurred and outstanding on the date on which such Restricted Subsidiary was acquired by, or merged, consolidated or amalgamated with or into, the Issuer or any of its Restricted Subsidiaries (other than Indebtedness incurred in contemplation of, or in connection with, the transaction or series of related transactions pursuant to which such Person became a Subsidiary of or was otherwise acquired by the Issuer or any of its Restricted Subsidiaries); provided, however, that at the time that such Restricted Subsidiary is acquired by the Issuer or any of its Restricted Subsidiaries, (A) the Issuer would have been able to incur \$1.00 of additional Indebtedness pursuant to Section 5.13(a) after giving effect to the incurrence of such Indebtedness pursuant to this clause (xv) or (B) the Fixed Charge Coverage Ratio of the Issuer and its Restricted Subsidiaries would be greater than or equal to such Fixed Charge Coverage Ratio immediately prior to such acquisition, amalgamation, consolidation or merger;
 - (xvi) Indebtedness in connection with a Qualified Receivables Transaction at any one time outstanding not to exceed \$60.0 million; and
 - (xvii) the incurrence by the Issuer or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any one time outstanding, including all Permitted Refinancing Indebtedness incurred to renew, refund, refinance, replace, defease or discharge any Indebtedness incurred pursuant to this clause (xvii), not to exceed the greater of (A) \$30.0 million and (B) 3.0% of the Consolidated Net Tangible Assets (calculated as at the time of the incurrence of such Indebtedness).
- (c) For purposes of determining compliance with this Section 5.13:
- (i) in the event that an item of proposed Indebtedness meets the criteria of more than one of the categories of Permitted Indebtedness described in clauses (i) and (iii) through (xvii) of Section 5.13(b), or is entitled to be incurred pursuant to Section 5.13(a), the Issuer will be permitted to divide and classify (or later redivide and reclassify) such item of Indebtedness in whole or in part in any manner that complies with this covenant, including by allocation to more than one other type of Indebtedness, except that Indebtedness under the Credit Facilities that is outstanding on the Issue Date will be deemed to have been incurred on such date under clause (i) of Section 5.13(b);

- (ii) the outstanding principal amount of any particular Indebtedness shall be counted only once, and any obligations arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness shall not be double counted;
 - (iii) (A) Indebtedness or Disqualified Stock of any Person (x) existing at the time such Person becomes a Restricted Subsidiary of the Issuer or is merged into, amalgamated with or consolidated with the Issuer or any of its Restricted Subsidiaries or (y) assumed in connection with the acquisition of assets from such Person, or (B) Indebtedness secured by a Lien encumbering any asset acquired by such Person (any Indebtedness or Disqualified Stock described in the foregoing (A) and (B) of clause (iii) of Section 5.13(c), "**Acquired Debt**") shall be deemed to have been incurred or issued by a Restricted Subsidiary at the time such Person becomes a Restricted Subsidiary; provided that any such Indebtedness or Disqualified Stock that is redeemed, defeased, retired or otherwise repaid at the time of or immediately upon the consummation of the transaction by which such Person becomes a Restricted Subsidiary of the Issuer (or is merged into, amalgamated with or consolidated with the Issuer or any of its Restricted Subsidiaries, as the case may be) will be deemed not to have been incurred or issued for the purposes of this covenant; and
 - (iv) the accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends or the making of any distribution on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness or an Issuance of Disqualified Stock for purposes of this covenant; provided, in each such case, that the amount thereof is included in Fixed Charges of the Issuer as accrued.
- (d) For purposes of determining compliance with any Canadian dollar or other currency-denominated restriction on the incurrence of Indebtedness, the Canadian dollar or other currency-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; provided that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable Canadian dollar or other currency-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such Canadian dollar or other currency-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such

Indebtedness being refinanced. Notwithstanding any other provision of this Section 5.13, the maximum amount of Indebtedness that the Issuer may incur pursuant to this Section 5.13 shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Permitted Refinancing Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Permitted Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

- (e) Notwithstanding Sections 5.13(a) and 5.13(b), neither the Issuer nor any Guarantor will incur any additional Indebtedness (including Permitted Indebtedness) that is contractually subordinated in right of payment to any other Indebtedness of such Person unless such additional Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Note Guarantee, as the case may be, on substantially identical terms; provided, however, that no Indebtedness will be deemed to be contractually subordinated in right of payment to any other Indebtedness solely by virtue of being unsecured or by virtue of being secured on a junior priority basis.

5.14 Transactions with Affiliates

- (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate of the Issuer (each, an “**Affiliate Transaction**”) involving aggregate consideration in excess of \$5 million for any Affiliate Transaction or series of related Affiliate Transactions, unless:
 - (i) the Affiliate Transaction or series of related Affiliate Transactions are on terms that are no less favourable in the aggregate to the Issuer or the relevant Restricted Subsidiary, as the case may be, than those that would have been obtained in a comparable transaction by the Issuer or such Restricted Subsidiary with an unrelated Person; and
 - (ii) in the case of an Affiliate Transaction or series of related Affiliate Transactions where the aggregate consideration exceeds \$15 million, such determination shall be made in good faith by the chief financial officer of the Issuer and confirmed in an Officer's Certificate delivered to the Trustee.
- (b) The following items will be deemed not to be Affiliate Transactions and therefore will not be subject to the provisions of Section 5.14(a):

- (i) transactions between or among the Issuer and/or its Restricted Subsidiaries;
- (ii) any employment agreement, employee benefit plan, officer or director indemnification agreement or any similar arrangement entered into by the Issuer or any of its Restricted Subsidiaries in the ordinary course of business and payments pursuant thereto;
- (iii) any agreement as in effect as of the Issue Date or any amendment, supplement, modification, restatement, renewal, replacement, refinancing, increase, refunding, extension, substitution or restructuring thereof or thereto or any transaction contemplated by any of the foregoing, so long as any such amendment, supplement, modification, restatement, renewal, replacement, refinancing, increase, refunding, extension, substitution or restructuring is not materially more disadvantageous in aggregate (in the reasonable determination of the Issuer) to the Issuer or the relevant Restricted Subsidiary than the original agreement as in effect on the Issue Date;
- (iv) payment of reasonable directors' compensation or fees to, or the execution of customary expense reimbursements, indemnification or similar arrangements with Persons who are not otherwise Affiliates of the Issuer, including the respective directors and officers of the Issuer or any of its Restricted Subsidiaries in the ordinary course of business;
- (v) any issuance of Equity Interests (other than Disqualified Stock) of the Issuer to its Affiliates, or the receipt by the Issuer of any capital contribution from its members, partners or Affiliates;
- (vi) Restricted Payments that do not violate Section 5.12 and Permitted Investments (except for Investments made in reliance on clauses (2) and (3) of the definition of Permitted Investments);
- (vii) transactions between the Issuer or any of its Restricted Subsidiaries and any Person that is an Affiliate that is approved in good faith by the independent directors of the Issuer;
- (viii) transactions between the Issuer or any of its Restricted Subsidiaries and any Person that is an Affiliate solely because one or more of its directors or officers is also a director or officer of the Issuer or such Restricted Subsidiary; provided that such director abstains from voting as a director of the Issuer or such Restricted Subsidiary on any such transaction involving such other Person;
- (ix) the entering into of a tax sharing agreement, or payments pursuant thereto, between the Issuer and/or one or more Restricted Subsidiaries, on the one hand, and any other Person with which the Issuer or such Subsidiaries are required or permitted to file a

consolidated tax return or with which the Issuer or such Subsidiaries are part of a consolidated group for tax purposes to be used by such Person to pay taxes, and which payments by the Issuer and the Restricted Subsidiaries are not in excess of the tax liabilities that would have been payable by them on a stand-alone basis;

- (x) guarantees of performance by the Issuer and its Restricted Subsidiary of the Issuer's Unrestricted Subsidiaries in the ordinary course of business, except for guarantees of Indebtedness;
- (xi) a repurchase of Notes held by an Affiliate of the Issuer if repurchased on the same terms as have been offered to all Holders that are not Affiliates of the Issuer; and
- (xii) any sale of Receivables pursuant to a Qualified Receivables Transaction.

5.15 Limitation on Contractual Restrictions

- (a) Subject to Section 5.15(b), Issuer will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, create or permit to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:
 - (i) pay dividends or make any other distributions on its Capital Stock to the Issuer or any of its Restricted Subsidiaries, or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to the Issuer or any of its Restricted Subsidiaries; provided, however, that the priority of any preferred Capital Stock over common Capital Stock in receiving dividends or distributions (upon a liquidation or otherwise) shall not be deemed a restriction on the ability to make distributions on Capital Stock;
 - (ii) make loans or advances to the Issuer or any of its Restricted Subsidiaries; or
 - (iii) sell, lease or transfer any of its properties or assets to the Issuer or any of its Restricted Subsidiaries.
- (b) The restrictions set out in Section 5.15(a) will not apply to encumbrances or restrictions existing under or by reason of:
 - (i) agreements governing Existing Indebtedness and Credit Facilities as in effect on the Issue Date and any amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings of those agreements; provided that the amendments, restatements, modifications, renewals, supplements, refundings, replacements or refinancings are not materially more restrictive, taken

as a whole, with respect to such dividend, distribution and other payment restrictions than those contained in those agreements on the Issue Date, as determined by the Issuer's Board of Directors in their reasonable and good faith judgement;

- (ii) this Indenture, the Notes and the Note Guarantees;
- (iii) applicable law, rule, regulation, order, approval, license, permit or similar restriction;
- (iv) any agreement or instrument governing Indebtedness or Capital Stock of a Person acquired by the Issuer or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness or Capital Stock was incurred in connection with or in contemplation of such acquisition), which encumbrance or restriction is not applicable to any Person, or the properties or assets of any Person, other than the Person, or the property or assets of the Person, so acquired; provided that, in the case of Indebtedness or Disqualified Stock, such Indebtedness or Disqualified Stock was permitted by the terms of this Indenture to be incurred or issued, as the case may be;
- (v) customary non-assignment and non-subletting provisions in leases, contracts and licenses entered into in the ordinary course of business;
- (vi) agreements relating to Purchase Money Obligations, Capital Lease Obligations and Sale/Leaseback Transactions that impose restrictions on the property relating thereto of the nature described under clause (iii) of Section 5.15(a);
- (vii) any agreement (A) for the sale or other disposition of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending the sale or other disposition or (B) for the sale of a particular asset or line of business of a Restricted Subsidiary that imposes restrictions on property subject to an agreement of the nature described under clause (iii) of Section 5.15(a);
- (viii) Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced, as determined by the Issuer's Board of Directors in their reasonable and good faith judgement;
- (ix) agreements existing on the Issue Date;
- (x) Liens permitted to be Incurred under Section 5.11 that limit the right of the debtor to dispose of the assets subject to such Liens;

- (xi) provisions limiting the disposition or distribution of assets or property in joint venture agreements, partnership agreements, shareholder agreements, asset sale agreements, stock sale agreements and other similar agreements entered into with the approval of the Issuer's Board of Directors or the Board of Directors of the applicable Restricted Subsidiary; which limitation is applicable only to the assets that are the subject of such agreements;
- (xii) restrictions on cash, Cash Equivalents or other deposits or net worth imposed by customers, suppliers and landlords under contracts entered into in the ordinary course of business;
- (xiii) encumbrances and restrictions contained in contracts entered into in the ordinary course of business, not relating to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of, or from the ability of the Issuer and any of its Restricted Subsidiaries to realize the value of, property of the Issuer or any of its Restricted Subsidiaries in any manner material to the Issuer or any of its Restricted Subsidiaries;
- (xiv) any encumbrance or restriction with respect to an Unrestricted Subsidiary of the Issuer pursuant to or by reason of an agreement that the Unrestricted Subsidiary is a party to entered into before the date on which such Unrestricted Subsidiary became a Restricted Subsidiary; provided that such agreement was not entered into in anticipation of the Unrestricted Subsidiary becoming a Restricted Subsidiary and any such encumbrance or restriction shall not extend to any assets or property of the Issuer or any other Restricted Subsidiary of the Issuer other than the assets and property so acquired; and
- (xv) Liens arising in connection with a Qualified Receivables Transaction (including limitations set forth in the governing documents of the Special Purpose Vehicle).

