

DATED AS OF AUGUST 10, 2020

RE ROYALTIES LTD.

and

WESTERN PACIFIC TRUST COMPANY

TRUST INDENTURE

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THIS TRUST INDENTURE made as of August 10, 2020

BETWEEN:

RE ROYALTIES LTD., a company incorporated under the laws
of British Columbia

(the “**Company**”)

OF THE FIRST PART

- and -

WESTERN PACIFIC TRUST COMPANY, a trust company
existing under the laws of Canada and duly authorized to carry on
the business of a trust company in British Columbia and Alberta

(the “**Trustee**”)

OF THE SECOND PART

RECITAL:

- A. The Company considers it desirable for its corporate purposes to create and issue Debt Securities from time to time in the manner provided in this Indenture.

NOW THEREFORE THIS INDENTURE WITNESSES and it is hereby covenanted, agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Indenture and the Debt Securities, the following terms have the following meanings.

“**Affiliate**” of any Person means an affiliated company of such Person, such term having the meaning attributed to it in the *Securities Act* (British Columbia).

“**Applicable Law**” means, in respect of any Person, property, transaction or event, all present or future applicable laws, statutes, regulations, treaties, judgments and decrees and all present or future applicable published directives, rules, policy statements and orders of any governmental authority and all applicable orders and decrees of any court or arbitrator of like application which are in each case legally binding on such Person, property, transaction or event.

“**Board**” means the Board of Directors of the Company or, whenever duly empowered, an officer of the Company for the time being duly empowered by resolution of the Board.

“Book-Based System” means the record entry securities transfer system known as at the date of this Indenture by the name “Depository Service”, which is administered by CDS in accordance with the operating rules and procedures of the securities settlement service of CDS, in force from time to time, and any successor system thereof.

“Business Day” means any day, other than Saturday, Sunday, any statutory holiday in Vancouver, British Columbia or any day on which the Trustee is closed for business in Vancouver, British Columbia.

“CDS” means The Canadian Depository for Securities Limited and its successors.

“Change of Control” means:

(a) any transaction (whether by purchase, merger or otherwise) whereby a Person or Persons acting jointly or in concert directly or indirectly initiates a take-over bid, insider bid or an issuer bid (other than a normal-course issuer bid) (each as defined in *Securities Act* (British Columbia)) or where a Person or Persons seek to undertake what is known as a “going-private transaction”, in each case in respect of the Company;

(b) the Company’s amalgamation, consolidation or merger with or into any other Person, any merger of another Person into the Company, unless the holders of voting securities of the Company immediately prior to such amalgamation, consolidation or merger hold securities representing 50% or more of the voting control or direction in the Company or the successor entity upon completion of the amalgamation, consolidation or merger; or

(c) any conveyance, transfer, sale, lease or other disposition of all or substantially all of the Company’s and/or the Company’s subsidiaries’ assets and properties, taken as a whole, to another arm’s length Person.

“Collateral” has the meaning given to it in the Security Agreement.

“Company” means RE Royalties Ltd. and includes any successor of the Company which has complied with the provisions of Article 9.

“Coupon Debt Securities” means Debt Securities which are issued and certified under this Indenture with interest coupons attached.

“Coupons” means the interest coupons attached or appertaining to Coupon Debt Securities.

“Debt Account” means the account or accounts required to be established by the Company and maintained by and subject to the control of the Trustee for a series of Debt Securities pursuant to Section 2.9.

“Debtholders” or **“holders”** means the Persons for the time being entered in the Register as registered holders of Debt Securities payable to a named payee or any transferees of such Persons by endorsement or delivery and the Persons for the time being in possession of those Debt Securities which are in bearer form.

“Debtholders’ Request” means, in respect of a particular series of Debt Securities, an instrument signed in one or more counterparts by the holder or holders of not less than 35% in aggregate principal amount of the outstanding Debt Securities of such series or, in respect of all Debt Securities, an instrument signed in one or more counterparts by the holders of not less than 35% of the aggregate principal amount of all outstanding Debt Securities, in each case requesting the Trustee to take the action or proceeding specified therein.

“Debt Securities” means the secured debt securities of the Company issued and certified from time to time pursuant to this Indenture either in registered form, unregistered form or registered as to principal only and includes Coupon Debt Securities, Fully Registered Debt Securities, Global Debt Securities, Registered Debt Securities and Unregistered Debt Securities.

“Director” means a member of the Board from time to time.

“Event of Default” has the meaning attributed to it in Section 7.1.

“Extraordinary Resolution” means, for any series of Debt Securities, a resolution passed as an Extraordinary Resolution by the affirmative votes of the holders of not less than 66 2/3%, or in the case of Subsection 9.9.2, 75%, of the outstanding aggregate principal amount of such series of Debt Securities represented and voting on a poll at a meeting of Debtholders of that series duly convened and held in accordance with the provisions of this Indenture, or an instrument in writing signed in accordance with Section 9.10.

“Fully Registered Debt Securities” means Debt Securities without Coupons which are registered as to principal and interest.

“Generally accepted accounting principles” or **“GAAP”** means, as at any date of determination, generally accepted accounting principles in effect in Canada as of the date thereof.

“Global Debt Securities” means Debt Securities represented in the form of fully registered global Debt Securities held by, or on behalf of, CDS.

“Indebtedness” of any Person means (without duplication) (i) any obligation of such Person for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under generally accepted accounting principles), (ii) any obligation of such Person incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation of such Person issued or assumed as the deferred purchase price of property, and (iv) any obligations of the type referred to in clauses (i) through (iii) of another Person, the payment of which such Person has guaranteed or for which such Person is responsible or liable; provided that, for the purpose of clauses (i) through (iv) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of the Company in accordance with generally accepted accounting principles. Obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Shareholders, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith and indebtedness with respect to the unpaid balance of instalment

receipts, where such indebtedness has a term not in excess of 12 months, all of which will be deemed not to be Indebtedness for the purpose of this definition.

“Indenture Documents” means this Indenture, the Supplemental Indentures, the Security Documents and all other certificates, instruments, notices, agreements and documents delivered or to be delivered pursuant to this Indenture or the Security Documents, each as amended, modified, supplemented, restated or replaced from time to time.

“Interest Payment Date” means, for each series of interest-bearing Debt Securities, any date on which interest is payable thereon in accordance with the terms of such Debt Security.

“Lien” means, with respect to any Person, any mortgage, charge, pledge, lien, assignment, hypothecation, privilege, title retention arrangement, security interest, arrangement having the same or equivalent commercial effect as a grant of security interest or other encumbrance of any nature or kind and howsoever created or arising (including by operation of law), in respect of such Person’s property or asset, or any agreement or arrangement to grant, create or give any of the foregoing.

“Non-Recourse Indebtedness” means any Indebtedness of a Subsidiary of the Company which is a single purpose company or any Subsidiary of the Company whose principal assets and business are constituted by a particular property and pursuant to the terms of such Indebtedness payment is to be made from the revenues arising out of such property with recourse for such payment being available only to the revenues or the assets of such single purpose company or such property.

“Notice Period” has the meaning attributed to it in Section 13.2.

“Payout Securities” has the meaning attributed to it in Subsection 8.5.2.

“Permitted Liens” means any of the following:

- (a) Liens for taxes, assessments or governmental charges or levies that are not yet due or that if due are being contested or litigated in good faith and with respect to which an adequate reserve has been taken in accordance with generally accepted accounting principles;
- (b) undetermined or inchoate Liens, rights of distress and charges incidental to current operations which have not at such time been filed or exercised and of which the Trustee has not been given notice, or which relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings;
- (c) any Lien resulting from the deposit of cash or securities in connection with contracts, tenders or expropriation proceedings, or to secure workers’ compensation, employment insurance, surety or appeal bonds, costs of litigation when required by law, liens and claims incidental to current construction, mechanics’, warehousemen’s, carriers’ and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (d) any Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings;

- (e) Liens granted pursuant to the Security Documents;
- (f) Liens and renewals thereof to secure payment of the purchase price or the repayment of monies borrowed to pay the purchase price of any property or properties hereafter acquired by the Company in the ordinary course of its business;
- (g) any Lien given by the Company to a financial institution in connection with the establishment of a credit facility, it being understood that such Lien may only rank in priority to the Lien created or granted pursuant to the Security Documents, for a maximum amount equal to the greater of: (i) \$1,000,000; or (ii) 10% of the total principal amount of the Debt Securities outstanding, and that any Lien in excess of such amount shall be subordinated to the Lien created or granted pursuant to the Security Documents; and
- (h) Liens granted in respect of other Indebtedness of the Company that is expressly subordinated to the obligations under the Indenture Documents; and
- (i) any other Lien consented to in writing by the Trustee.

“Person” includes an individual, corporation, partnership, joint venture, company, unincorporated organization or government or any agency or political subdivision thereof.

“Premium” means, with reference to any Debt Security, the excess of the then applicable Redemption Price of such Debt Security over the principal amount of such Debt Security.

“Purchase Price” has the meaning attributed to it in Section 13.1.

“Redemption Price” has the meaning attributed to it in Section 4.1.

“Register” means any register providing for the registration of Debt Securities which the Trustee is required to maintain pursuant to Section 3.1.

“Registered Debt Securities” means Fully Registered Debt Securities and Coupon Debt Securities registered as to principal only.

“Security Agreement” means the security agreement dated on or about the date hereof between the Company and the Trustee, as amended, modified, supplemented, restated or replaced from time to time.

“Security Documents” means, collectively, (a) the Security Agreement, and (b) all such other agreements, instruments and documents as the Trustee may reasonably require to ensure that the Trustee has a first ranking Lien on the Collateral (subject to Permitted Liens).

“Shareholder” means a holder of Shares.

“Shares” means shares in the share capital of the Company outstanding from time to time.

“Subsidiary” of any Person means a subsidiary corporation of such Person, such term having the meaning attributed to it in the *Securities Act* (British Columbia) and, in the case of the Company, the meaning shall be read as though the Company is a corporation.

“Successor” has the meaning attributed to it in Section 10.1.

“Supplemental Indenture” means an indenture supplemental to this Indenture pursuant to which, among other things, a series of Debt Securities may be issued in accordance with the terms of Article 14.

“this Indenture”, “this Company Indenture”, “hereto”, “hereby”, “hereunder”, “hereof”, “herein” and similar expressions refer to this indenture and not to any particular Article, section, subsection, paragraph, clause or other portion of this Indenture, and include any and every Supplemental Indenture.

“Trustee” means Western Pacific Trust Company, in its capacity as Trustee under this Indenture and its successors and permitted assigns in such capacity.

“Unregistered Debt Securities” means Coupon Debt Securities which are not Registered Debt Securities.

“Written Order”, “Written Direction” or “Certificate” means an order, a direction or a certificate signed in the name of the Company by one of the President, Chief Executive Officer or Chief Financial Officer of the Company.

Words importing the singular include the plural and vice versa and words importing the masculine gender include the feminine gender and vice versa.

1.2 Meaning of “outstanding” for Certain Purposes

Every Debt Security issued, certified and delivered in accordance with this Indenture will be deemed to be outstanding until it is cancelled or delivered to the Trustee for cancellation, or a new Debt Security is issued in substitution for it pursuant to Section 3.8, or money for the payment of the Debt Security is set aside pursuant to Article 8, provided that:

- 1.2.1 where a new Debt Security has been issued in substitution for a Debt Security which has been mutilated, lost, stolen or destroyed, such new Debt Security will be counted for the purpose of determining the aggregate principal amount of Debt Securities outstanding;
- 1.2.2 Debt Securities which have been partially redeemed or purchased will be deemed to be outstanding only to the extent of the unredeemed or unpurchased part of the principal amount of such Debt Securities; and
- 1.2.3 for the purpose of any provision of this Indenture entitling Debtholders to vote, sign consents, requests or other instruments or take other action under this Indenture, Debt Securities owned legally or equitably by the Company or any of its Subsidiaries or Affiliates will be disregarded, except that:

- 1.2.3.1 for the purpose of determining whether the Trustee will be protected in relying on any such vote, consent, request or other instrument or other action, only Debt Securities of which the Trustee has received a Certificate of the Company that they are so owned will be so disregarded; and
- 1.2.3.2 Debt Securities so owned which have been pledged in good faith other than to the Company or any of its Subsidiaries or Affiliates will not be so disregarded if the pledgee establishes, to the satisfaction of the Trustee, the pledgee's right to vote such Debt Securities in its discretion free from the control of the Company or of any of its Subsidiaries or Affiliates.

1.3 Interpretation not Affected by 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 do not affect the construction or interpretation of this Indenture.

1.4 No Deemed Subordination

Notwithstanding anything to the contrary contained herein (including any provision for, reference to, or acknowledgement of, any Lien or Permitted Lien), nothing herein and no approval by the Trustee or any holder of Debt Securities of any Lien or Permitted Lien (whether such approval is oral or in writing) shall be construed as or deemed to constitute a subordination by the Trustee or any holder of Debt Securities of any security interest or other right or interest in or to the Collateral or any part thereof in favour of any Lien or Permitted Lien or any holder of any Lien or Permitted Lien.

1.5 Statute References

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 Currency

Any reference in this Indenture to "dollars" or "\$" is deemed to be a reference to lawful money of Canada.

1.7 Not a Business Day

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

1.8 Invalidity of Provisions

Each provision in this Indenture or in a Debt Security 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.

1.9 Governing Law

This Indenture and the Debt Securities are governed by and will be construed in accordance with the laws of British Columbia and the laws of Canada applicable therein and will be treated in all respects as British Columbia contracts.

ARTICLE 2 THE DEBT SECURITIES

2.1 Issue and Designation

Subject to compliance with Section 5.4, an unlimited aggregate principal amount of Debt Securities may be authorized, issued and certified under this Indenture, provided however that the Debt Securities may be issued under this Indenture only upon the terms and subject to the conditions in this Indenture.

2.2 Issuance in Series

2.2.1 Debt Securities may be issued in one or more series pursuant to this Indenture and Supplemental Indentures delivered in accordance with the terms of this Indenture. The Debt Securities of each series (a) will have such designation, (b) may be subject to a limitation of the maximum principal amount authorized for issuance, (c) will be issued in such denominations, (d) may be purchased and payable as to principal, Premium (if any) and interest at such place or places and in such currency or currencies, (e) will bear such date or dates and mature on such date or dates, (f) will indicate the portion (if less than all of the principal amount) of such Debt Securities to be payable on declaration of acceleration of maturity, (g) will bear interest at such rate or rates (which may be fixed or variable) payable on such date or dates, (h) may provide for record dates for interest payable on Registered Debt Securities, (i) may contain mandatory or optional redemption or sinking fund provisions, including the period or periods within which, the price or prices at which and the terms and conditions upon which the Debt Securities may be redeemed or purchased at the option of the Company or otherwise, (j) may contain conversion or exchange terms, (k) will indicate the percentage of the principal amount (including any Premium) at which the Debt Securities may be issued or redeemed, (l) may be issued in registered form or bearer form or both and, if issuable in bearer form, the restrictions as to the offer, sale and delivery of the Debt Securities in bearer form and as to exchanges between registered and bearer form, (m) may be issuable in the form of one or more registered global securities and, if so, will identify the depository for such registered global securities, (n) will set out each office or agency at which the principal of, Premium (if any) and interest on the Debt Securities will be payable, and the addresses of each office or agency at which the Debt Securities may be presented for registration of transfer or exchange, (o) may contain covenants and events of default in addition to Events of Default, and (p) may contain such other provisions, not inconsistent with the provisions of this Indenture, as may be determined by resolution of the Board passed at or before the time of the issue of the Debt Securities of such series and such other provisions (to the extent as the Board may deem appropriate) as are contained in the Debt Securities of such series. The execution

by the Company of the Debt Securities of such series and the delivery thereof to the Trustee for certification will be conclusive evidence of the inclusion of the provisions authorized by this subsection.