5.16 Asset Sales

- (a) The Issuer will not, and will not permit any of its Restricted Subsidiaries to, consummate an Asset Sale unless:
 - (i) the Issuer or any of its Restricted Subsidiary receives consideration at the time of the Asset Sale at least equal to the Fair Market Value (measured as of the date of the definitive agreement relating to such Asset Sale) of the assets or Equity Interests issued or sold or otherwise disposed of; and
 - (ii) at least 75% of the consideration received in all Asset Sales since the date of this Indenture by the Issuer or such Restricted Subsidiary is in

the form of cash or Cash Equivalents. For purposes of this provision, each of the following will be deemed to be cash:

- (A) any liabilities of the Issuer or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Note Guarantee), as shown on the Issuer's most recent internally available annual or quarterly balance sheet, that are assumed by the transferee of any such assets and from which the Issuer or such Restricted Subsidiary has been unconditionally released by all applicable creditors in writing;
 - (B) any securities, notes or other obligations received by the Issuer or any such Restricted Subsidiary from such transferee that are within 180 days of the applicable Asset Sale, subject to ordinary settlement periods, converted by the Issuer or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion;
 - (C) any Designated Non-cash Consideration received by the Issuer or any such Restricted Subsidiary in such Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (c) (other than items received and not yet liquidated pursuant to clause (b) that are at the time outstanding), not to exceed 5% of Consolidated Net Tangible Assets at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value; and
 - (D) Permitted Assets.
- (b) Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Issuer (or any Restricted Subsidiary) may apply an amount equal to such Net Proceeds for any combination of the following purposes:
- (i) to permanently repay, prepay, redeem or repurchase any Indebtedness (a) under the Syndicated Credit Facility or the Nordea Credit Facility, (b) under the IQ Secured Loan to the extent, and only to such extent, that the Net Proceeds from such Asset Sale are derived directly from the sale of assets that are subject to security under the IQ Secured Loan, (c) under the Ontario Loan to the extent, and only to such extent, that the Net Proceeds from such Asset Sale are derived directly from the sale of assets that are subject to security under the Ontario Loan, or (d) that is secured by a Lien (other than any such Indebtedness that is subordinate in right of payment to the Notes or

any Note Guarantee), and if the Indebtedness repaid is revolving credit Indebtedness, to correspondingly permanently reduce commitments with respect thereto;

- (ii) to repay, prepay, redeem, purchase or repurchase any other Pari Passu Indebtedness (and correspondingly permanently reduce commitments, if any, with respect thereto); provided, however, that the Issuer shall also (a) equally and ratably reduce the aggregate principal amount of Notes outstanding through open market purchases of the Notes, or (b) offer to equally and ratably reduce Obligations under the Notes by making an offer (in accordance with the procedures set forth below for an Asset Sale Offer) to all Holders to purchase a pro rata principal amount of Notes at a price equal to 100% of the principal amount of Notes tendered to such offer, plus accrued and unpaid interest, if any, to the date of purchase;
 - (iii) to acquire Permitted Assets; or
 - (iv) to make a capital expenditure.
- (c) Notwithstanding the foregoing, in the event the Issuer or any of its Restricted Subsidiaries enters into a binding agreement committing to make an acquisition, expenditure or investment in compliance with Sections 5.16(b)(iii) or 5.16(b)(iv) above within 365 days after the receipt of any Net Proceeds from an Asset Sale, such commitment will be treated as a permitted application of the Net Proceeds from the date of the execution of such agreement until the earlier of (i) the date on which such acquisition or investment is consummated or such expenditure made or such agreement is terminated, and (ii) the 180th day after the date on which such binding commitment was entered into.
- (d) Pending the final application of any Net Proceeds, the Issuer may temporarily reduce revolving credit borrowings or otherwise invest the Net Proceeds in any manner that is not prohibited by this Indenture.
- (e) Any Net Proceeds from Asset Sales that are not applied or invested as provided in the second paragraph of this covenant will constitute “**Excess Proceeds**”. Not later than the 366th day after any Asset Sale, if the aggregate amount of Excess Proceeds exceeds \$25.0 million, the Issuer will make an offer to purchase (the “**Asset Sale Offer**”) to all Holders and all holders of other Pari Passu Indebtedness containing requirements similar to those set forth in this Indenture with respect to offers to purchase or redeem with the proceeds of sales of assets to purchase the maximum principal amount of Notes and such other Pari Passu Indebtedness that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount (or accreted value in the case of any such other Pari Passu Indebtedness, as the case may be, issued with a significant original issue discount) plus accrued and unpaid interest to the date of purchase, and

will be payable in cash. If the aggregate principal amount of Notes and other Pari Passu Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee will select the Notes and such other Pari Passu Indebtedness to be purchased on a pro rata basis (subject to the procedures of the relevant depository), on the basis of the aggregate principal amounts (or accreted values) tendered in round denominations (which in the case of the Notes will be minimum denominations of \$1,000 principal amount or multiples of \$1,000 in excess thereof). If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Issuer may use those Excess Proceeds for any purpose not otherwise prohibited by this Indenture. Upon completion of each Asset Sale Offer, the amount of Excess Proceeds will be reset at zero.

- (f) If the Asset Sale Offer purchase date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender Notes pursuant to the Asset Sale Offer.
- (g) Within five Business Days after the Issuer is obligated to make an Asset Sale Offer as described in the preceding paragraphs, the Issuer will deliver a written notice to the Holders, accompanied by such information regarding the Issuer and its Affiliates as the Issuer in good faith believes will enable such Holders to make an informed decision with respect to such Asset Sale Offer. Such notice shall state, among other things, the purchase price and the purchase date, which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is delivered.
- (h) Without limiting the foregoing:
 - (i) any Holder may decline any offer of prepayment pursuant to this covenant; and
 - (ii) the failure of any such Holder to accept or decline any such offer of prepayment shall be deemed to be an election by such Holder to decline such prepayment.
- (i) The Issuer will comply with the requirements of applicable securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with each repurchase of Notes pursuant to an Asset Sale Offer. To the extent that the provisions of any securities laws or regulations conflict with the Asset Sale provisions of this Indenture, the Issuer will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Asset Sale provisions of this Indenture by virtue of such compliance.
- (j) Upon the sale or other disposition of all of the Capital Stock of a Guarantor to a Person that is not (either before or after giving effect to such transaction)

the Issuer or a Restricted Subsidiary such that it ceases to be a Restricted Subsidiary and in compliance with this Asset Sale covenant, the Guarantee of such Guarantor will be released pursuant to and in accordance with Article 13.

- (k) Notwithstanding the foregoing, any sale, assignment, transfer, conveyance, lease or other disposition of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person, will be governed by the provisions set out in Section 9.1 and will not be subject to the provisions described above in this Section 5.16.

5.17 Purchase of Notes upon a Change of Control

- (a) Subject to Section 5.17(g), upon the occurrence of a Change of Control, the Issuer will be required to make an offer to each Holder to repurchase all or any part (equal to \$1,000 or an integral multiple of \$1,000 in excess thereof) of such Holder's Notes as described below (the "**Change of Control Offer**"). Pursuant to the Change of Control Offer, the Issuer shall offer a payment (the "**Change of Control Payment**") in cash equal to 101% of the aggregate principal amount of Notes repurchased, plus accrued and unpaid interest thereon to the date of purchase (the "**Change of Control Payment Date**"), subject to the right of Holders of record on the relevant Record Date to receive interest due on the relevant Interest Payment Date.
- (b) Within 30 days following any Change of Control, the Issuer will send to each Holder at such Holder's address appearing in the security register of the Issuer (with a copy to the Trustee), a notice:
 - (i) describing the transaction or transactions that constitute the Change of Control; and
 - (ii) offering to repurchase Notes on the Change of Control Payment Date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by this Indenture and described in such notice.
- (c) On the Change of Control Payment Date, the Issuer will, to the extent lawful:
 - (i) accept for payment all Notes or portions of Notes properly tendered pursuant to the Change of Control Offer;
 - (ii) deposit with the Paying Agent an amount equal to the Change of Control Payment in respect of all the Notes properly tendered; and
 - (iii) deliver or cause to be delivered to the Trustee the Notes properly accepted together with an Officers' Certificate stating the aggregate

principal amount of Notes or portions of Notes being purchased by the Issuer.

- (d) On the Change of Control Payment Date, the Paying Agent will promptly mail or wire transfer to each Holder properly tendered the Change of Control Payment for such Notes, and the Issuer will execute and issue, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder, a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any. The Issuer will announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.
- (e) If the Change of Control Payment Date is on or after a Record Date and on or before the related Interest Payment Date, any accrued and unpaid interest will be paid to the Person in whose name a Note is registered at the close of business on such Record Date, and no other interest will be payable to Holders who tender pursuant to the Change of Control Offer.
- (f) The obligation of the Issuer to make a Change of Control Offer following a Change of Control pursuant to this Section 5.17 will be applicable regardless of whether any other provisions of this Indenture are applicable to the transaction giving rise to the Change of Control.
- (g) The Issuer will not be required to make a Change of Control Offer upon a Change of Control and no Holder will have the right to require the Issuer to repurchase any Notes pursuant to a Change of Control Offer if (a) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in this Section 5.17 and any other requirements in this Indenture applicable to a Change of Control Offer and purchases all Notes properly tendered and not withdrawn under such Change of Control Offer, or (b) a Redemption Notice has been given pursuant to Section 4.2 unless and until there is a default in payment of the applicable Redemption Price. Notwithstanding anything to the contrary contained herein, a Change of Control Offer by the Issuer or a third party may be made in advance of a Change of Control, conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time the Change of Control Offer is made.
- (h) In the event that Holders of not less than 90% of the aggregate principal amount of the outstanding Notes accept a Change of Control Offer and the Issuer (or a third party making the offer as described above) purchases all of the Notes held by such Holders, the Issuer or the third party offeror, as applicable, will have the right, upon not less than 30 nor more than 60 days' prior notice, given not more than 30 days following the purchase pursuant to the Change of Control Offer, to redeem (in the case of the Issuer) or purchase (in the case of a third party offeror) all of the Notes that remain outstanding following such purchase at a Redemption Price per Note equal to the amount

paid to purchase a Note pursuant to the Change of Control Offer or the Asset Sale Offer, as the case may be, plus, to the extent not already paid, accrued interest on such Notes that remain outstanding, to the applicable redemption date (subject to the right of Holders on the relevant Record Date to receive interest due on an Interest Payment Date that is on or prior to the redemption date).

- (i) The Issuer will comply, to the extent applicable, with the requirements of Applicable Securities Legislation in connection with any repurchase of Notes pursuant to this Section 5.17. To the extent that the provisions of any Applicable Securities Legislation conflict with provisions of this Section 5.17, the Issuer will comply with the Applicable Securities Legislation and regulations and will not be deemed to have breached its obligations under this Section 5.17 by virtue thereof.

5.18 Covenant Suspension

- (a) If on any date following the Issue Date:
 - (i) the Notes are rated Investment Grade by (i) in the event that the Notes are then rated by only one Designated Rating Organization, such Designated Rating Organization, or (ii) in the event that the Notes are then rated by two or more Designated Rating Organizations, any two Designated Rating Organizations; and
 - (ii) no Default or Event of Default shall have occurred and be continuing,

(the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a “**Covenant Suspension Event**”) then, beginning on that day and at all times thereafter until the Reinstatement Date (the “**Suspension Period**”), and subject to the provisions of the following paragraph, the covenants specifically listed under the following sections shall be suspended:

 - (A) Section 5.8;
 - (B) Section 5.12;
 - (C) Section 5.13;
 - (D) Section 9.1(a)(iv);
 - (E) Section 5.14;
 - (F) Section 5.15;
 - (G) Section 5.16; and

(collectively, the “**Suspended Covenants**”).

During any Suspension Period, no Restricted Subsidiaries may be designated as Unrestricted Subsidiaries pursuant to the covenant described under Section 5.10.

- (b) In the event that the Issuer and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the preceding paragraph and, on a subsequent date, at least one of the Designated Rating Organizations which rates the Notes withdraws its Investment Grade rating, or downgrades the rating assigned to the Notes below an Investment Grade rating, or ceases to rate the Notes (in each case, such date, the “**Reinstatement Date**”), then the Issuer and its Restricted Subsidiaries will after the Reinstatement Date again be subject to the Suspended Covenants with respect to future events for the benefit of the Notes.
- (c) On the Reinstatement Date, all Indebtedness incurred, or Disqualified Stock issued, during the Suspension Period will be subject to the covenant described under Section 5.13. To the extent such Indebtedness or Disqualified Stock would not be so permitted to be incurred or issued pursuant to such covenant, such Indebtedness or Disqualified Stock will be deemed to have been outstanding on the Issue Date, so that they are permitted under clause (iii) of Section 5.13(b).
- (d) Calculations made after the Reinstatement Date of the amount available to be made as Restricted Payments under the covenant described under Section 5.12 will be made as though such covenant had been in effect from the Issue Date and throughout the Suspension Period. Accordingly, Restricted Payments made during the Suspension Period will reduce the amount available to be made as Restricted Payments under Section 5.12(a) to the extent provided therein.
- (e) For purposes of the covenant described under Section 5.15, on the Reinstatement Date, any contractual encumbrances or restrictions of the type specified in clauses (i), (ii) or (iii) of Section 5.15(a) entered into (or which the Issuer or any Restricted Subsidiary became legally obligated to enter into) during the Suspension Period will be deemed to have been in effect on the Issue Date, so that they are permitted under clause (i) of Section 5.15(b).
- (f) For purposes of the covenant described under Section 5.16, on the Reinstatement Date, the unutilized Excess Proceeds amount will be reset to zero.
- (g) For purposes of the covenant described under Section 5.14, any contract, agreement, loan, advance or guarantee with or for the benefit of, any Affiliate of the Issuer entered into (or which the Issuer or any Restricted Subsidiary became legally obligated to enter into) during the Suspension Period will be deemed to have been in effect as of the Issue Date, so that they are permitted under clause (iii) of Section 5.14(b).

- (h) Notwithstanding that the Suspended Covenants may be reinstated:
- (i) no Default or Event of Default will be deemed to have occurred as a result of a failure to comply with the Suspended Covenants during the Suspension Period (or on the Reinstatement Date) or after the Suspension Period based solely on events that occurred during the Suspension Period; and
 - (ii) neither (A) the continued existence, after the Reinstatement Date, of facts and circumstances or obligations that were incurred or otherwise came into existence during a Suspension Period nor (B) the performance of any such obligations, shall constitute a breach of any covenant set forth in this Indenture or cause a Default or Event of Default thereunder; provided that (1) the Issuer and its Restricted Subsidiaries did not incur or otherwise cause such facts and circumstances or obligations to exist in anticipation of the Notes ceasing to be rated Investment Grade and (2) the Issuer reasonably believed that such incurrence or actions would not result in such ceasing.

ARTICLE 6 DEFAULT AND ENFORCEMENT

6.1 Events of Default

Unless otherwise provided in this Indenture, an “**Event of Default**” means any one of the following events:

- (a) default for 30 days in the payment when due of interest on the Notes;
- (b) default for three (3) days in the payment when due (at Stated Maturity, upon redemption or otherwise) of the principal of, or Premium, if any, on, the Notes;
- (c) failure by the Issuer or any of its Restricted Subsidiaries to comply with Sections 5.16, 5.17 and 9.1;
- (d) failure by the Issuer or any of its Restricted Subsidiaries for 60 days after notice to the Issuer by the Trustee or the Holders of at least 25% in the aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in this Indenture;
- (e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Issuer or any of its Restricted Subsidiaries (or the payment of which is guaranteed by the Issuer or any of its Restricted

Subsidiaries), whether such Indebtedness or guarantee now exists, or is created after the Issue Date, if that default:

- (i) is caused by a failure to pay principal of, or interest or premium, if any, on, such Indebtedness prior to the expiration of the grace period provided in such Indebtedness on the date of such default (a "**Payment Default**"); or
- (ii) results in the acceleration of such Indebtedness prior to its Stated Maturity,

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default, which remains outstanding or the maturity of which has been so accelerated, aggregates an amount greater than \$25.0 million, provided that if any such Payment Default is cured or waived or any such acceleration is rescinded, as the case may be, such Event of Default under this Indenture and any consequential acceleration of the Notes shall be automatically rescinded, so long as such rescission does not conflict with any judgment or decree;

- (f) failure by the Issuer for 90 days after notice to the Issuer by the Trustee or the Holders of 25% or more in the aggregate principal amount of the Notes then outstanding voting as a single class or series to comply with Section 5.7;
- (g) failure by the Issuer or any of its Restricted Subsidiaries to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of \$20 million, which judgments are not paid, discharged or stayed for a period of 60 days after such judgments become final and non-appealable or, in the event such judgments have been bonded to the extent required pending appeal, after the date such judgments become non-appealable;
- (h) except as permitted by this Indenture, any Note Guarantee of a Significant Subsidiary shall be held in any judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect, or any Guarantor that is a Significant Subsidiary or any Person acting on behalf of any such Guarantor shall deny or disaffirm its obligations under its Note Guarantee;
- (i) the Issuer or any of its Significant Subsidiaries pursuant to or within the meaning of any Bankruptcy Law:
 - (i) commences a voluntary case or proceeding;
 - (ii) applies for or consents to the entry of an order for relief against it in an involuntary case or proceeding;

- (iii) applies for or consents to the appointment of a Custodian of it or for all or substantially all of its assets; or
 - (iv) makes a general assignment for the benefit of its creditors; and
- (j) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:
- (i) is for relief against the Issuer or any of its Significant Subsidiaries as debtor in an involuntary case or proceeding;
 - (ii) appoints a Custodian of the Issuer or any of its Significant Subsidiaries or a Custodian for all or substantially all of the assets of the Issuer or any of its Significant Subsidiaries; or
 - (iii) orders the liquidation of the Issuer or any of its Significant Subsidiaries;

and the order or decree remains unstayed and in effect for 60 consecutive days and, in the case of the insolvency of a Significant Subsidiary, such Significant Subsidiary remains a Restricted Subsidiary on such 60th day.

6.2 Acceleration of Maturity; Rescission, Annulment and Waiver

- (a) If an Event of Default (other than an Event of Default specified in clause (i) or (j) of Section 6.1 with respect to the Issuer) occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may, and the Trustee at the request of such Holders shall, declare by notice in writing to the Issuer and (if given by the Holders) to the Trustee, the principal of (and Premium, if any) and accrued and unpaid interest to the date of acceleration on, all of the then outstanding Notes immediately due and payable and, upon any such declaration, all such amounts will become due and payable immediately.
- (b) If an Event of Default specified in clause (i) or (j) of Section 6.1 occurs and is continuing, then the principal and Premium, if any, and accrued and unpaid interest on all of the then outstanding Notes will thereupon become and be immediately due and payable without any declaration, notice or other action on the part of the Trustee or any Holder. The Issuer shall deliver to the Trustee, within 10 days after the occurrence thereof, notice of any default or acceleration referred to in Section 6.1(e).
- (c) At any time after a declaration of acceleration, but before a judgment or decree for payment of the money due has been obtained by the Trustee:
 - (i) the Holders of a majority in aggregate principal amount of the then outstanding Notes, by written notice to the Issuer, the Holders and

the Trustee, may rescind and annul such declaration and its consequences if:

- (A) all existing Events of Default, other than the non-payment of amounts of principal of and Premium, if any, or interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived; and
 - (B) such rescission would not conflict with any judgment or decree of a court of competent jurisdiction; and
- (ii) the Trustee, so long as it has not become bound to declare the principal and interest on the Notes (or any of them) to be due and payable, or to obtain or enforce payment of the same, shall have the power to waive any Event of Default if, in the Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to rescind and annul such declaration and its consequences,

provided that no such rescission shall affect any subsequent Default or impair any right consequent thereon.

- (d) Notwithstanding Section 6.2(a), in the event of a declaration of acceleration in respect of the Notes because an Event of Default specified in Section 6.1(e) shall have occurred and be continuing, such declaration of acceleration shall be automatically annulled if the Indebtedness that is the subject of such Event of Default has been discharged or the Holders thereof have rescinded their declaration of acceleration in respect of such Indebtedness, and written notice of such discharge or rescission, as the case may be, shall have been given to the Trustee by the Issuer and countersigned by the holders of such Indebtedness or a trustee, fiduciary or agent for such holders, within 30 days after such declaration of acceleration in respect of the Notes, and no other Event of Default has occurred during such 30 day period which has not been cured or waived during such period.
- (e) The Holders of a majority in aggregate principal amount of the Notes then outstanding by notice to the Trustee may on behalf of the Holders of all of the Notes waive any existing Default or Event of Default and its consequences under this Indenture except a continuing Default or Event of Default in the payment of interest on, or the principal (or Premium, if any) of, the Notes.

6.3 Collection of Indebtedness and Suits for Enforcement by Trustee

- (a) The Issuer covenants that if:
 - (i) Default is made in the payment of any instalment of interest on any Note when such interest becomes due and payable and such default continues for a period of 30 days, or

- (ii) Default is made in the payment of the principal of (or Premium, if any on) any Note at the Maturity thereof and such default continues for a period of three (3) Business Days,

the Issuer will, upon demand of the Trustee, pay to the Trustee for the benefit of the Holders, the whole amount then due and payable on such Notes for principal (and Premium, if any) and interest, and interest on any overdue principal (and Premium, if any) and, to the extent that payment of such interest shall be legally enforceable, upon any overdue instalment of interest, at the rate borne by the Notes, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

- (b) If the Issuer fails to pay such amounts forthwith upon such demand, the Trustee, in its own name as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Issuer or any other obligor (including the Guarantors, if any) upon the Notes and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Issuer or any other obligor upon the Notes, wherever situated.
- (c) If an Event of Default occurs and is continuing, the Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders by such appropriate judicial proceedings as the Trustee shall deem most effective to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

6.4 Trustee May File Proofs of Claim

- (a) In case of any pending receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer and its debts or any other obligor upon the Notes (including the Guarantors, if any), and their debts or the property of the Issuer or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Notes shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer for the payment of overdue principal (and Premium, if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise:
 - (i) to file and prove a claim for the whole amount of principal (and Premium, if any) and interest owing and unpaid in respect of the Notes and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and

advances of the Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding; and

- (ii) to collect and receive any moneys or other securities or property payable or deliverable upon the conversion or exchange of such securities or upon any such claims and to distribute the same,

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee hereunder.

- (b) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

6.5 Trustee May Enforce Claims Without Possession of Notes

All rights of action and claims under this Indenture or the Notes may be prosecuted and enforced by the Trustee without the possession of any of the Notes or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the rateable benefit of the Holders of the Notes in respect of which such judgment has been recovered.

6.6 Application of Monies by Trustee

- (a) Except as herein otherwise expressly provided, any money collected by the Trustee pursuant to this Article 6 shall be applied in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or Premium, if any) or interest, upon presentation of the Notes and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:
 - (i) first, in payment or in reimbursement to the Trustee of its reasonable compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;
 - (ii) second, but subject as hereinafter in this Section 6.6 provided, in payment, rateably and proportionately to the Holders, of the principal

of and Premium (if any) and accrued and unpaid interest and interest on amounts in default on the Notes which shall then be outstanding in the priority of principal first and then Premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal, Premium (if any) and interest as may be directed by such Extraordinary Resolution; and

- (iii) third, in payment of the surplus, if any, of such monies to the Issuer or its assigns and/or the Guarantors, as the case may be;

provided, however, that no payment shall be made pursuant to clause (ii) of Section 6.6(a) in respect of the principal, Premium or interest on any Notes held, directly or indirectly, by or for the benefit of the Issuer or any Subsidiary of the Issuer (other than any Notes pledged for value and in good faith to a Person other than the Issuer or any Subsidiary of the Issuer but only to the extent of such Person's interest therein), except subject to the prior payment in full of the principal, Premium (if any) and interest (if any) on all Notes which are not so held.

- (b) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving out therefrom such amount as the Trustee may think necessary to provide for the payments mentioned in Section 6.6(a), is insufficient to make a distribution of at least 2% of the aggregate principal amount of the outstanding Notes, but it may retain the money so received by it and invest or deposit the same as provided in Section 10.10 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment or distribution hereunder.

6.7 No Suits by Holders

Except to enforce payment of the principal of, and Premium (if any) or interest on any Note (after giving effect to any applicable grace period specified therefor in Section 6.1(a) and (b)), a Holder will not have any right to institute any proceeding with respect to this Indenture, or for the appointment of a receiver or trustee, or for any remedy thereunder, unless the Trustee:

- (a) shall have failed to act for a period of 60 days after receiving written notice of a continuing Event of Default from such Holder and a request to act from Holders of at least 25% in aggregate principal amount (and premium, if any) of the Notes then outstanding;

- (b) has been offered indemnity and funding thereof, if requested, satisfactory to it in its reasonable judgment; and
- (c) during such 60 day period, has not received from the Holders of a majority in aggregate principal amount of the Notes then outstanding a direction inconsistent with such request,

it being understood and intended that no one or more Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and rateable benefit of all the Holders.

6.8 Unconditional Right of Holders to Receive Principal, Premium and Interest

Notwithstanding any other provision in this Indenture, a Holder shall have the right, which is absolute and unconditional, to receive payment, as provided herein of the principal of (and Premium, if any) and interest on the Notes held by such Holder on the applicable maturity date and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

6.9 Restoration of Rights and Remedies

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Issuer, the Guarantors (if any), the Trustee and the Holders shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustee and the Holders shall continue as though no such proceeding had been instituted.

6.10 Rights and Remedies Cumulative

Except as otherwise expressly provided herein, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

6.11 Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article 6 or by law to the Trustee or to the Holders may be exercised from time

to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

6.12 Control by Holders

The Holders of not less than a majority in principal amount of the outstanding Notes shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee, provided that:

- (a) such direction shall not be in conflict with any rule of law or with this Indenture;
- (b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction; and
- (c) the Trustee shall have the right to not take any action which might involve it in personal liability or be unjustly prejudicial to the Holders not consenting.

6.13 Notice of Event of Default

If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Holders in the manner provided in Section 12.2, provided that, notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the Holders of at least 25% of the aggregate principal amount of the Notes then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Holders and shall have so advised the Issuer in writing. Notwithstanding the foregoing, notice relating to a Default or Event of Default relating to the payment of principal or interest shall not in any circumstances be withheld.

6.14 Waiver of Stay or Extension Laws

The Issuer covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Issuer (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustee, but will suffer and permit the execution of every such power as though no such law had been enacted.

6.15 Undertaking for Costs

All parties to this Indenture agree, and each Holder of any Note by such Holder's acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in

any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorney's fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant.

6.16 Judgment Against the Issuer

The Issuer covenants and agrees with the Trustee that, in case of any judicial or other proceedings to enforce the rights of the Holders, judgment may be rendered against it in favour of the Holders or in favour of the Trustee, as trustee for the Holders, for any amount which may remain due in respect of the Notes and Premium (if any) and the interest thereon and any other monies owing hereunder.

6.17 Immunity of Officers and Others

The Holders, the Beneficial Holders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director, employee, incorporator or holder of Capital Stock of the Issuer and of any Guarantor or of any successor for the payment of the principal of or Premium or interest on any of the Notes or on any covenant, agreement, representation or warranty by the Issuer contained herein or in the Notes. Each Holder and Beneficial Holder, by accepting its interest in Notes, waives and releases all such claims against, and liability of, such Persons. The waiver and release provided for in this Section 6.17 are part of the consideration for issuance of the Notes.

6.18 Notice of Payment by Trustee

Not less than 15 days notice shall be given in the manner provided in Section 12.2 by the Trustee to the Holders of any payment to be made under this Article 6. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Holders will be entitled to interest only on the balance (if any) of the principal monies, Premium (if any) and interest due (if any) to them, respectively, on the relevant Notes, after deduction of the respective amounts payable in respect thereof on the day so fixed.

6.19 Trustee May Demand Production of Notes

The Trustee shall have the right to demand production of the Notes in respect of which any payment of principal, interest or Premium (if any) required by this Article 6 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Issuer as the Trustee shall deem sufficient.