- 2.2.2 Before the issuance of any series of Debt Securities, the Company will execute and deliver to the Trustee a Supplemental Indenture for the purpose of establishing the terms of such Debt Securities and the forms and denominations in which they may be issued, together with a certified resolution of the Board authorizing the issuance of such Debt Securities. The Trustee will execute and deliver each Supplemental Indenture pursuant to Article 14.
- 2.2.3 Whenever any series of Debt Securities has been authorized, Debt Securities in such series may from time to time be executed by the Company and delivered to the Trustee and, subject to Subsection 2.2.4, will be certified and delivered by the Trustee to or to the order of the Company upon receipt by the Trustee of:
- 2.2.3.1 a certified resolution of the Board authorizing the issuance of a specified principal amount of Debt Securities of such series;
 - 2.2.3.2 a Certificate to the effect that there is no existing Event of Default or event which with the giving of notice or passage of time or both would constitute an Event of Default and the Company has complied with all other conditions of this Indenture in connection with the issue of such series;
 - 2.2.3.3 a Written Order for the certification and delivery of such series of Debt Securities specifying the principal amount of the Debt Securities to be certified and delivered; and
 - 2.2.3.4 an opinion of counsel to the Company addressed to the Trustee to the effect that all legal requirements in connection with the issuance, certification and delivery of such series of Debt Securities and all conditions under this Indenture have been complied with.
- 2.2.4 No Debt Securities will be certified or delivered under this Indenture if a declaration has been made by the Trustee under Section 7.3, unless it has been waived in accordance with Section 7.4.

2.3 Forms of Debt Securities

- 2.3.1 The Debt Securities of any series may be of different denominations and forms (either Coupon Debt Securities or Registered Debt Securities or both) and may contain such variations of tenor and effect, not inconsistent with the provisions of this Indenture, as are incidental to such differences of denomination and form, including variations in the provisions for the exchange of Debt Securities of different denominations or forms and in the provisions for the registration or transfer of Debt Securities and, subject to the provisions of any series of Debt Securities, may consist of Debt Securities having different dates of issue, different dates of maturity, different interest payment dates, different financial covenants, including, without limitation, restrictions on indebtedness

and equity maintenance and interest coverage requirements, different rates of interest and/or different redemption terms (if any), and different security interests, than are the case for any other series of Debt Securities.

- 2.3.2 Subject to Subsection 2.3.1 and to any limitation as to the maximum principal amount of Debt Securities of any particular series, any Debt Securities may be issued as part of any series of Debt Securities previously issued, in which case they will bear the same designation and designating letters as those applied to such similar previous issue and will be numbered consecutively upwards in respect of such denominations of Debt Securities in like manner and following the numbers of the Debt Securities of such previous issue.
- 2.3.3 All series of Debt Securities which may at any time be issued under this Indenture and the Coupons (if any) attached or appertaining thereto and the certificate of the Trustee endorsed on such Debt Securities may be in English or any other language or languages or any combination thereof, and may be in the form or forms provided in any Supplemental Indenture or in such other language or languages and in such form or forms as the Board by resolution determine at the time of first issue of any series or part of a series of such Debt Securities, as approved by the Trustee, the approval of which will be conclusively evidenced by its certification of the Debt Securities.
- 2.3.4 If any provision of the Debt Securities or Coupons in a language other than English is susceptible of an interpretation different from the equivalent provision of the English language, the interpretation of such provision in the English language will be determinative.
- 2.3.5 The Debt Securities and Coupons may be typed, engraved, printed, lithographed or reproduced in a different form, or partly in one form and partly in another, as the Company may determine. The execution of any such Debt Securities or Coupons by the Company and the certification by the Trustee of any such Debt Securities will be conclusive evidence that such Debt Securities and Coupons are Debt Securities and Coupons authorized by this Indenture.

2.4 Debt Securities to Rank Equally

The Debt Securities will be direct secured obligations of the Company and will rank equally and rateably secured with all other Debt Securities, with the same right, Lien and entitlement with respect to the Collateral, without preference, priority or distinction between the Debt Securities, regardless of their actual date or terms of issue, secured by a senior Lien over the Collateral (subject to Permitted Liens). The Debt Securities will rank equally in right of payment to all other Indebtedness of the Company that is not expressly subordinated in right of payment to the Debt Securities. For greater certainty but subject to the financial covenants in Section 5.4, this Indenture does not restrict the Company from incurring additional Indebtedness or pledging or charging its assets to secure any future indebtedness of the Company only to the extent that it is subordinated to the Debt Securities.

2.5 Execution

The Debt Securities will be executed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer, or either one of them and such other officer as may be designated by the Board. The signature of such proper officers on the Debt Securities may be manual or mechanically reproduced in facsimile. Debt Securities and Coupons bearing facsimile signatures will be binding upon the Company as if they had been manually signed and to have been signed at the time such facsimile signature is reproduced. The Company will from time to time execute and deliver Debt Securities to the Trustee. Debt Securities or Coupons bearing the manual or facsimile signature of an individual who was at the time of execution a proper officer of the Company will be valid and binding even though that individual has ceased to hold such office before the certification and delivery of such Debt Securities or Coupons.

2.6 Countersignature by Trustee

- 2.6.1 Subject to the terms and conditions in this Indenture, the Trustee, from time to time upon receipt by the Trustee of a Written Order, will certify and make available Debt Securities in the manner specified in the Written Order, without the Trustee receiving any consideration therefor.
- 2.6.2 No Debt Security will be entitled to any right or benefit under this Indenture or be valid or obligatory for any purpose unless it has been certified by or on behalf of the Trustee substantially in the form provided for in the relevant Supplemental Indenture. Such certification upon any Debt Security will be conclusive evidence, and the only evidence, that such Debt Security has been duly certified, issued and delivered.
- 2.6.3 The certificate by or on behalf of the Trustee will not be construed as a representation or warranty of the Trustee as to the validity of this Indenture or of a Debt Security or its issuance (except the due certification thereof by the Trustee) or as to the performance by the Company of its obligations under this Indenture or the Debt Securities and the Trustee will be in no respect liable or answerable for the use made of the proceeds of such Debt Security. The certificate by or on behalf of the Trustee on Debt Securities issued under this Indenture will constitute a representation and warranty by the Trustee that such Debt Securities have been duly certified by and on behalf of the Trustee pursuant to the provisions of this Indenture.

2.7 Concerning Interest

- 2.7.1 Every Registered Debt Security, whether issued originally or in exchange or in substitution for previously issued Debt Securities, will bear interest from and including the later of (i) its date of issue and (ii) the last Interest Payment Date on which interest has been paid or made available for payment on the outstanding Debt Securities of the same series.
- 2.7.2 Subject to accrual of any interest on unpaid interest from time to time, interest on each Debt Security will cease to accrue from the earlier of (i) the maturity date of such Debt Security and (ii) if such Debt Security is called for redemption, the date fixed for redemption; unless, in each case, upon due presentation and surrender of such Debt

Security for payment on or after the maturity date or the date fixed for redemption, as the case may be, such payment is improperly withheld or refused.

- 2.7.3 If the date for payment of any amount of principal or interest is not a Business Day at the place of payment, then payment will be made on the next Business Day and Debtholders will not be entitled to any further interest on such principal, or to any interest on such interest or other amount so payable, in respect of the period from the date for payment to such next Business Day.
- 2.7.4 The Coupons (if any) matured at the date of delivery by the Trustee of any Coupon Debt Security registered as to principal only will be detached therefrom and cancelled before delivery, unless such Debt Security is being issued in exchange or in substitution for another Debt Security (whether in interim or definitive form) and such matured Coupons represent unpaid interest to which the holder of such exchanged or substituted Debt Security is entitled.
- 2.7.5 Wherever in this Indenture or the Debt Securities or Coupons 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 Debt Securities, 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.
- 2.7.6 Unless otherwise stated, wherever reference is made in this Indenture to a rate of interest "per annum" or a similar expression is used, the interest will be calculated on the basis of the actual number of days based on a calendar year of 365 or 366 days, as the case may be.