ARTICLE 7
DISCHARGE AND DEFEASANCE

7.1 Satisfaction and Discharge

This Indenture will cease to be of further effect as to all Notes issued hereunder (except as to any surviving rights of registration of transfer or exchange of Notes expressly provided for herein), when:

- (a) either:
 - (i) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Issuer, have been delivered to the Trustee for cancellation; or
 - (ii) all Notes that have not been delivered to the Trustee for cancellation have become due and payable by reason of the delivery of a Redemption Notice or otherwise or will become due and payable within one year and the Issuer has irrevocably deposited or caused to be deposited with the Trustee as trust funds in trust solely for the benefit of the Holders, cash in Canadian dollars, Government Securities, or a combination of cash in Canadian dollars and Government Securities, in amounts as will be sufficient to pay and discharge the principal, Premium, if any, and accrued interest to the Maturity (together with all applicable fees and expenses of the Trustee in connection with such payment);
- (b) no Default or Event of Default has occurred and is continuing on the date of the deposit or will occur as a result of the deposit other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the deposit will not result in a breach or violation of, or constitute a default under, any other material instrument to which the Issuer or any Restricted Subsidiary is a party or by which the Issuer or any Restricted Subsidiary is bound;
- (c) the Issuer or any Guarantor has paid or caused to be paid all sums payable by the Issuer under this Indenture;
- (d) the Issuer has delivered irrevocable instructions to the Trustee under this Indenture to apply the deposited money toward the payment of such Notes at maturity or the redemption date, as the case may be; and
- (e) the Issuer has delivered to the Trustee an Officers' Certificate stating that all of the foregoing conditions have been satisfied.

Notwithstanding the satisfaction and discharge of this Indenture, if money has been deposited with the Trustee pursuant to Section 7.1(a)(i), the provisions of Sections 7.7 and 7.8 will survive.

7.2 Option to Effect Legal Defeasance or Covenant Defeasance

The Issuer may, at the option of the Board of Directors of the Issuer evidenced by a resolution set forth in an Officer's Certificate, at any time, elect to have either Section 7.3 or 7.4 applied to all outstanding Notes upon compliance with the conditions set forth in this Article 7.

7.3 Legal Defeasance and Discharge

- (a) Upon the Issuer's exercise under Section 7.2 of the option applicable to this Section 7.3 in respect of the Notes, the Issuer and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 7.5, be deemed to have been discharged from their obligations (including the Note Guarantees), other than the provisions contemplated to survive as set forth below, with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "**Legal Defeasance**") in respect of such Notes. For this purpose, Legal Defeasance means that the Issuer and the Guarantors shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes (including the Note Guarantees), which shall thereafter be deemed to be "outstanding" only for the purposes of Sections 7.6 and 7.8 and the other Sections of this Indenture referred to in paragraphs (i) and (ii) below, and to have satisfied all their other obligations under such Notes and, to the extent applicable to such Notes, this Indenture (including, for certainty, the Note Guarantees) (and the Trustee, on demand of and at the expense of the Issuer, shall execute proper instruments acknowledging the same), except for the following provisions which shall survive until otherwise terminated or discharged hereunder:
- (i) the rights of Holders to receive payments in respect of the principal of, Premium, if any, and interest on such Notes when such payments are due solely out of the trust referred to in Section 7.6;
 - (ii) the Issuer's obligations under Sections 2.9, 2.10, 2.13 and 2.14;
 - (iii) the rights, powers, trusts, duties and immunities of the Trustee, and the Issuer's obligations in connection therewith under Article 10; and
 - (iv) this Section 7.3.
- (b) Subject to compliance with Section 7.2, the Issuer may exercise its option under this Section 7.3 notwithstanding the prior exercise of its option under Section 7.4.

7.4 Covenant Defeasance

Upon the Issuer's exercise under Section 7.2 of the option applicable to this Section 7.4, the Issuer and each of the Guarantors shall, subject to the satisfaction of the conditions set forth in Section 7.5, be released from each of their obligations under the covenants contained in Sections 5.7, 5.8, 5.9, 5.10, 5.11, 5.12, 5.13, 5.14, 5.15, 5.16, 5.17, 9.1(a)(iv) and Article 13 (collectively, the "**Defeased Covenants**") with respect to the outstanding Notes on and after the date the conditions set forth in Section 7.5 are satisfied (hereinafter, "**Covenant Defeasance**"), and such Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders thereof (and the consequences of any thereof) in connection with the Defeased Covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Issuer and the Guarantors may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any Defeased Covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default hereunder, but, except as specified above, the remainder of this Indenture (including, for certainty, the Note Guarantees) and such Notes shall be unaffected thereby. In addition, upon the Issuer's exercise under Section 7.2 of the option applicable to this Section 7.4, and subject to the satisfaction of the conditions set forth in Section 7.5, the events specified in Section 6.1(c) (but only in respect of Sections 5.16, 5.17 and 9.1(a)(iv)), 6.1(d), 6.1(e) and 6.1(f) shall not constitute a Default of an Event of Default in respect of Notes.

7.5 Conditions to Legal or Covenant Defeasance

- (a) In order to exercise either Legal Defeasance under Section 7.3 or Covenant Defeasance under Section 7.4 with respect to the Notes:
 - (i) the Issuer must deposit or cause to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Notes an amount of cash or Government Securities as will, together with the income to accrue thereon and reinvestment thereof, be sufficient, in the opinion of a nationally recognized investment bank, appraisal firm, or firm of independent public accountants, to pay, satisfy and discharge the entire principal, interest, if any, premium, if any and any other sums due to the Stated Maturity or an optional redemption date of the Notes;
 - (ii) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit and the granting of Liens to secure such borrowing);

- (iii) the Issuer must deliver to the Trustee an Officers' Certificate stating that the deposit was not made by the Issuer with the intent of preferring the Holders over its other creditors or with the intent of defeating, hindering, delaying, or defrauding any of its other creditors or others;
- (iv) the Issuer must deliver to the Trustee: (a) an opinion of counsel acceptable to the Trustee in its reasonable judgment or an advance tax ruling from the Canada Revenue Agency (or successor agency) to the effect that the Holders and Beneficial Holders of outstanding Notes will not recognize income, gain, or loss for Canadian Federal income tax purposes as a result of such legal defeasance or covenant defeasance, as the case may be, and will be subject to Canadian federal income tax on the same amounts, in the same manner, and at the same times as would have been the case if such legal defeasance or covenant defeasance, as the case may be, had not occurred; (b) in the case of legal defeasance, an opinion of counsel acceptable to the Trustee in its reasonable judgment to the effect that (i) the Issuer has received from, or there has been published by, the Internal Revenue Service a ruling, or (ii) since the Issue Date, there has been a change in the applicable U.S. federal income tax law, in either case to the effect that, and based thereon such opinion of counsel will confirm, that the Holders and Beneficial Holders of outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such legal defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such legal defeasance had not occurred; and (c) in the case of covenant defeasance, an opinion of counsel acceptable to the Trustee in its reasonable judgment to the effect the Holders and Beneficial Holders of outstanding Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such covenant defeasance and will be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred;
- (v) the Issuer must satisfy the Trustee that it has paid, caused to be paid or made provisions for the payment of all applicable expenses of the Trustee;
- (vi) the legal defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default under, any material agreement or instrument (other than this Indenture) to which the Issuer or any of its Subsidiaries is a party or by which the Issuer or any of its Subsidiaries is bound; and

- (vii) the Issuer must deliver to the Trustee an Officers' Certificate stating that all conditions precedent herein provided relating to the legal defeasance or covenant defeasance, as the case may be, have been complied with.

7.6 Application of Trust Funds

- (a) Subject to Section 7.7, any funds or Government Securities deposited with the Trustee pursuant to Sections 7.1 or 7.5 in respect of the outstanding Notes shall be (i) denominated in the currency or denomination of the Notes in respect of which such deposit is made, (ii) irrevocable, subject to certain exceptions, and (iii) made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, Premium, if any, and interest on the Notes being satisfied.
- (b) If the Trustee or Paying Agent is unable to apply any funds or Government Securities in accordance with Section 7.1 or 7.5 by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, the Issuer's and the Guarantors' obligations under this Indenture (including the Note Guarantees, as applicable) and the affected Notes shall be revived and reinstated as though no funds or Government Securities had been deposited pursuant to Section 7.1 or 7.5, as applicable, until such time as the Trustee is permitted to apply all such funds or Government Securities in accordance with the above provisions, provided that if the Issuer or any Guarantor has made any payment in respect of principal of, Premium, if any, or interest on Notes or, as applicable, other amounts because of the reinstatement of its obligations, the Issuer and such Guarantor, as applicable, shall be subrogated to the rights of the holders of such Notes to receive such payment from the funds or Government Securities held by the Trustee.

7.7 Repayment to the Issuer

Notwithstanding anything in this Article 7 to the contrary, the Trustee will deliver or pay to the Issuer from time to time upon the request of the Issuer any funds or Government Securities held by it as provided in Section 7.1 or 7.5 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof, delivered to the Trustee (which may be the opinion delivered under Section 7.5(a)(i)), are in excess of the amount thereof that would then be required to be deposited to fully satisfy the obligations of the Issuer under Section 7.1(a)(ii) or to effect an equivalent Legal Defeasance or Covenant Defeasance.

7.8 Continuance of Rights, Duties and Obligations

- (a) Where trust funds or trust property have been deposited pursuant to Section 7.1 or 7.5, the Holders and the Issuer shall continue to have and be

subject to their respective rights, duties and obligations under Article 2 and Article 4.

- (b) In the event that, after the deposit of trust funds or trust property pursuant to Section 7.1 or 7.5, the Issuer is required to make an offer to purchase any outstanding Notes pursuant to the terms hereof, the Issuer shall be entitled to use any trust funds or trust property, deposited with the Trustee pursuant to Section 7.1 or 7.5 for the purpose of paying to any Holders of such Notes who have accepted any such offer of the total offer price payable in respect of an offer relating to any such Notes. Upon receipt of an Issuer Order, the Trustee shall be entitled to pay to such Holder from such trust funds or trust property deposited with the Trustee pursuant to Section 7.1 or 7.5 in respect of such Notes which is applicable to the Notes held by such Holders who have accepted any such offer of the Issuer (which amount shall be based on the applicable principal amount of the Notes held by accepting offerees in relation to the aggregate outstanding principal amount of all the Notes).

ARTICLE 8 MEETINGS OF HOLDERS

8.1 Purpose, Effect and Convention of Meetings

- (a) Subject to Section 11.2, wherever in this Indenture a consent, waiver, notice, authorization or resolution of the Holders (or any of them) is required, a meeting may be convened in accordance with this Article 8 to consider and resolve whether such consent, waiver, notice, authorization or resolution should be approved by such Holders. A resolution passed by the affirmative votes of the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding represented and voting on a poll at a meeting of Holders duly convened for the purpose and held in accordance with the provisions of this Indenture shall constitute conclusively such consent, waiver, notice, authorization or resolution; provided that an Extraordinary Resolution shall be required wherever in this Indenture such consent, waiver, notice, authorization or resolution of the Holders is required to be approved by Extraordinary Resolution.
- (b) At any time and from time to time, the Trustee on behalf of the Issuer may and, on receipt of an Issuer Order or a Holders' Request and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Issuer or the Holders signing such Holders' Request, will, convene a meeting of all Holders.
- (c) If the Trustee fails to convene a meeting after being duly requested as aforesaid (and indemnified and funded as aforesaid), the Issuer or such Holders may themselves convene such meeting and the notice calling such meeting may be signed by such Person as the Issuer or those Holders

designate, as applicable. Every such meeting will be held in Toronto, Ontario or such other place as the Trustee may in any case determine or approve.

8.2 Notice of Meetings

Not more than 60 days' nor less than 21 days' notice of any meeting of the Holders shall be given to the Holders, in the manner provided in Section 12.2 and a copy of such notice shall be sent by post to the Trustee, unless the meeting has been called by it, and to the Issuer, unless such meeting has been called by it. Such notice shall state the time when and the place where the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article 8. The accidental omission to give notice of a meeting to any Holder shall not invalidate any resolution passed at any such meeting. A Holder may waive notice of a meeting either before or after the meeting.

8.3 Chairman

Some individual, who need not be a Holder, nominated in writing by the Trustee shall be chairman of the meeting and if no individual is so nominated, or if the individual so nominated is not present within 15 minutes from the time fixed for the holding of the meeting, a majority of the Holders present in person or by proxy shall choose some individual present to be chairman.

8.4 Quorum

Subject to this Indenture, at any meeting of the Holders, a quorum shall consist of Holders present in person or by proxy and representing at least 25% of the principal amount of the outstanding Notes. If a quorum of the Holders shall not be present within 30 minutes from the time fixed for holding any meeting, the meeting, if convened by the Holders or pursuant to a Holders' Request, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Holders present in person or by proxy shall constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Notes. Any business may be brought before or dealt with at an adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same. No business shall be transacted at any meeting unless the required quorum be present at the commencement of business.

8.5 Power to Adjourn

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

8.6 Voting

On a poll each Holder present in person or represented by a duly appointed proxy shall be entitled to one vote in respect of each \$1,000 principal amount of the Notes of which it is the Holder. A proxyholder need not be a Holder. In the case of joint registered Holders of a Note, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others; but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Notes of which they are joint Holders.

8.7 Poll

A poll will be taken on every resolution and Extraordinary Resolution submitted for approval at a meeting of Holders, in such manner as the chairman directs, and the results of such polls shall be binding on all Holders. Every resolution, other than an Extraordinary Resolution, will be decided by a majority of the votes cast on the poll for that resolution. An Extraordinary Resolution will require at least 66 $\frac{2}{3}$ % of the votes cast on the poll for that resolution to be in the affirmative in order for it to be passed.

8.8 Proxies

A Holder may be present and vote at any meeting of Holders by an authorized representative. The Issuer (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Holders to be present and vote at any meeting without producing their Notes, and of enabling them to be present and vote at any such meeting by proxy and of depositing instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any individual signing on behalf of a Holder;
- (b) the deposit of instruments appointing proxies at such place as the Trustee, the Issuer or the Holder convening the meeting, as the case may be, may, in the notice convening the meeting, direct and the time, if any, before the holding of the meeting or any adjournment thereof by which the same must be deposited; and
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, or sent by other electronic means before the meeting to the Issuer or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.

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

8.9 Persons Entitled to Attend Meetings

The Issuer and the Trustee, by their respective directors, officers and employees and the respective legal advisors of the Issuer, the Trustee or any Holder may attend any meeting of the Holders, but shall have no vote as such.

8.10 Powers Exercisable by Extraordinary Resolution

Subject to Article 11, a meeting of the Holders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject in the case of the matters in paragraphs (g) and (h) to receipt of the prior approval of the exchange, if any, on which any securities of the Issuer are then listed (if required):

- (a) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture (to the extent that this Indenture permits such power, right, remedy or authority to be exercised pursuant to an Extraordinary Resolution) in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority, including the power to direct the application of any money collected by the Trustee pursuant to Section 6.6(a)(ii);
- (b) power to restrain any Holder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, Premium (if any) or interest on the Notes, or for the execution of any trust or power hereunder;
- (c) power to direct any Holder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 6.2, of the costs, charges and expenses reasonably and properly incurred by such Holder in connection therewith;
- (d) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any Equity Interests or other securities of the Issuer;
- (e) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the Holders, such of the powers of the Holders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee,

provided that the following terms shall apply to the appointment of such committee:

- (i) the resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee;
 - (ii) such committee shall consist of such number of members as shall be prescribed in the resolution appointing it and the members need not be themselves Holders;
 - (iii) every such committee may elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filling of vacancies occurring in its number and its procedure generally, and such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum; and
 - (iv) all acts of any such committee within the authority delegated to it shall be binding upon all Holders;
- (f) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;
 - (g) power to sanction the exchange of the Notes for or the conversion thereof into shares, units, bonds, notes or other securities or Obligations of the Issuer or of any other Person formed or to be formed;
 - (h) power to authorize the distribution in specie of any shares, units, bonds, notes, securities or other Obligations received pursuant to a transaction authorized under the provisions of Section 8.10(g); and
 - (i) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Holders or by any committee appointed pursuant to Section 8.10(e).

8.11 Powers Cumulative

Any one or more of the powers in this Indenture stated to be exercisable by the Holders by resolution (including for certainty by Extraordinary Resolution) or otherwise may be exercised from time to time and the exercise of any one or more of such powers from time to time shall not be deemed to exhaust the rights of the Holders to exercise the same or any other such power or powers thereafter from time to time. No powers exercisable by resolution (including for certainty by Extraordinary Resolution) will derogate in any way from the rights of the Issuer pursuant to this Indenture.

8.12 Minutes

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

8.13 Instruments in Writing

Any consent, waiver, notice, authorization or resolution of the Holders which may be given by resolution at a meeting of the Holders pursuant to this Article 8 may also be given by the Holders of not less than 50% of the aggregate principal amount of the outstanding Notes by a signed instrument in one or more counterparts, except for matters required to be approved by Extraordinary Resolution in which case such matter may be approved by an instrument signed by 66 $\frac{2}{3}$ % of the aggregate principal amount of outstanding Notes, and the expressions "resolution" or "Extraordinary Resolution" when used in this Indenture will include instruments so signed. Notice of any resolution or Extraordinary Resolution passed in accordance with this Section 8.13 will be given by the Trustee to the affected Holders within 30 days of the date on which such resolution or Extraordinary Resolution was passed.

8.14 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 8 at a meeting of Holders shall be binding upon all the Holders, whether present at or absent from such meeting, and every instrument in writing signed by Holders in accordance with Section 8.13 shall be binding upon all the Holders, whether signatories thereto or not, and each and every Holder and the Trustee (subject to the provisions for its indemnity herein contained) shall, subject to applicable law, be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

8.15 Evidence of Rights of Holders

- (a) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Holders may be in any number of concurrent instruments of similar tenor signed or executed by such Holders. Proof of the execution of any such request, direction, notice, consent or other instrument or of a writing appointing any such attorney will be sufficient for any purpose of this Indenture if the fact and date of the execution by any Person of such request, direction, notice, consent or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgements of

deeds to be recorded at the place where such certificate is made, that the Person signing such request, direction, notice, consent or other instrument or writing acknowledged to such notary public or other officer the execution thereof, or by an affidavit of a witness of such execution or in any other manner which the Trustee may consider adequate.

- (b) Notwithstanding Section 8.15(a), the Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

ARTICLE 9 SUCCESSORS TO THE ISSUER AND THE RESTRICTED SUBSIDIARIES

9.1 Amalgamation, Merger, Consolidation or Sale of Assets

- (a) The Issuer may not, in any transaction or series of transactions: (1) amalgamate, merge or consolidate with or into another Person (whether or not the Issuer is the surviving Person); or (2) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of the properties or assets of the Issuer and its Restricted Subsidiaries taken as a whole, in one or more related transactions, to another Person; unless:
 - (i) either
 - (A) the Issuer is the surviving entity; or
 - (B) the Person (if other than the Issuer) formed by or surviving any such amalgamation, merger or consolidation or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made is a Person organized or existing under the laws of Canada or any province thereof or the United States, any state of the United States or the District of Columbia;
 - (ii) the Person (if other than the Issuer) formed by or surviving any such amalgamation, merger or consolidation or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made assumes all the obligations of the Issuer under the Notes and this Indenture either by Supplemental Indenture providing for a Note Guarantee, executed and delivered to the Trustee by such Person, or by operation of law or pursuant to an assumption agreement or other instrument reasonably satisfactory to the Trustee;
 - (iii) immediately after such transaction or series of transactions, and giving pro forma effect to any related financing transactions, no Default or Event of Default exists;

- (iv) on the date of such transaction after giving pro forma effect thereto and any related financing transactions as if the same had occurred at the beginning of the applicable four-quarter period, either (A) the Issuer or the Person (if other than the Issuer) formed by or surviving any such amalgamation, merger or consolidation or to which such sale, assignment, transfer, conveyance, lease or other disposition has been made will be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Fixed Charge Coverage Ratio test set forth in Section 5.13(a) or (B) the Fixed Charge Coverage Ratio is equal to or greater than it was immediately prior thereto; and
 - (v) the Issuer has delivered to the Trustee (1) an opinion of counsel stating that such transaction and, if an assumption agreement or other instrument is required in connection with such transaction, such assumption agreement or other instrument complies with clauses (i) and (ii) of this Section 9.1(a), and (2) an Officers' Certificate stating that all conditions precedent contained in this Indenture relating to such transaction have been complied with.
- (b) A Guarantor may not, in any transaction or series of transactions: (1) amalgamate, consolidate or merge with or into another Person (whether or not such Guarantor is the surviving Person); or (2) sell, assign, transfer, convey, lease or otherwise dispose of all or substantially all of its properties or assets to another Person, other than the Issuer or a Restricted Subsidiary (in the case of either clause (i) or (ii) of Section 9.1(a)); unless:
- (i) immediately after giving effect to that transaction, and giving pro forma effect to any related financing transactions, no Default or Event of Default exists;
 - (ii) either:
 - (A) the Person acquiring the property in any such sale, assignment, transfer, conveyance, lease or other disposition or the Person formed by or surviving any such amalgamation, merger or consolidation (if other than the Guarantor) assumes all the obligations of that Guarantor under its Note Guarantee, either by operation of law or pursuant to an assumption agreement or other instrument reasonably satisfactory to the Trustee; or
 - (B) such sale, assignment, transfer, conveyance, lease or other disposition does not violate the provisions set out in Section 5.16; and
 - (iii) the Issuer has delivered to the Trustee (1) an opinion of counsel stating that such transaction and, if an assumption agreement or other instrument is required in connection with such transaction, such

assumption agreement or other instrument complies with clause (A) of Section 9.1(b)(ii)(A) and (2) an Officers' Certificate stating that all conditions precedent contained in this Indenture relating to such transaction have been complied with.

- (c) For the purposes of this Section 9.1, transfers among or between the Issuer and a Restricted Subsidiary will be disregarded.

9.2 Vesting of Powers in Successor

Whenever the conditions of Section 9.1 have been duly observed and performed, the Trustee will execute and deliver a Supplemental Indenture as provided for in Section 11.5 and then:

- (a) the successor of the Issuer or the Restricted Subsidiary, as the case may be, will possess, and from time to time may exercise, each and every right and power of the Issuer or Restricted Subsidiary, as applicable, under this Indenture in the name of the Issuer or Restricted Subsidiary, as applicable, or otherwise, and any act or proceeding by any provision of this Indenture required to be done or performed by any directors or officers of the Issuer or Restricted Subsidiary, as the case may be, may be done and performed with like force and effect by the like directors or officers of such successor; and
- (b) the Issuer or Restricted Subsidiary, as applicable, will be released and discharged from its obligations and liability under this Indenture (including for certainty the Note Guarantee) and the Trustee will execute any documents which it may be advised are necessary or advisable for effecting or evidencing such release and discharge.

ARTICLE 10 CONCERNING THE TRUSTEE

10.1 No Conflict of Interest

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 10.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture and the Notes shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises.

10.2 Replacement of Trustee

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

hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 10.2. The validity and enforceability of this Indenture and of the Notes issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation, failing to comply with the obligations set out in Section 10.15 or otherwise becoming incapable of acting hereunder, the Issuer shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Holders in accordance with the provisions hereof. Failing such appointment by the Issuer, the retiring Trustee or any Holder may apply to a Judge of the Ontario Superior Court of Justice, on such notice as such Judge may direct at the Issuer's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Issuer or by the Court shall be subject to removal as aforesaid by the Holders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 10.2 shall be a corporation authorized to carry on the business of a trust company in all of the Provinces of Canada. On any new appointment the new Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Trustee. The successor Trustee shall mail a notice of its succession to Holders in accordance with Section 12.2.

- (b) Any entity into which the Trustee may be merged or, with or to which it may be consolidated, amalgamated or sold, or any entity resulting from any merger, consolidation, sale or amalgamation to which the Trustee shall be a party, shall be the successor Trustee under this Indenture without the execution of any instrument or any further act. Nevertheless, upon the written request of the successor Trustee or of the Issuer, the Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the retiring Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Trustee to the successor Trustee so appointed in its place. Should any deed, conveyance or instrument in writing from the Issuer or any Guarantor be required by any new Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Trustee, be made, executed, acknowledged and delivered by the Issuer or such Guarantor, as applicable.

10.3 Duties of Trustee

In the exercise of the rights, duties and obligations prescribed or conferred by the terms of this Indenture, the Trustee shall act honestly and in good faith and exercise that

degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. Subject to the foregoing, the Trustee will be liable for its own wilful misconduct, bad faith and gross negligence. The Trustee will not be liable for any act or default on the part of any agent employed by it or a co-Trustee, or for having permitted any agent or co-Trustee to receive and retain any money payable to the Trustee, except as aforesaid.

10.4 Trustee's Disclaimer

The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Issuer's use of the proceeds from the Notes or any money paid to or to the direction of the Issuer, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certification and authentication of the Notes.

10.5 Reliance Upon Declarations, Opinions, etc.

- (a) In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith and subject to Section 10.8, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 10.6, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an Opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Issuer.
- (b) The Trustee shall have no obligation to ensure or verify compliance with any applicable laws or regulatory requirements on the issue or transfer of any Notes provided such issue or transfer is effected in accordance with the terms of this Indenture. The Trustee shall be entitled to process all transfers and redemptions upon the presumption that such transfer and redemption is permissible pursuant to all applicable laws and regulatory requirements if such transfer and redemption is effected in accordance with the terms of this Indenture. The Trustee shall have no obligation, other than to confer with the Issuer and its Counsel, to ensure that legends appearing on the Notes comply with regulatory requirements or securities laws of any applicable jurisdiction.

10.6 Evidence and Authority to Trustee, Opinions, etc.

- (a) The Issuer shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Issuer or the Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the authentication and delivery of Notes hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Trustee at the request of or on the application of the Issuer, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 10.6, or (b) the Trustee, in the exercise of its rights and duties under this Indenture, gives the Issuer written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice. Such evidence shall consist of:
 - (i) an Officers' Certificate, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
 - (ii) in the case of a condition precedent the satisfaction of which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an Opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
 - (iii) in the case of any such condition precedent the satisfaction of which is subject to review or examination by auditors or accountants, an opinion or report of the Issuer's Auditors whom the Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.
- (b) Whenever such evidence relates to a matter other than the authentication and delivery of Notes and the satisfaction and discharge of this Indenture, and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other individual whose qualifications give authority to a statement made by such individual, provided that if such report or opinion is furnished by a director, officer or employee of the Issuer it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate, in accordance with Section 10.6(a).
- (c) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include (i) a statement by the individual giving the evidence that he or she has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that, in the belief of the

individual giving such evidence, he or she has made such examination or investigation as is necessary to enable him or her to make the statements or give the opinions contained or expressed therein, and (iv) a statement whether in the opinion of such individual the conditions precedent in question have been complied with or satisfied.

- (d) In addition to its obligations under Section 5.6, the Issuer shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, an Officers' Certificate certifying that the Issuer has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which would constitute a Default or an Event of Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Issuer shall, whenever the Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Issuer or as a result of any obligation imposed by this Indenture.