2.8 Payment of Interest in respect of Debt Securities

Except as may be provided in any Supplemental Indenture or in any series of Debt Securities, payment of interest due upon the principal amount of each interest-bearing Debt Security (except interest payable on maturity or redemption of a Debt Security which, at the option of the Company, may be paid upon presentation of such Debt Security for payment), will be made on the applicable Interest Payment Date in the following manner: The Company (either directly or through the Trustee or any agent of the Trustee), at least two Business Days before each Interest Payment Date, will forward or cause to be forwarded by prepaid ordinary mail (or in the event of mail service interruption, by such other means as the Trustee and the Company determine to be appropriate), a cheque or an electronic transfer of funds ("ETF") for such interest (less any tax required by law to be deducted) payable to the holder of such Debt Security (or to the Trustee on behalf of such holder, as determined from time to time) for the time being at the address appearing on the Register described in Article 3 unless otherwise directed in writing by the holder or, in the case of registered joint holders, payable to all such joint holders and addressed to one of them at the last address appearing in the applicable Register and negotiable at par at each of the places at which interest upon such Debt Securities is payable. The forwarding of such cheque or ETF will satisfy and discharge the liability for the interest on such Debt

Securities to the extent of the sum represented thereby (plus the amount of any tax deducted as aforesaid) unless such cheque is not paid on presentation at any of the places at which such interest is payable. In the event of the non-receipt of such cheque or ETF by the applicable Debtholder or the loss, theft or destruction thereof, the Company, upon being furnished with evidence of such non-receipt, loss, theft or destruction and indemnity reasonably satisfactory to it, will issue or cause to be issued to such Debtholder a replacement cheque for the amount of such cheque. Upon a written request to do so by a Debtholder, the Company, at its option, may cause the amount payable in respect of interest to be paid to such Debtholder by wire transfer settled on the day such interest payment is due to an account maintained by such Debtholder or any other method acceptable to the Company.

2.9 Payments of Amounts Due on Maturity

Except as may otherwise be provided in any Supplemental Indenture or in any series of Debt Securities, payments of amounts due upon maturity of the Debt Securities will be made in the following manner: The Company will establish and maintain a Debt Account for each series of Debt Securities. On or before 4:00 p.m. (Vancouver time) on the Business Day before each maturity date for Debt Securities outstanding from time to time under this Indenture, the Company will deposit in the applicable Debt Account an amount sufficient to pay the amount payable in respect of such Debt Securities (less any tax required by law to be deducted). The Company (either directly or through the Trustee or any agent of the Trustee) will pay to each holder entitled to receive payment, the principal amount of, and Premium (if any) on, the Debt Security, upon surrender of the Debt Security at any branch of the Trustee designated for such purpose from time to time by the Company and the Trustee. The deposit or making available of such amounts to the applicable Debt Account will satisfy and discharge the liability of the Company for the Debt Security 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 tax deducted as aforesaid) and such Debt Security will thereafter not be considered as outstanding under this Indenture 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 2.9 will constitute default in payment on the Debt Securities in respect of which the deposit or making available of funds was required to have been made.

2.10 Interim Debt Securities

- 2.10.1 Pending delivery to the Trustee of definitive Debt Securities of any series, the Company may issue and the Trustee may certify in lieu thereof (but subject to the same provisions, conditions and limitations as set forth in this Indenture), interim printed, mimeographed or typewritten Debt Securities, with or without Coupons, in such forms and in such denominations as may be approved by the Trustee and the proper officers of the Company (whose certification or signature, either manual or in facsimile, as the case may be, on any such interim Debt Securities will be conclusive evidence of such approval) entitling the holders of such Debt Securities to definitive Debt Securities of such series in any authorized denominations when the same are ready for delivery, provided that the total amount of interim Debt Securities so issued and certified will not exceed the aggregate principal amount of Debt Securities of such series for the time

being authorized. When so issued and certified, such interim Debt Securities will, for all purposes, but without duplication, rank in respect of this Indenture equally with Debt Securities duly issued hereunder and, pending the exchange thereof for definitive Debt Securities, the holders of such interim Debt Securities will be deemed without duplication to be Debtholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the exchange had actually been made. Forthwith after the Company has executed and delivered the appropriate definitive Debt Securities to the Trustee, the Trustee will call for exchange all interim Debt Securities that have been issued and forthwith after such exchange will cancel the Interim Debt Securities, together with all unmatured Coupons (if any) attached or appertaining thereto. No charge will be made by the Company or the Trustee to the holders of such interim Debt Securities for such exchange.

- 2.10.2 Any interest paid upon interim Debt Securities without Coupons will be noted thereon at the time of payment unless paid by cheque to the registered holder thereof.

2.11 Payment Agreements for Debt Securities

Notwithstanding anything in this Indenture or any Debt Securities, the Company may enter into an agreement with the holder of a Registered Debt Security or with the Person for whom such holder is acting as nominee, providing for the payment to such holder of the principal of, Premium (if any) on and interest on such Debt Security at a place or places or in a manner other than the place or places or the manner specified in this Indenture or such Debt Security as the place or places for such payment, all (in the case of partial payments on Debt Securities) without presentation or surrender of the Debt Security or notation of payment thereon. The Company will provide a copy of such agreement to the Trustee before the next Interest Payment Date of any Debt Security to which such agreement relates. Any payment of the principal of, Premium (if any) and interest on any such Debt Security or other money payable under this Indenture at such other place or places or in such manner pursuant to such agreement, notwithstanding any other provision of this Indenture or the Debt Security, will be valid and binding on the Company, the Trustee and such Debtholder.

2.12 Surrender for Cancellation

If the principal amount due upon any Debt Security becomes payable by redemption or otherwise before the maturity date of such Debt Security, the Person presenting such Debt Security for payment must surrender the same together with all unmatured Coupons (if any) appertaining thereto not previously surrendered for cancellation. The Company will nevertheless pay or cause to be paid the interest accrued and unpaid thereon (computed on a per diem basis if the date fixed for payment is not an Interest Payment Date). For greater certainty, it is expressly declared that Section 8.1 will apply to such cancelled Debt Securities or Coupons.

2.13 Right to Receive Indenture

Each Debtholder is entitled to receive from the Company a copy of this Indenture on written request and upon payment of a reasonable copying charge.

2.14 Series 1-2020 Green Bonds

The first series of Debt Securities to be certified and delivered hereunder shall consist of and be limited to Debt Securities in an aggregate principal amount not in excess of \$20,000,000 to be designated as 6% First Ranking Senior Secured Green Bonds, Series 1-2020 (the "**Series 1-2020 Green Bonds**"), which shall be issued subject to the following terms, conditions and attributes:

- 2.14.1 The Series 1-2020 Green Bonds may be issued in one or more closings;
- 2.14.2 The Series 1-2020 Green Bonds shall be issued as Fully Registered Debt Securities in denominations of any integer multiples of \$1,000 with a minimum of \$5,000 in principal amount;
- 2.14.3 The principal amount outstanding on the Series 1-2020 Green Bonds shall be repaid to the holders of the Series 1-2020 Green Bonds (the "**Series 1-2020 Green Bond Holders**") on the earlier of the Series 1-2020 Maturity Date (as defined below), prepayment or redemption;
- 2.14.4 The Series 1-2020 Green Bonds shall have a term of five (5) years from the date of the issuance of such Series 1-2020 Green Bond (the "**Series 1-2020 Maturity Date**");
- 2.14.5 The Series 1-2020 Green Bonds shall bear interest on the principal amount outstanding thereunder from the date of certification of issuance thereof by the Trustee at a rate of 6% per annum, on a simple basis (the "**Series 1-2020 Interest**"), and should default at any time be made in the payment of any principal or interest, interest shall be payable on the amount in default at the said rate (after as well as before the Maturity Date, prepayment, redemption and judgment. The Series 1-2020 Interest will be calculated on the basis of a year of 365 days (or 366 days in the case of a leap year) based on the actual number of days elapsed to and including the date of payment of the interest. The Interest Payment Date for the Series 1-2020 Interest will be paid in arrears on the last Business Day of September, December, March and June. The first Interest Payment Date will be the last business day of the quarter in which a Series 1-2020 Green Bond is issued;
- 2.14.6 The Series 1-2020 Green Bonds are redeemable at the option of the Company in whole or in part at any time and from time to time prior to the Series 1-2020 Maturity Date in accordance with Article 4. The "**Redemption Price**" for the Series 1-2020 Green Bonds shall be an amount equal to the principal amount outstanding on the Series 1-2020 Green Bonds and all remaining unpaid Series 1-2020 Interest payable to but excluding the redemption date. Less than all of the Series 1-2020 Green Bonds may be redeemed in accordance with section 4.3 of this Indenture. If a holder of a Series 1-2020 Green Bond so called for redemption shall fail on or before the redemption date to so surrender such holder's Series 1-2020 Green Bond, or shall not within such time 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 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 Series 1-2020 Bond Holder of the sum so set aside and, to that

extent, the Series 1-2020 Green Bond shall thereafter not be considered as outstanding hereunder and the Series 1-2020 Green Bond Holder shall have no other right except to receive payment out of the monies so paid and deposited upon surrender and delivery up of such holder's Series 1-2020 Green Bond of the Redemption Price of such Series 1-2020 Green Bond plus any accrued but unpaid interest thereon (less any taxes required by law to be deducted or withheld) up to but excluding the redemption date. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal or interest, if any, on Series 1-2020 Green Bonds 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 depository or paying agent to the Company on its written demand, and thereupon the Trustee shall not be responsible to Series 1-2020 Green Bond holders for any amounts owing to them and subject to applicable law, thereafter the holder of a Series 1-2020 Green Bond in respect of which such money was so repaid to the Company shall have no rights in respect thereof except to obtain payment (subject to any limitation under applicable law) of the money due from the Company; and

- 2.14.7 The Series 1-2020 Green Bonds may be issued initially as one global bond held by, or on behalf of, CDS, as depository, for its participants and registered in the name of CDS or its nominee. The Series 1-2020 Green Bonds will be substantially in the form set out as Schedule "A" to this Indenture, with such changes as may reasonably be required by CDS and which are not prejudicial to Series 1-2020 Green Bond Holders as a whole. The Series 1-2020 may, forthwith upon the execution hereof or from time to time thereafter, be issued by the Company and be certified by or on behalf of the Trustee, and shall be delivered by the Trustee to or upon the Written Order of the Company.

ARTICLE 3 REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP OF DEBT SECURITIES

3.1 Registered Debt Securities

- 3.1.1 Subject to the terms of any Supplemental Indenture, the Company will cause to be kept, at the principal office of the Trustee in Vancouver, British Columbia, a central Register and may cause to be kept in such other place or places, by the Trustee or by such other registrar or registrars (if any) as the Company with the approval of the Trustee may designate, branch Registers in each of which will be entered the names and latest known addresses of holders of Registered Debt Securities and the other particulars, as prescribed by law, of the Debt Securities held by each of them and of all transfers of such Debt Securities. Such registration will be noted on the Debt Securities by the Trustee or other registrar. No transfer of a Debt Security will be effective as against the Company unless made on one of the appropriate Registers by the holder or the executor, administrator or other legal representative of, or any attorney for, the holder, duly appointed by an instrument in form and execution satisfactory to the Trustee or other registrar, upon surrender to the Trustee or other

registrar of the Debt Security and upon compliance with such requirements as the Trustee or other registrar may prescribe, and unless such transfer has been duly noted on such Debt Security by the Trustee or other registrar.

- 3.1.2 A holder of a Registered Debt Security may at any time and from time to time have such Debt Security transferred at any of the places at which a Register is kept pursuant to the provisions of this Section 3.1 in accordance with such reasonable regulations as the Trustee or other registrar may prescribe. A holder of a Registered Debt Security may at any time and from time to time have the registration of such Debt Security transferred from the Register in which the registration of such Debt Security appears to another Register maintained in another place authorized for that purpose under the provisions of this Indenture upon payment of a reasonable fee to be fixed by the Trustee.
- 3.1.3 None of the Company, the Trustee and any registrar for any of the Debt Securities will be charged with notice of or be bound to see to the execution of any trust, whether express, implied or constructive, in respect of any Debt Security and may transfer any Debt Security on the direction of the applicable Debtholder, whether named as trustee or otherwise, as though that Person were the beneficial owner of such Debt Security.

3.2 Coupon Debt Securities

- 3.2.1 Coupon Debt Securities will be negotiable and title to them will pass by delivery unless registered as to principal for the time being as provided in this section. Notwithstanding registration of Coupon Debt Securities as to principal, but subject to Sections 2.7 and 3.7, the Coupons when detached will continue to be payable to bearer and title thereto will pass by delivery.
- 3.2.2 After registration of a Coupon Debt Security as to principal, any such Debt Security may be discharged from registry and subsequently may be transferred to bearer after which it will again be transferable by delivery but may again from time to time be registered and discharged from registry.

3.3 Transferee Entitled to Registration

The transferee of a Registered Debt Security, after the appropriate form of transfer and the Debt Security are deposited with the Trustee or other registrar and upon compliance with all other conditions required by this Indenture or by law, will be entitled to be entered on the Register as the owner of such Debt Security free from all equities or rights of set-off or counterclaim between the Company and the transferor or any previous holder of such Debt Security, save in respect of equities of which the Company is required to take notice by statute or by order of a court of competent jurisdiction.

3.4 Closing of Registers

- 3.4.1 Except in the case of the central Register required to be kept in Vancouver and subject to any restriction provided in this Indenture, the Company will have power at any time to close any branch Register and, in that event, it will transfer the registration of any

Debt Securities registered thereon to another existing Register or to a new Register and thereafter such Debt Securities will be deemed to be registered on such other existing or new Register, as the case may be. In the event that the Register in any place is closed and the records transferred to a Register in another place, notice of such change will be given to each Debtholder registered in the Register so closed and the particulars of such change will be recorded in the central Register required to be kept in Vancouver, British Columbia.

3.4.2 None of the Company, the Trustee or any registrar will be required:

3.4.2.1 to make transfers or exchanges of any Registered Debt Securities of any series on any Interest Payment Date for Debt Securities of that series or during the 10 preceding Business Days; or

3.4.2.2 to make transfers of Registered Debt Securities of any series or exchanges of any Debt Securities of any series (i) from the day of any selection by the Trustee of Debt Securities of that series to be redeemed until such date that the notice of redemption is mailed pursuant to Section 4.4, inclusive, or (ii) that have been selected or called for redemption in whole or in part unless, upon due presentment thereof for redemption, such Debt Securities are redeemed.

3.5 Exchange of Debt Securities

3.5.1 Subject to the provisions of this section, Coupon Debt Securities may be exchanged for Fully Registered Debt Securities and vice versa (provided that the Debt Securities to be exchanged are issuable in either coupon or fully registered form) and, subject to Subsection 3.4.2, Debt Securities in any authorized form or denomination may be exchanged, upon reasonable notice, for Debt Securities in any other authorized form or denomination or denominations, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debt Securities so exchanged.