10.7 Officers' Certificates Evidence

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

10.8 Experts, Advisers and Agents

Subject to Section 10.5, the Trustee may:

- (a) employ or retain and act and rely on the opinion or advice of or information obtained from any solicitor, auditor, valuator, engineer, surveyor, appraiser or other expert, whether obtained by the Trustee or by the Issuer, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and
- (b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Issuer.

- (c) The Trustee shall be entitled to receive reimbursement for all reasonable disbursements, costs, liabilities and expenses made or incurred by it with respect to this Section.

10.9 Trustee May Deal in Notes

Subject to Sections 10.1 and 10.3, the Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in Notes and generally contract and enter into financial transactions with the Issuer or otherwise, without being liable to account for any profits made thereby.

10.10 Investment of Monies Held by Trustee

Unless otherwise provided in this Indenture, any monies held by the Trustee, which, under the trusts of this Indenture, may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee in any of the securities, accounts, notes certificates and deposits described in clauses (2) and (3) of the definition of "Cash Equivalents", provided that such securities are expressed to mature within 90 days after their purchase by the Trustee or such shorter period as required or selected by the Issuer to facilitate any payments expected to be made under this Indenture, after their purchase by the Trustee, and unless and until the Trustee shall have declared the principal of and Premium, if any, and interest on the Notes to be due and payable, the Trustee shall so invest such monies pursuant to an Issuer Order given in a reasonably timely manner. Pending the investment of any monies as hereinbefore provided, such monies may be deposited in the name of the Trustee in any chartered bank of Canada or, with the consent of the Issuer, in the deposit department of the Trustee or any other loan or trust company authorized to accept deposits under the laws of Canada or any province thereof at the rate of interest, if any, then current on similar deposits.

10.11 Trustee Not Ordinarily Bound

Except as provided in Section 6.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 10.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Issuer of any of the obligations herein imposed upon the Issuer or of the covenants on the part of the Issuer herein contained, nor in any way to supervise or interfere with the conduct of the Issuer's business, unless the Trustee shall have been required to do so in writing by the Holders of not less than 25% of the aggregate principal amount of the Notes then outstanding or by any Extraordinary Resolution of the Holders passed in accordance with the provisions contained in Article 8, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

10.12 Trustee Not Required to Give Security

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

10.13 Trustee Not Bound to Act on Issuer's Request or Holder's Request

- (a) Except as in this Indenture otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of the Issuer until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.
- (b) Except as in this Indenture otherwise specifically provided, if an Event of Default occurs and is continuing, the Trustee will be under no obligation to exercise any of its rights or powers under this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee security and indemnity (and funding thereof, if requested) satisfactory to the Trustee, in its reasonable judgment, against any loss, liability or expense.

10.14 Conditions Precedent to Trustee's Obligations to Act Hereunder

- (a) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Holders hereunder shall be conditional upon any one or more Holders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (b) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding require the Holders at whose instance it is acting to deposit with the Trustee such Notes held by them for which Notes the Trustee shall issue receipts.

10.15 Authority to Carry on Business

The Trustee represents to the Issuer that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in all provinces of Canada but if, notwithstanding the provisions of this Section 10.15, the Trustee (or any

successor Trustee appointed pursuant to Section 10.2) ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any province of Canada, either become so authorized or resign in the manner and with the effect specified in Section 10.2.

10.16 Compensation and Indemnity

- (a) The Issuer shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Issuer and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.
- (b) Subject to Section 10.16(c), the Issuer hereby indemnifies and saves harmless the Trustee and its directors, officers, employees, agents and shareholders from and against any and all loss, costs, damages, charges, expenses (including legal fees and disbursements on a solicitor and client basis, and costs and expenses incurred in connection with the enforcement of this indemnity), claims, assessments, interest, penalties, suits, proceedings, demands, actions or liability whatsoever which may be brought against the Trustee or which it may suffer or incur as a result of or arising out of the performance of its duties and obligations hereunder including those arising out of or related to actions taken or omitted to be taken by the Trustee contemplated by this Indenture, and including expert, consultant and legal fees and disbursements on a solicitor and client basis and costs and expenses incurred in connection with the enforcement of this indemnity, which the Trustee may suffer or incur, whether at law or in equity, in any way caused by or arising, directly or indirectly, in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Trustee, provided that any such action or omission is taken in good faith and without gross negligence or is taken on written advice and instructions given to the Trustee by any other party in this Indenture, including the counsel representing the parties or the counsel consulted by the Trustee. This indemnity will survive the termination or discharge of this Indenture and the resignation or removal of the Trustee. The Trustee shall notify the Issuer promptly of any claim for which it may seek indemnity. The Issuer shall defend the claim and the Trustee shall cooperate in the defence. The Trustee may have separate Counsel and the Issuer shall pay the reasonable fees and expenses of such

Counsel. The Issuer need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee or the discharge of this Indenture.

- (c) The Issuer need not indemnify against any loss or liability incurred by the Trustee through gross negligence, wilful misconduct or bad faith on the part of the Trustee.
- (d) Except in the case of bad faith, wilful misconduct, gross negligence, the Trustee shall not be liable for or by reason of any statements of fact or recitals in this Indenture or in the Notes or required to verify the same, but all such statements or recitals are and shall be deemed to be made by the Issuer;
- (e) The Trustee shall not be bound to give to any Person notice of the execution of this Indenture unless and until an Event of Default and a declaration of acceleration has occurred, and the Trustee has determined or become obliged to enforce the same;
- (f) The Trustee shall not incur any liability or be in any way responsible for the consequence of any breach on the part of the Issuer of any of the covenants contained in this Indenture or of any acts of the agents or servants of the Issuer;
- (g) the Issuer will indemnify and hold harmless the Trustee and upon written request reimburse the Trustee for the amount of (i) any taxes levied or imposed and paid by the Trustee as a result of payments made under or with respect to the Notes, (ii) any liability (including penalties and interest) arising therefrom or with respect thereto paid by the Trustee as a result of payments made under or with respect to the Notes, and (iii) any taxes levied or imposed and paid by the Trustee with respect to reimbursement under (i) and (ii) above, but excluding any taxes on the Trustee's net income arising from fees for acting as the trustee hereunder or in respect of the Trustee's capital.
- (h) the Trustee shall not be liable by reason of the statements or implications of fact or law contained in or arising out of anything contained in this Indenture or any Offering Document or in the Notes or be required to verify the same, but all statements or implications shall be deemed to have been made by the Issuer only;
- (i) the Trustee may, in the exercise of all or any of the trusts, powers and discretion vested in it under this Indenture, act by the responsible officers of the Trustee; the Trustee may delegate to any Person the performance of any of the trusts and powers vested in it by this Indenture, and any delegation may be made upon such terms and conditions and subject to such regulations as the Trustee may think to be in the best interest of the Holders;

- (j) the Trustee shall not be required to take notice or be deemed to have notice or actual knowledge of any matter under this Indenture, unless the Trustee shall have received from the Issuer or a Holder written notice stating the matter in respect of which the Trustee should have notice or actual knowledge;
- (k) the Trustee shall not be bound to act in accordance with any direction or request of the Issuer until an executed copy of the document containing the direction or request has been delivered to the Trustee, and the Trustee shall be fully empowered to act and shall be fully protected from all liability in acting upon any document purporting to be a Note and believed by the Trustee to be genuine;
- (l) the Trustee shall not be responsible for any error made or act done by it resulting from reliance upon the signature of any person on behalf of the Issuer or of any person on whose signature the Trustee may be called upon to act or refrain from acting under this Indenture;
- (m) no duty shall rest with the Trustee to determine compliance of the transferor or transferee of Notes with applicable laws and the Trustee shall be entitled to assume that all such transfers are legal and proper.

10.17 Acceptance of Trust

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

10.18 Anti-Money Laundering

The Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Trustee, in its sole judgment, acting reasonably, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist or economic sanctions legislation, regulation or guideline. Further, should the Trustee, in its sole judgment, acting reasonably, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation or economic sanctions, regulation or guideline, then it shall have the right, notwithstanding Section 10.2(a), to resign on 10 days' prior written notice sent to all parties hereto; provided that (A) the written notice shall describe the circumstances of such non-compliance; and (B) if such circumstances are rectified to the Trustee's satisfaction within such 10 day period, then such resignation shall not be effective.

10.19 Privacy

- (a) The parties hereto acknowledge that the Trustee may, in the course of providing services hereunder, collect or receive financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:
 - (i) to provide the services required under this Indenture and other services that may be requested from time to time;
 - (ii) to help the Trustee manage its servicing relationships with such individuals;
 - (iii) to meet the Trustee's legal and regulatory requirements; and
 - (iv) if social insurance numbers are collected by the Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.
- (b) Each party acknowledges and agrees that the Trustee may receive, collect, use and disclose personal information provided to it or acquired by it in the course of its acting as agent hereunder for the purposes described above and, generally, in the manner and on the terms described in its privacy code, which the Trustee shall make available on its website, www.computershare.com, or upon request, including revisions thereto. The Trustee may transfer personal information to other companies in or outside of Canada that provide data processing and storage or other support in order to facilitate the services it provides.
- (c) Further, each party agrees that it shall not provide or cause to be provided to the Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures.

ARTICLE 11 AMENDMENT, SUPPLEMENT AND WAIVER

11.1 Ordinary Consent

Except as provided in Sections 11.2 and 11.3, the Issuer, the Guarantors and the Trustee may, from time to time, with the consent of the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding, present or represented by proxy at a meeting of the Holders or by the Holders of at least a majority of the aggregate principal amount of the Notes then outstanding by a resolution in writing (including, without

limitation, consents obtained in connection with a purchase of, or offer to purchase, or exchange offer for, Notes):

- (a) amend or supplement this Indenture, the Notes or the Note Guarantees; and
- (b) waive any existing Default or Event of Default or lack of compliance with any provision of this Indenture, the Notes or the Note Guarantees.

11.2 Special Consent

Notwithstanding Section 11.1, without the consent of, or a resolution passed by the affirmative votes of or signed by, each Holder affected, an amendment, supplement or waiver may not (with respect to any Notes held by a non-consenting Holder):

- (a) reduce the principal amount of Notes whose Holders must consent to an amendment, supplement or waiver;
- (b) reduce the principal of any Note or change the time of payment thereof;
- (c) reduce the rate of, or change that has the effect of changing the time for payment of, interest on any Note;
- (d) make any Note payable in a currency other than that stated in the Notes;
- (e) waive a Default or Event of Default in the payment of principal of, or interest or Premium, if any, on the Notes (except a rescission of acceleration of such Notes by the Holders of at least a majority in aggregate principal amount thereof and a waiver of the payment default that resulted from such acceleration);
- (f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of, or interest or Premium, if any, on such Notes;
- (g) modify or change any provision of this Indenture or the related definitions affecting the ranking of the Notes or any Note Guarantee in any manner adverse to the Holders;
- (h) release a Guarantor from its obligations under its Note Guarantee or this Indenture otherwise than in accordance with the provisions of this Indenture; or
- (i) modify the amending provisions in this Article 11.

11.3 Without Consent

- (a) Notwithstanding Sections 11.1 and 11.2, without the consent of any Holder, the Issuer, the Guarantors and the Trustee may from time to time amend or supplement this Indenture, the Notes or the Notes Guarantees to:

- (i) cure any ambiguity, defect or inconsistency;
- (ii) provide for uncertificated Notes in addition to or in place of certificated Notes;
- (iii) provide for the assumption of the Issuer's or a Guarantor's obligations to Holders of Notes in the case of an amalgamation, merger or consolidation or sale of all or substantially all of the Issuer's or a Guarantor's assets or otherwise to comply with the provisions of Section 9.1;
- (iv) add a co-issuer of the Notes, to add any additional Guarantors or to evidence the release of any Guarantor from its obligations under its Note Guarantee to the extent that such release is permitted by this Indenture, or to secure the Notes and the Note Guarantees or add collateral with respect to the Notes;
- (v) conform the text of this Indenture, the Note Guarantees, or the Notes to any provision of the description of the Notes set out in the offering memorandum of the Issuer dated April 17, 2018 providing for the offering of the Notes to the extent that such provision in such description of the Notes was intended to be a verbatim recitation of a provision of this Indenture, the Note Guarantees, or the Notes;
- (vi) provide for the issuance of Additional Notes in accordance with the limitations set forth in this Indenture.
- (vii) surrender any right or power conferred upon the Issuer or make any change that would provide any additional rights or benefits to the Holders or that does not materially adversely affect the legal rights under this Indenture of any such Holder; or
- (viii) evidence or provide for the acceptance of appointment under this Indenture of a successor Trustee, provided that the successor Trustee is qualified and eligible to act under the terms of this Indenture.

11.4 Form of Consent

It is not necessary for the consent of the Holders under this Indenture to approve the particular form of any proposed amendment, supplement or waiver, but it shall be sufficient if such consent approves the substance thereof.