3.5.2 Subject to the provisions of this section, Debt Securities of any series may be exchanged only at such place or places at which the Registers referred to in Section 3.1 are kept and at such other place or places, if any, as may be specified in the Debt Securities of such series and at such other place or places, if any, as may from time to time be designated by the Company with the approval of the Trustee. Any Debt Securities tendered for exchange will be surrendered to the Trustee, together with all unmatured Coupons (if any), and all matured Coupons in default (if any), attached or appertaining thereto (to the extent that the same have not previously been surrendered and cancelled), failing which like Coupons will be removed prior to delivery of the Debt Securities to be issued in exchange. The Company will execute all Debt Securities and Coupons and the Trustee will certify all Debt Securities necessary to carry out exchanges as set out in this section. All Debt Securities and Coupons surrendered for exchange will be surrendered to the Trustee for cancellation.

- 3.5.3 Debt Securities issued in exchange for Debt Securities which at the time of such issue have been selected or called for redemption at a later date will be deemed to have been selected or called for redemption in the same manner and will have noted thereon a statement to that effect, provided that:
- 3.5.3.1 Debt Securities which have been selected or called for redemption may not be exchanged for Debt Securities of larger denominations; and
 - 3.5.3.2 if a Debt Security that has been selected or called for redemption in part is presented for exchange for Debt Securities of smaller denominations, the Trustee will designate, as it may deem equitable, particular Debt Securities 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 Debt Securities a statement to that effect.
- 3.5.4 Except as otherwise provided in this Indenture, upon any exchange of Debt Securities of any denomination for Debt Securities of any other authorized denominations and upon any transfer of Debt Securities, the Trustee or other registrar of Debt Securities may make a sufficient charge to reimburse it for any transfer tax or other governmental charge required to be paid and, in addition, a reasonable charge for its services for each Debt Security exchanged or transferred, and payment of such charges will be made by the party requesting such exchange or transfer as a condition precedent thereto.
- 3.5.5 Notwithstanding the foregoing, no charge to the holder (other than for insurance on any Debt Securities forwarded by mail) will be made by the Trustee, any other registrar of Debt Securities or the Company:
- 3.5.5.1 for any exchange, registration or transfer of any Debt Security applied for within a period of 45 days from the date of such Debt Security; or
 - 3.5.5.2 for the exchange of any Debt Security issued under Section 2.10 or 4.3.

3.6 Registers Open for Inspection

The Registers will at all reasonable times be open for inspection by the Company, the Trustee and any holder. The Trustee will furnish, and will require every registrar, when requested to do so in writing by the Company or the Trustee, to furnish, to the Company or the Trustee, as the case may be, a list of the names and addresses of holders of Registered Debt Securities entered on the Register kept by the Trustee or such registrar, showing the principal amounts and serial numbers of the Registered Debt Securities held by each such holder. The Trustee will require each registrar, at the request of any Debtholder, and upon payment to the Trustee of a reasonable fee, to furnish such list to such holder upon fulfillment by it of the conditions prescribed by law in that respect.

3.7 Ownership of Debt Securities and Coupons

- 3.7.1 Unless otherwise required by law, the Company, the Trustee and any registrar or agent may deem and treat the Person in whose name any Registered Debt Security is

registered, as the absolute owner of such Debt Security for all purposes of this Indenture, and payment of or on account of the principal of, Premium (if any) on and interest on such Debt Security will be made only to or upon the order in writing of such registered holder.

- 3.7.2 Unless otherwise required by law, the Company, the Trustee and any registrar or paying agent may deem and treat the bearer of any Unregistered Debt Security and the bearer of any Coupon, whether or not the Debt Security from which it has been detached is registered as to principal, as the owner of such Debt Security or Coupon, as the case may be, for the purposes of this Indenture and none of the Company, the Trustee or any registrar will be affected by any notice to the contrary.
- 3.7.3 None of the Company, the Trustee and 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 Company, express, implied, resulting or constructive, in respect of any Debt Security by the registered holder or any Person whom the Company or the Trustee treats, as permitted or required by law, as the owner or the registered holder of such Debt Security, and may transfer the same on the direction of the Person so treated or registered as the holder of the Debt Security, whether named as Trustee or otherwise, as though that Person were the beneficial owner of the Debt Security.
- 3.7.4 The holder from time to time of any Registered Debt Security and the bearer of any Coupon (except any Coupon which is void by reason of the acceleration of the maturity of the Debt Security to which it was annexed or appertains) will be entitled to the principal, Premium (if any) on and interest evidenced by such instruments, free from all equities or rights of set-off or counterclaim between the Company and the original or any intermediate holder thereof (except in respect of equities of which the Company is required to take notice by law or by order of a court of competent jurisdiction) and all Persons may act accordingly. The receipt by any such holder or bearer, as the case may be, of any such principal, Premium (if any) or interest will be a good discharge to the Company and the Trustee for the same and neither the Company nor the Trustee will be bound to inquire into the title of any such holder or bearer except as aforesaid.
- 3.7.5 The Company and the Trustee may treat the holder of any Registered Debt Security as the owner thereof without actual production of such Debt Security for the purpose of any Debtholders' Request, requisition, direction, consent, instrument or other document.
- 3.7.6 Subject to Section 9.16, upon receipt of a certificate of any bank, trust company or other depositary satisfactory to the Trustee stating that the Unregistered Debt Security specified therein has been deposited by a named Person with such bank, trust company or other depositary and will remain so deposited until the expiry of the period specified therein, the Company and the Trustee may treat the Person so named as the owner, and such certificate as sufficient evidence of the ownership by such Person during such period, of such Debt Security, for the purpose of any Debtholders' Request, requisition,

direction, consent, instrument or other document to be made, signed or given by the holder of the Debt Security so deposited.

3.8 Replacement of Debt Securities

If any Debt Security or Coupon is mutilated, lost, stolen or destroyed and in the absence of notice that such Debt Security or Coupon has been acquired by a bona fide purchaser within the meaning of the *Business Corporations Act* (British Columbia), the Company in its discretion may issue, and thereupon the Trustee will certify and deliver, a new Debt Security or Coupon upon surrender and cancellation of the mutilated Debt Security or Coupon, or, in the case of a lost, stolen or destroyed Debt Security or Coupon, in lieu of and in substitution for the same, and the substituted Debt Security or Coupon will be in a form approved by the Trustee and will entitle the holder to the benefits of this Indenture and rank equally with all other Debt Securities or Coupons issued or to be issued under this Indenture. In case of loss, theft or destruction, the applicant for a new Debt Security or Coupon will furnish to the Company and to the Trustee such evidence of loss, theft or destruction as will be satisfactory to them in their discretion and will also furnish an indemnity in amount and form satisfactory to them in their discretion. The applicant will pay all expenses incidental to the issuance of any such new Debt Security or Coupon.

3.9 Record of Payment

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

3.10 Book-Entry Only Debt Securities

Notwithstanding any other provision of this Indenture, upon the election of the Company, any Supplemental Indenture applicable to any series of Debt Securities may provide that Debt Securities of such series will be represented by a book-entry only global certificate and, in this regard, the Company may appoint CDS or any other depository to act as a clearing agency in connection with interests in such global certificate. If any Supplemental Indenture so provides and, subject to the terms of any agreement between the Company and CDS or another depository, beneficial holders of Debt Securities will have no right to receive definitive Debt Securities.

ARTICLE 4

REDEMPTION AND PURCHASE FOR CANCELLATION OF DEBT SECURITIES

4.1 Redemption of Debt Securities

Subject to the provisions of the Supplemental Indenture relating to the issue of a particular series of Debt Securities, Debt Securities of any series may be redeemable before the applicable maturity date thereof, in whole at any time or in part from time to time, at the option of the Company and in accordance with and subject to the provisions set out in this Indenture and the

Supplemental Indenture (if applicable), including those relating to the payment of any required redemption price (“**Redemption Price**”).

4.2 Places of Payment

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

4.3 Partial Redemption of Debt Securities

- 4.3.1 If less than all the Debt Securities of any series are to be redeemed at one time, the Company will in each such case, at least 10 Business Days before the date upon which notice of redemption is to be given, notify the Trustee by Written Direction of its intention to redeem Debt Securities of such series and of the aggregate principal amount of Debt Securities to be redeemed. The Debt Securities to be redeemed will be selected by the Trustee on a pro rata basis, disregarding fractions, according to the principal amount of Debt Securities registered in the name of each Debtholder, or in such other manner (which may include random selection by computer) as the Trustee may consider equitable, provided that such selection will be proportionate (to the nearest \$1,000). For this purpose, the Trustee may make, and from time to time amend, regulations with regard to the manner in which such Debt Securities may be called for redemption and regulations so made will be valid and binding upon all Debtholders notwithstanding the fact that, as a result of such regulations, one or more Debt Securities become subject to redemption in part only. Unless the context otherwise requires, the term “Debt Security” and “Debt Securities” as used in this Article 4 will be deemed to include any part of the principal amount of any Debt Security which in accordance with the foregoing provision has become subject to redemption.
- 4.3.2 The holder of any Debt Security called for redemption in part only will be entitled to receive, upon surrender of such Debt Security for payment and without expense to such Debtholder, a new Debt Security or Debt Securities of an aggregate principal amount equal to the unredeemed part of the Debt Security so surrendered, and the Company will execute and the Trustee will certify and deliver to the holder such new Debt Security or Debt Securities.
- 4.3.3 In the alternative and notwithstanding any other provision of this Indenture, payment of part of the principal amount of any Debt Security may be made by the Company or the Trustee to the holder of such Debt Security without presentation or surrender of such Debt Security to the Trustee if the Company has filed with the Trustee a Certificate stating that the Company has entered into an agreement with such holder or the Person for which such holder is acting as nominee to the effect that (i) payments will be so made, (ii) upon request from the Trustee or the Company, such holder or other Person will make notations on such Debt Security of the portion of the principal amount of such Debt Security so redeemed and promptly notify the Company and the Trustee of the making of such notations and (iii) such holder or other Person will not sell, transfer,

encumber or dispose of or permit any nominee to sell, transfer, encumber or dispose of such Debt Security or any interest therein without, before the delivery thereof, surrendering the same to the Trustee or other registrar in exchange for a Debt Security or Debt Securities aggregating the same principal amount as the principal amount of such Debt Security so surrendered which remains unpaid.

4.4 Notice of Redemption

Unless otherwise provided in a Supplemental Indenture notice of intention to redeem any Debt Security will be given by the Company (directly or through the Trustee, as determined from time to time) to the holders of the Debt Securities which are to be redeemed, not more than 60 days and not less than 30 days prior to the date fixed for redemption, in the manner provided in Article 15. Every such notice will specify that part of the principal amount of such Debt Security to be redeemed, the redemption date, the Redemption Price and places of payment and will state that all interest on the Debt Securities called for redemption will cease to be payable from the redemption date. Unless all outstanding Debt Securities are to be redeemed, the notice of redemption will also specify:

- 4.4.1 in the case of notice mailed to a Debtholder, the distinguishing letters and numbers of the Debt Securities registered in the name of such holder which are to be redeemed;
- 4.4.2 in the case of a published notice, the distinguishing letters and numbers of the Debt Securities to be redeemed; and
- 4.4.3 in the case of both Subsections 4.4.1 and 4.4.2, the principal amount of such Debt Securities or, if any such Debt Security is to be redeemed in part only, the principal amount of such part.

4.5 Debt Securities Due on Redemption Dates

- 4.5.1 Upon notice having been given as provided in Section 4.4, the Debt Securities called for redemption or the principal amount to be redeemed of the Debt Securities called for redemption in part, as the case may be, will thereupon become due and payable at the Redemption Price, on the redemption date specified in such notice, in the same manner and with the same effect as if it were the maturity date for such Debt Securities, notwithstanding anything contained in this Indenture or in the Debt Securities to the contrary. From and after such redemption date, if the money necessary to redeem such Debt Securities has been deposited as provided in Section 4.6 and affidavits or other proof satisfactory to the Trustee as to the mailing or publication of such notices have been delivered to it, such Debt Securities will not be considered as outstanding under this Indenture and interest upon such Debt Securities will cease to accrue after such date.
- 4.5.2 If any question arises as to whether notice of redemption or deposit of the redemption money has been given or made available as provided above, such question will be decided by the Trustee, whose decision will be final and binding upon all interested parties.

4.6 Deposit of Redemption Money

Except as may otherwise be provided in any Supplemental Indenture or in any series of Debt Securities, upon Debt Securities being called for redemption, the Company will deposit in the applicable Debt Account one Business Day before the redemption date fixed in the relevant notice of redemption, such sums as may be sufficient to pay the Redemption Price of the Debt Securities to be redeemed, including accrued and unpaid interest on the Debt Securities called for redemption, less any tax required by law to be deducted, and will pay to the order of the Trustee the estimated charges and expenses to be incurred in connection with such redemption. From the sums so deposited and upon surrender of such Debt Securities, the Trustee will pay or cause to be paid to the holders of the Debt Securities called for redemption the principal thereof, Premium (if any) thereon and interest thereon to which they are entitled on redemption. In the case of Coupon Debt Securities, the accrued interest represented by Coupons matured before the date fixed for redemption will continue to be payable (but without interest thereon unless the Company defaults in the payment thereof) to the bearers of such Coupons upon presentation and surrender thereof.

4.7 Purchase of Debt Securities for Cancellation

4.7.1 Subject to the terms and conditions of any Supplemental Indenture relating to a particular series of Debt Securities and provided no Event of Default has occurred and is continuing, the Company may purchase at any time and from time to time, at any price, all or any of the Debt Securities in the market (which will include purchase from or through an investment dealer or a firm holding membership on a recognized stock exchange) or by invitation to tender or by private contract. The Company will deliver to the Trustee all Debt Securities purchased as aforesaid, when paid, as evidence of such payment.

4.7.2 If, upon an invitation to tender, more Debt Securities are tendered in response to such invitation at the same lowest price than the Company is prepared to accept, Debt Securities to be purchased by the Company will be selected by the Trustee on a pro rata basis, disregarding fractions, according to the principal amount of Debt Securities registered in the name of each Debtholder, or in such other manner as the Trustee may consider equitable (which may include random selection by computer), from the Debt Securities tendered by each Debtholder which 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 Debt Securities may be so selected and regulations so made will be valid and binding upon all Debtholders, notwithstanding the fact that, as a result thereof, one or more of such Debt Securities becomes subject to purchase in part only. The holder of any Debt Security of which a part only is purchased, upon surrender of such Debt Security for payment, will be entitled to receive, without expense to such holder or bearer, one or more new Debt Security or Debt Securities, as the case may be, for the unpurchased part so surrendered and the Trustee will certify and deliver such new Debt Security or Debt Securities, as the case may be, upon receipt of the Debt Security so surrendered.

4.8 Cancellation of Debt Securities

All Debt Securities redeemed and all Debt Securities purchased under this Article 4 will be delivered forthwith to the Trustee and will be cancelled by it and no Debt Securities will be issued in substitution therefor.