11.5 Supplemental Indentures

- (a) Subject to the provisions of this Indenture, the Issuer, the Guarantors and the Trustee may from time to time execute, acknowledge and deliver Supplemental Indentures which thereafter shall form part of this Indenture, for any one or more of the following purposes:

- (i) making such amendments not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Notes which do not affect the substance thereof and which in the opinion of the Trustee relying on an Opinion of Counsel will not be materially prejudicial to the interests of Holders;
 - (ii) rectifying typographical, clerical or other manifest errors contained in this Indenture or any Supplemental Indenture, or making any modification to this Indenture or any Supplemental Indenture which, in the opinion of Counsel, are of a formal, minor or technical nature and that are not materially prejudicial to the interests of the Holders;
 - (iii) to give effect to any amendment or supplement to this Indenture (including, for certainty, the Note Guarantees) or the Notes made in accordance with Section 11.1, 11.2 or 11.3;
 - (iv) evidencing the succession, or successive successions, of others to the Issuer or any Guarantor and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture; or
 - (v) for any other purpose not inconsistent with the terms of this Indenture, provided that in the opinion of the Trustee (relying on an Opinion of Counsel) the rights of neither the Holders nor the Trustee are materially prejudiced thereby.
- (b) Unless this Indenture expressly requires the consent or concurrence of Holders, the consent or concurrence of Holders shall not be required in connection with the execution, acknowledgement or delivery of a Supplemental Indenture contemplated by this Indenture.
- (c) Upon receipt by the Trustee of (i) an Issuer Order accompanied by a Board Resolution authorizing the execution of any such Supplemental Indenture, and (ii) an Officers' Certificate stating that such amended or Supplemental Indenture complies with this Section 11.5, the Trustee shall join with the Issuer and the Guarantors in the execution of any amended or Supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained.

ARTICLE 12 NOTICES

12.1 Notice to Issuer

Any notice to the Issuer under the provisions of this Indenture shall be valid and effective if delivered to the Issuer at Suite 200, 1900 Minnesota Court, Mississauga, Ontario, L5N 5R5, Attention: Corporate Secretary, or if given by registered letter, postage prepaid, to such office and so addressed and if mailed, shall be deemed to have been effectively given five days following the mailing thereof. The Issuer may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Issuer for all purposes of this Indenture.

12.2 Notice to Holders

- (a) All notices to be given hereunder with respect to the Notes shall be deemed to be validly given to the Holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given five days following the day of mailing. Accidental error or omission in giving notice or accidental failure to mail notice to any Holder or the inability of the Issuer to give or mail any notice due to anything beyond the reasonable control of the Issuer shall not invalidate any action or proceeding founded thereon.
- (b) If any notice given in accordance with Section 12.2(a) would be unlikely to reach the Holders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Issuer shall give such notice by publication at least once in a daily newspaper of general national circulation in Canada.
- (c) Any notice given to Holders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in the newspaper in which publication was required.
- (d) All notices with respect to any Note may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of any Persons interested in such Note.

12.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered to the Trustee at its principal office in the City of Montréal at the following address Computershare Trust Company of Canada, 1500 University Street, Suite 700, Montreal, Québec H3A 3S8. Attention: Manager, Corporate Trust Services; or if by email to NoticesCTmontreal@computershare.com; or if given by registered letter, postage

prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given five days following the mailing thereof.

12.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 12.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 12.3.

ARTICLE 13 NOTE GUARANTEES

13.1 Application

The provisions of this guarantee shall apply to each Restricted Subsidiary as at the Issue Date, and to each Subsidiary that is required to issue a Note Guarantee pursuant to Section 5.8, and shall not apply in any other circumstance. Each Subsidiary that is required pursuant to Section 5.8 to issue a Note Guarantee shall satisfy such requirement by executing a Supplemental Indenture pursuant to which such Subsidiary shall become bound by the guarantee in this Article 13.

13.2 Note Guarantees

- (a) Each Guarantor and, by its acceptance hereof, the Trustee (in its individual capacity and on behalf of each Holder), and each Holder, hereby confirms that it is the intention of all such parties that the guarantee by such Guarantor pursuant to its Note Guarantee not constitute a fraudulent transfer or conveyance for purposes of any Bankruptcy Law or any federal, provincial or state law or the provisions of its local law relating to fraudulent transfer or conveyance. To effect the foregoing intention, the Trustee (in its individual capacity and on behalf of each Holder), the Holders, and each Guarantor hereby irrevocably agree that the obligations of such Guarantor under its Note Guarantee shall be limited to the maximum amount as shall, after giving effect to all other contingent and fixed liabilities of such Guarantor (including, without limitation, any Guarantees under the Syndicated Credit Facility, the Nordea Facility or any refinancing or replacement thereof permitted under this Indenture) and after giving effect to any collections from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under its Note Guarantee or pursuant to Section 13.2(c), result in the obligations of such Guarantor under its Note Guarantee not constituting a fraudulent conveyance or fraudulent transfer under any such federal, provincial or state law.
- (b) Each Guarantor hereby, jointly and severally, fully and unconditionally guarantees, to each Holder, and to the Trustee in its individual capacity and on behalf of each Holder, the punctual payment and performance when due

of all present and future Indenture Obligations of the Issuer which, for purposes of its Note Guarantee, shall also be deemed to include (to the extent not otherwise included) all commissions, fees, charges, costs, liabilities and other expenses (including reasonable legal fees and disbursements of counsel) arising out of or incurred by the Trustee or the Holders in connection with the enforcement of any Note Guarantee, and agrees to indemnify and hold harmless each Holder and the Trustee from all losses, damages, costs, expenses and liabilities suffered or incurred by the Holders and the Trustee resulting or arising from or relating to any failure by the Issuer to unconditionally and irrevocably pay in full or fully perform its Indenture Obligations as and when due; provided that the amount of such indemnification shall not exceed the amount of such Indenture Obligations. Without limiting the generality of the foregoing, each Guarantor's liability shall extend to all amounts that constitute part of the Indenture Obligations and would be owed by the Issuer to such Holder or the Trustee under the Notes or this Indenture but for the fact that they are unenforceable, reduced, limited, suspended or not allowable due to the existence of a bankruptcy, reorganization or similar proceeding involving the Issuer.

- (c) In order to provide for just and equitable contribution among the Guarantors, the Guarantors agree, among themselves and not for the purpose of limiting the full, absolute, unconditional and irrevocable nature of their guarantee, that in the event any payment or distribution is made by any Guarantor (a "**Funding Guarantor**") under its Note Guarantee, such Funding Guarantor shall be entitled to a contribution from each other Guarantor (if any) in a *pro rata* amount based on the portion of the Consolidated Net Tangible Assets that is attributable to each Guarantor (including the Funding Guarantor) for all payments, damages and expenses incurred by the Funding Guarantor in discharging its obligations pursuant to its Note Guarantee.

13.3 Guarantee Absolute

Each Guarantor guarantees that the Notes shall be paid or performed strictly in accordance with the terms of the Notes and this Indenture, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of any Holder with respect thereto. The obligations of each Guarantor under its Note Guarantee are independent of the obligations of the Issuer under the Notes and this Indenture, and a separate action or actions may be brought and prosecuted against such Guarantor to enforce its Note Guarantee, irrespective of whether any action is brought against the Issuer or any other Guarantor or whether the Issuer or any other Guarantor is joined in any such action or actions. The liability of each Guarantor under its Note Guarantee shall be absolute and unconditional and the liability and obligations of such Guarantor hereunder shall not be released, discharged, mitigated, waived, impaired or affected in whole or in part by:

- (a) any lack of validity or enforceability of this Indenture or the Notes with respect to the Issuer or any Guarantor or any agreement or instrument relating thereto;
- (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Indenture Obligations, or any other amendment or waiver of or any consent to departure from this Indenture, including any increase in the Indenture Obligations resulting from the extension of additional credit to the Issuer or otherwise;
- (c) the failure to give notice to the Guarantor of the occurrence of a Default or an Event of Default under the provisions of this Indenture or the Notes;
- (d) any taking, release or amendment or waiver of or consent to departure from any other guarantee, for all or any of the Indenture Obligations;
- (e) any failure, omission, delay by or inability on the part of the Trustee or the Holders to assert or exercise any right, power or remedy conferred on the Trustee or the Holders in this Indenture or the Notes;
- (f) any change in the corporate structure or other legal structure, or termination, dissolution, amalgamation, consolidation or merger of the Issuer or any Guarantor with or into any other Person, the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets of the Issuer or any Guarantor, the marshalling of the assets and liabilities of the Issuer or any Guarantor, the receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with the creditors, or readjustment of, or other similar proceedings affecting the Issuer or any Guarantor, or any of the assets of any of them;
- (g) the assignment of any right, title or interest of the Trustee or any Holder in this Indenture or the Notes to any other Person; or
- (h) any other event or circumstance (including any statute of limitations), whether foreseen or unforeseen and whether similar or dissimilar to any of the foregoing, that might otherwise constitute a defence available to, or a discharge of, the Issuer or a Guarantor, other than payment in full of the Indenture Obligations of the Issuer; it being the intent of each Guarantor that its obligations hereunder shall not be discharged except by payment and performance of all such Indenture Obligations.

The Note Guarantee of each Guarantor shall continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Indenture Obligations of the Issuer is rescinded or must otherwise be returned by any Holder or the Trustee upon the insolvency, bankruptcy or reorganization of the Issuer or otherwise, all as though such payment had not been made. Each Guarantor further agrees, to the fullest extent that it may lawfully do so, that, as between such Guarantor, on the one hand, and the Holders and the Trustee, on the

other hand: (i) the maturity of the obligations guaranteed hereby may be accelerated as provided in Article 6 of this Indenture for the purposes of this Note Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby; and (ii) in the event of any acceleration of such obligations as provided in Article 6, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guarantor for the purpose of this Note Guarantee.

13.4 Waivers

- (a) Each Guarantor hereby expressly waives (to the extent permitted by applicable law) notice of the acceptance of its Note Guarantee and notice of the existence, renewal, extension or the non-performance, non-payment, or non-observance on the part of the Issuer of any of the terms, covenants, conditions and provisions of this Indenture or the Notes or any other notice whatsoever to or upon the Issuer or such Guarantor with respect to the Indenture Obligations. Each Guarantor hereby acknowledges communication to it of the terms of this Indenture and the Notes and all of the provisions herein and therein contained and consents to and approves the same. Each Guarantor hereby expressly waives (to the extent permitted by law) diligence, presentment and protest.
- (b) Without prejudice to any of the rights or recourse which the Trustee or the Holders may have against the Issuer, each Guarantor hereby expressly waives (to the extent permitted by law) any right to require the Trustee or the Holders to:
 - (i) initiate or exhaust any rights, remedies or recourse against the Issuer, any Guarantor or any other Person;
 - (ii) value, realize upon, or dispose of any security of the Issuer or any other Person held by the Trustee or the Holders; or
 - (iii) initiate or exhaust any other remedy which the Trustee or the Holders may have in law or equity,

before requiring, becoming entitled to or demanding payment from such Guarantor under this Note Guarantee.

13.5 Subrogation

Each Guarantor shall not exercise any rights that it may acquire by way of subrogation under this Note Guarantee, by any payment made hereunder or otherwise, until all the Indenture Obligations of the Issuer shall have been paid in full in cash. If any amount shall be paid to any Guarantor on account of any such subrogation rights at any time when all such Indenture Obligations shall not have been paid in full in cash, such amount shall be held in trust for the benefit of the Holders and the Trustee and shall

forthwith be paid to the Trustee, on behalf of the Holders, to be credited and applied to the Indenture Obligations, whether matured or unmatured.

13.6 No Waiver; Remedies

No failure on the part of any Holder or the Trustee to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

13.7 Continuing Guarantee; No Right of Set-Off; Independent Obligation

- (a) This Note Guarantee is a continuing guarantee of the payment and performance of all of Indenture Obligations of the Issuer and shall remain in full force and effect until the payment in full in cash of all such Indenture Obligations and shall apply to and secure any ultimate balance due or remaining unpaid to the Trustee or the Holders under this Indenture or the Notes; and this Note Guarantee shall not be considered as wholly or partially satisfied by the payment or liquidation at any time or from time to time of any sum of money for the time being due or remaining unpaid to the Trustee or the Holders.
- (b) Subject to Section 5.2, each Guarantor hereby guarantees that the Indenture Obligations shall be paid to the Trustee without set-off or counterclaim or other reduction whatsoever (whether for taxes, withholding or otherwise), in lawful currency of Canada.
- (c) Each Guarantor guarantees that the Indenture Obligations shall be paid strictly in accordance with their terms regardless of any lack of validity or enforceability of any of such terms or the rights of the Holders with respect thereto.
- (d) Each Guarantor's liability to pay or perform or cause the performance of the Indenture Obligations under this Note Guarantee shall arise forthwith after demand for payment or performance by the Trustee has been given to such Guarantor in the manner prescribed in this Indenture.

13.8 Guarantors May Consolidate, Etc., on Certain Terms

Nothing contained in this Indenture or in any of the Notes shall prevent any amalgamation, consolidation, or merger of a Guarantor with or into the Issuer or another Guarantor or shall prevent any sale or conveyance of the property of a Guarantor as an entirety or substantially as an entirety to the Issuer or another Guarantor, which amalgamation, consolidation, merger, sale, or conveyance is otherwise not prohibited by this Indenture.

13.9 Releases

- (a) Notwithstanding anything to the contrary in this Indenture, each Guarantor shall automatically be released from all of its obligations under its Note Guarantee without any further action required on the part of the Trustee or any Holder upon the occurrence of any of the following events:
- (i) subject to Section 9.1 and Section 5.16, in the event of (i) a sale or other disposition of all or substantially all of the assets of such Guarantor, by way of consolidation, merger, amalgamation or otherwise, to a Person that is not (either before or after giving effect to such transaction) the Issuer or a Restricted Subsidiary, provided that upon the completion of such sale or other disposition, such Guarantor ceases to exist, or (ii) a sale or other disposition of the Capital Stock of such Guarantor such that it ceases to be a Restricted Subsidiary, in the case of each of the foregoing subclauses (i) and (ii) to the extent that such sale or other disposition does not violate the provisions set out in Section 5.16;
 - (ii) if the Issuer designates that Guarantor to be an Unrestricted Subsidiary in accordance with the applicable provisions of this Indenture, upon the effectiveness of such designation;
 - (iii) upon the release or discharge of such Guarantor from its guarantee of or direct obligation with respect to any Indebtedness that resulted in the obligation of such Guarantor to guarantee the Notes; provided that, in each case, (A) such Guarantor would not then otherwise be required to guarantee the Notes pursuant to Section 5.8 and (B) such release or discharge did not result from payment under such guarantee or from payment of such direct obligation after demand or default under the applicable Credit Facility;
 - (iv) upon payment in full in cash of the principal of, accrued and unpaid interest and premium (if any) on, the Notes; or
 - (v) upon the Issuer exercising its legal defeasance or covenant defeasance option as described under Article 7 or the Issuer's obligations under this Indenture otherwise being discharged in accordance with the terms of this Indenture.
- (b) The Trustee shall, if so requested by the Issuer, deliver such releases (substantially in the form set out in Appendix "B"), documents and instruments to the Issuer as the Issuer may request to evidence the termination of the applicable Note Guarantee in accordance with this Section 13.9, upon receipt by the Trustee of an Officers' Certificate certifying that the conditions to release of the applicable Note Guarantee pursuant to this Section 13.9 or otherwise pursuant to this Indenture have been met.

13.10 Severability

In case any provision of this Note Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

ARTICLE 14 MISCELLANEOUS

14.1 No personal liability of directors, officers, employees and stockholders

No past, present or future director, officer, employee, incorporator, or holder of Capital Stock of the Issuer or any Guarantor, as such, will have any liability for any obligations of the Issuer or the Guarantors under the Notes, this Indenture, the Note Guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver may not be effective to waive liabilities under Applicable Securities Legislation.

14.2 Copies of Indenture

Any Holder may obtain a copy of this Indenture without charge by writing to Corporate Secretary, Kruger Products L.P., Suite 200, 1900 Minnesota Court, Mississauga, Ontario, L5N 5R5, Attention: Corporate Secretary.

14.3 Payments for Consents

Neither the Issuer nor any of its Restricted Subsidiaries shall, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee, or otherwise, to or for the benefit of any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

14.4 US Securities Exchange Act

The Issuer confirms that as at the date of execution of this Indenture, it does not have a class of securities registered pursuant to Section 12 of the 1934 Act or have a reporting obligation pursuant to Section 15(d) of the 1934 Act. The Issuer covenants that in the event that (i) any class of its securities becomes registered pursuant to Section 12 of the 1934 Act or the Issuer incurs a reporting obligation pursuant to Section 15(d) of the 1934 Act, or (ii) any such registration or reporting obligation shall be terminated by the Issuer in accordance with the 1934 Act, the Issuer shall promptly deliver to the Trustee an Officers' Certificate (in a form provided by the Trustee) notifying the Trustee of such registration or termination and such other information as the Trustee may reasonably require at the time. The Issuer acknowledges that the Trustee is relying upon the foregoing representation and covenants in order to meet certain Securities Exchange Commission (United States) obligations with

respect to those clients who are filing with the Securities Exchange Commission (United States).

ARTICLE 15
EXECUTION AND FORMAL DATE

15.1 Execution

This Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Indenture by any party hereto by facsimile transmission or PDF shall be as effective as delivery of a manually executed copy of this Indenture by such party.

15.2 Formal Date

For the purpose of convenience, this Indenture may be referred to as bearing the formal date of the 24th day of April, 2018 irrespective of the actual date of execution hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS whereof the parties hereto have executed these presents under the hands of their proper officers in that behalf.

Issuer

KPGP INC., as general partner of
KRUGER PRODUCTS L.P.

By: (s) David Angel

Name: David Angel

Title: Director

By: (s) Mark Holbrook

Name: Mark Holbrook

Title: Chief Financial Officer

Guarantors

KRUGER PRODUCTS (USA) INC.

By: (s) David A. Spraley

Name: David A. Spraley

Title: Director

By: (s) Mark Holbrook

Name: Mark Holbrook

Title: Chief Financial Officer

**GRUPO TISSUE DE MEXICO, S. DE R.L.
DE C.V.**

By: (s) Mario Gosselin

Name: Mario Gosselin

Title: Chairman of the Board of
Managers

By: (s) Mark Holbrook

Name: Mark Holbrook

Title: Member of the Board of
Managers

**KRUGER PRODUCTS REAL ESTATE
HOLDINGS INC.**

By: (s) David Angel

Name: David Angel

Title: Executive Vice President

By: (s) David A. Spraley

Name: David A. Spraley

Title: Executive Vice President

**KRUGER PRODUCTS AFH L.P., by its
general partner KRUGER PRODUCTS
AFH G.P. INC.**

By: (s) Rob Latter

Name: Rob Latter

Title: Corporate Vice President

By: (s) Mario Gosselin

Name: Mario Gosselin

Title: Director

KRUGER PRODUCTS AFH G.P. INC.

By: (s) Rob Latter

Name: Rob Latter

Title: Corporate Vice President

By: (s) Mario Gosselin

Name: Mario Gosselin

Title: Director

Trustee

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: (s) Carl Blanchette

Name: Carl Blanchette

Title: Corporate Trust Officer

By: (s) Charles Cuschieri

Name: Charles Cuschieri

Title: Associate Trust Officer

APPENDIX "A"
FORM OF GLOBAL NOTE

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) APRIL 24, 2018 AND (ii) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THIS NOTE IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE HEREIN REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITORY OR A NOMINEE THEREOF. THIS NOTE MAY NOT BE TRANSFERRED TO OR EXCHANGED FOR NOTES REGISTERED IN THE NAME OF ANY PERSON OTHER THAN THE DEPOSITORY OR A NOMINEE THEREOF AND NO SUCH TRANSFER MAY BE REGISTERED EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE. EVERY NOTE AUTHENTICATED AND DELIVERED UPON REGISTRATION OF, TRANSFER OF, OR IN EXCHANGE FOR, OR IN LIEU OF, THIS NOTE SHALL BE A GLOBAL NOTE SUBJECT TO THE FOREGOING, EXCEPT IN SUCH LIMITED CIRCUMSTANCES DESCRIBED IN THE INDENTURE.

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

CUSIP 501074AB4

No. ●

Cdn\$●

KRUGER PRODUCTS L.P.

(A limited partnership formed under the laws of the Province of Quebec)

6.00% SENIOR UNSECURED NOTE DUE 2025

KRUGER PRODUCTS L.P. (the "Issuer") for value received hereby acknowledges itself indebted and, subject to the provisions of the trust indenture dated as of April 24, 2018 (the "Indenture") between the Issuer, the Guarantors (as defined in the Indenture) and Computershare Trust Company of Canada (the "Trustee"), promises to pay to the registered holder hereof on April 24, 2025 (the "Maturity Date") or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Indenture the principal sum of ● (\$●) in lawful money of Canada on presentation and surrender of this Note (the "Note") at the main branch of the Trustee in Toronto, Ontario, in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof (i) from and including the date hereof, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever shall be the later, in all cases, to and excluding the next Interest Payment Date, at the rate of 6.00% per annum, in like money, calculated and payable semi-annually in arrears on April 24 and October 24 in each year commencing on

October 24, 2018 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Issuer at any time make default in the payment of any principal or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates.

Interest on this Note will be computed on the basis of a year of 365 days or 366 days, as applicable, based on the actual number of days elapsed and will accrue from day to day.

If the date for payment of any amount of principal, Premium or interest is not a Business Day at the place of payment, then payment will be made on the next Business Day and the holder hereof will not be entitled to any further interest on such principal, or to any interest on such interest, Premium or other amount so payable, in respect of the period from the date for payment to such next Business Day.

Interest hereon shall be payable by cheque mailed by prepaid ordinary mail or by electronic transfer of funds to the registered holder hereof net of any withholding or deduction for or on account of any Taxes and, subject to the provisions of the Indenture, the mailing of such cheque or the electronic transfer of such funds shall, to the extent of the sum represented thereby (plus the amount of any Taxes deducted or withheld), satisfy and discharge all liability for interest on this Note.

This Note is one of the Notes of the Issuer issued under the provisions of the Indenture. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which this Note and other Notes of the Issuer are or are to be issued and held and the rights and remedies of the holder of this Note and other Notes and of the Issuer and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Note by acceptance hereof assents.

Notes are issuable only in denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000. Upon compliance with the provisions of the Indenture, Notes of any denomination may be exchanged for an equal aggregate principal amount of Notes in any other authorized denomination or denominations.

The indebtedness evidenced by this Note, and by all other Notes now or hereafter certified and delivered under the Indenture, is a direct senior unsecured obligation of the Issuer.

The principal hereof may become or be declared due and payable before the stated maturity in the events, in the manner, with the effect and at the times provided in the Indenture.

This Note may be redeemed by the Issuer on the terms and conditions set out in the Indenture at the redemption price set out therein. The right is reserved to the Issuer to purchase Notes (including this Note) for cancellation in accordance with the provisions of the Indenture.

Upon the occurrence of a Change of Control of the Issuer, the Holders may require the Issuer to repurchase such Holder’s Notes, in whole or in part, at a purchase price in cash equal to 101% of the principal amount of such Notes, plus accrued and unpaid interest, if any, to the date of purchase.

The Indenture contains provisions making binding upon all Holders of Notes outstanding thereunder resolutions passed at meetings of such Holders held in accordance with such provisions and instruments signed by the Holders of a specified majority of Notes outstanding, which resolutions or instruments may have the effect of amending the terms of this Note or the Indenture.

This Note may only be transferred, upon compliance with the conditions prescribed in the Indenture, in one of the registers to be kept at the principal office of the Trustee in the City of Toronto and in such other place or places and/or by such other Registrars (if any) as the Issuer with the approval of the Trustee may designate. No transfer of this Note shall be valid unless made on the register by the registered holder hereof or his executors or administrators or other legal representatives, or his or their attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe and upon surrender of this Note for cancellation. Thereupon a new Note or Notes in the same aggregate principal amount shall be issued to the transferee in exchange hereof.

This Note shall not become obligatory for any purpose until it shall have been certified by the Trustee under the Indenture.

This Note and the Indenture are governed by, and are to be construed and enforced in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.

Capitalized words or expressions used in this Notes shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture.

IN WITNESS WHEREOF KPGP INC. as general partner of KRUGER PRODUCTS L.P. has caused this Note to be signed by its authorized representatives as of the ● day of ●, 2018.

**KPGP INC. as general partner of
KRUGER PRODUCTS L.P.**

By: _____
Name:
Title:

By: _____
Name:
Title:

(FORM OF TRUSTEE'S CERTIFICATE)

This Note is one of the 6.00% Senior Unsecured Notes due April 24, 2025 referred to in the Indenture within mentioned.

**COMPUTERSHARE TRUST COMPANY OF
CANADA, as Trustee**

By: _____
Name:
Title:

APPENDIX "B"
FORM OF NOTE GUARANTEE RELEASE

RELEASE OF NOTE GUARANTEE

THIS RELEASE (the "**Release**") dated as of ●, among Kruger Products L.P. (the "**Issuer**"), ● (the "**Guaranteeing Subsidiary**"), and Computershare Trust Company of Canada, as trustee under the Indenture referred to below (the "**Trustee**").

WITNESSETH:

WHEREAS the Issuer has heretofore executed and delivered to the Trustee an indenture (as amended, restated, supplemented and replaced from time to time, as the case may be, the "**Indenture**") dated as of April 24, 2018 providing for the issuance from time to time by the Issuer of Notes;

AND WHEREAS [the Guaranteing Subsidiary is party to the Indenture whereby the Guaranteing Subsidiary guaranteed all of the Issuer's obligations under the Notes and the Indenture] OR [pursuant to Section 5.8 of the Indenture, the Guaranteing Subsidiary has executed and delivered to the Trustee a supplemental indenture dated ● under which the Guaranteing Subsidiary guaranteed all of the Issuer's obligations under the Notes and the Indenture] (the "**Guarantee**");

AND WHEREAS pursuant to Section 13.9(b) of the Indenture, the Trustee is required to execute such releases, documents and instruments as the Issuer or the Guaranteing Subsidiary may request to evidence the termination of the Guarantee with respect to the Guaranteing Subsidiary if the conditions to release of the Guarantee in Section 13.9 of the Indenture or otherwise pursuant to the Indenture are met, without further obligation by the Guaranteing Subsidiary;

AND WHEREAS the conditions to release of the Guarantee in respect of the Guaranteing Subsidiary in Section 13.9 of the Indenture have been met.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the Trustee (on its own behalf and on behalf of the Holders from time to time), the Guaranteing Subsidiary and the Issuer mutually covenant and agree as follows:

1. **Capitalized Terms.** Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.
2. **Release of Guaranteing Subsidiary.** The Guaranteing Subsidiary is hereby fully and irrevocably released from its liabilities and obligations under the Guarantee effective as of the date hereof.
3. **Governing Law.** This Release shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

4. **Counterparts.** This Release may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument. Delivery of an executed signature page to this Release by any party hereto by facsimile transmission or PDF shall be as effective as delivery of a manually executed copy of this Release by such party.

5. **Effect of Headings.** The Section headings herein are for convenience only and shall not affect the construction hereof.

6. **The Trustee.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Release.

IN WITNESS WHEREOF, the parties hereto have caused this Release to be duly executed and attested, all as of the date first above written.

Dated: ●

[GUARANTEEING SUBSIDIARY]

KPGP INC. as general partner of KRUGER PRODUCTS L.P.

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

COMPUTERSHARE TRUST COMPANY OF CANADA, as Trustee

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____