ARTICLE 5 COVENANTS OF THE COMPANY

5.1 General Covenants

The Company covenants with the Trustee for the benefit of the Trustee and the Debtholders that as long as any Debt Securities remain outstanding, it will:

- 5.1.1 duly and punctually pay or cause to be paid to every Debtholder or deposit to the relevant Debt Account, as the case may be, all amounts required to be paid or transferred thereto in respect of such Debt Securities of which it is the holder in the manner provided under this Indenture or any Supplemental Indenture, as the case may be (including, in the case of default, interest on the amount in default) on the dates, at the place, and in the manner specified in this Indenture, any Supplemental Indenture and in the Debt Securities;
- 5.1.2 furnish to the Trustee a copy of all financial statements, whether annual or interim, of the Company and the report (if any) of the Company's auditors thereon at the same time as they are required to be filed under the *Securities Act* (British Columbia) (for greater certainty, such obligation to provide such financial statements shall continue in the event that the Company ceases to be a "reporting issuer" (or its equivalent) as if it had continued to be a "reporting issuer" (or its equivalent));
- 5.1.3 on or before each date upon which the Company is required to furnish its annual financial statements pursuant to Section 5.1.2 and at any other reasonable time if requested by the Trustee, furnish to the Trustee a Certificate stating that the Company has complied with all covenants, conditions and other requirements contained in this Indenture, non-compliance with which constitutes or would, with the giving of notice or the lapse of time or both, constitute an Event of Default under this Indenture 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 and the action, if any, the Company proposes to take with respect thereto;
- 5.1.4 maintain and cause its Subsidiaries to maintain property and liability insurance as would be maintained by a prudent owner;
- 5.1.5 (a) perform and observe its obligations under the Security Documents and (b) take any and all actions (including, without limitation, the covenants set forth in the Security Documents and in this Indenture) necessary or desirable to cause the Security Documents to create and maintain valid and enforceable, perfected, first-ranking security interests in and on all the Collateral, in favour of the Trustee, subject to no other Liens (other than Permitted Liens);

- 5.1.6 pay to the Trustee reasonable remuneration as agreed from time to time for its services as Trustee and pay to the Trustee on demand all costs, charges and expenses properly incurred by the Trustee in connection with the trusts created by this Indenture (including the compensation and disbursements of its counsel and other advisors or consultants not regularly in its employ), both before any Event of Default and thereafter until all duties of the Trustee under this Indenture have been finally and fully performed, and also (in addition to any right of indemnity given to the Trustee by law), at all times keep the Trustee indemnified against all liabilities, losses, damages, actions, proceedings, costs, claims, expenses and demands in respect of any matter or thing done or omitted by the Trustee (other than through bad faith, negligence of or wilful disregard of its obligations under this Indenture by the Trustee) in any way relating to this Indenture. Any amount due under this Subsection 5.1.6 and unpaid 30 days after demand for such payment will bear interest from the expiration of such 30-day period at a prevailing rate set by the Trustee; and
- 5.1.7 duly and punctually perform and carry out all of the acts or things to be done by it as provided in this Indenture.

5.2 Not to Extend Time for Payment of Principal or Interest

- 5.2.1 To prevent any accumulation after maturity of unpaid interest or of unpaid Debt Securities, the Company will not directly or indirectly extend or assent to the extension of time for payment of any interest upon any Debt Securities or of any principal payable in respect of any Debt Securities or directly or indirectly be or become a party to or approve any such arrangement by purchasing or funding any interest on the Debt Securities or any principal thereof or in any other manner.
- 5.2.2 If the time for the payment of any interest or principal in respect of any Debt Securities of any series is extended, whether or not such extension is by or with the consent of the Company, notwithstanding anything contained in this Indenture or in such Debt Securities, such interest or principal will not be entitled, in case of default under this Indenture, to the benefit of this Indenture except subject to the prior payment in full of the principal of all the Debt Securities of such series then outstanding and of all accrued interest on such Debt Securities the payment of which has not been so extended.

5.3 Trustee may Perform Covenants

If the Company fails to perform any of its covenants contained in this Indenture, the Trustee may in its discretion, but (subject to Section 7.3) need not, notify the Debtholders of such failure or may itself perform any of such covenants capable of being performed by it and, if any such covenant requires the payment of money, it may make such payment with its own funds, or with money borrowed by it for such purpose, but it will be under no obligation to do so or to notify the Debtholders of such failure. All sums so paid by the Trustee will be payable by the Company in accordance with the provisions of Section 7.7. No such performance by the Trustee of any covenant contained in this Indenture or payment by the Company of any sums advanced

or borrowed by the Trustee pursuant to this Article will be deemed to relieve the Company from any default or its continuing obligations under this Indenture.

5.4 Financial Covenants

For so long as this Indenture is in effect, and until the Debt Securities have been paid in full, and except as otherwise permitted through prior written consent by way of an Extraordinary Resolution, the Company shall perform the following financial covenants (the “**Financial Covenants**”):

5.4.1 Definitions

The following defined terms apply to Section 5.4 only. Capitalized terms used in Section 5.4 but not defined below will have the means given to such terms in Section 1.1

5.4.1.1 “**Adjusted EBITDA**” means, for any period, determined on a consolidated basis, the Company’s Net Income for that period, increased (without duplication) by the sum of:

- (i) Total Interest Expense;
- (ii) Income Tax Expense;
- (iii) Depreciation Expense;
- (iv) losses from extraordinary, unusual or non-recurring items;
- (v) net losses of Affiliates and any other losses in respect of investments which are accounted for on an equity basis;
- (vi) amounts in respect of losses of non-controlling interests, if any;
- (vii) any other non-cash allowances, reserves or losses which were required to be accrued for a future period;
- (viii) Share-based compensation expense; and
- (ix) expenses related to issuing debt or equity capital,

in each case, to the extent that such amounts were included in the calculation of Net Income; and decreased (without duplication) by the sum of:

- (i) income tax credits or reductions in deferred taxes;
- (ii) gains from extraordinary, unusual or non-recurring items;
- (iii) net profits of Affiliates and any other profits in respect of investments which are accounted for on an equity basis;

- (iv) amounts in respect of gains of non-controlling interests, if any; and
- (v) any other non-cash gains which have been added in determining Net Income,

in each case, to the extent that such amounts were included in the calculation of Net Income for such period;

- 5.4.1.2 “**Capital Lease**” means any lease which should be treated as a capital lease under GAAP;
- 5.4.1.3 “**Compliance Certificate**” means the certificate substantially in the form annexed as Schedule A and signed by a Senior Officer of the Company;
- 5.4.1.4 “**Consolidated Group**” means the Company and all other Subsidiaries of the Company, whether direct or indirect and whether now owned or hereafter acquired or incorporated
- 5.4.1.5 “**Convertible Notes**” means the series of unsecured convertible notes issued by the Company in February 2020;
- 5.4.1.6 “**Debt**” means, with respect to the Company, at any time:
 - (i) all items which would then be classified as liabilities on the Company’s consolidated balance sheet, or the notes thereto, including, without limitation, the Debt Securities; and
 - (ii) without duplication, any item which is then to the Company:
 - 1. an obligation in respect of borrowed money, or for the deferred purchase price of services, or an obligation which is evidenced by a note, bond, debenture or any other similar instrument;
 - 2. a transfer with recourse or with an obligation to repurchase, to the extent of the Company’s liability;
 - 3. a net obligation arising in connection with an acceptance facility or letter of credit or letter of guarantee;
 - 4. a Capital Lease obligation;
 - 5. the aggregate amount at which any shares in the Company’s capital which are redeemable or retractable at the option of the holder of such shares (except where the holder is the Company) may be redeemed or retracted; or
 - 6. any other obligation arising under arrangements or agreements that, in substance, which provides for financing,

provided, however, that there shall not be included for the purpose of this definition any item which is on account of trade accounts payable and accrued liabilities (including deferred revenues and income taxes payable) incurred in the ordinary course of business;

- 5.4.1.7 **“Debt Coverage Ratio”** means the ratio, expressed as percentage, on a Consolidated Group basis, of: (A) Adjusted EBITDA over (B) the sum of the Total Interest Expense excluding any interest obligations relating to the Convertible Notes;
- 5.4.1.8 **“Debt to Equity Ratio”** means, in respect of the Consolidated Group, on a consolidated basis, at any time, the amount determined in accordance with the formula EQ/D where:
- (i) “EQ” is Equity of the Consolidated Group; and
 - (ii) “D” is the outstanding principal amount of all issued non-current interest-bearing liabilities plus current interest-bearing liabilities of the Consolidated Group;
- 5.4.1.9 **“Depreciation Expense”** means, for any period, depreciation, amortization, depletion and other like reductions to income of the Company for that period not involving any outlay of cash, determined in accordance with GAAP;
- 5.4.1.10 **“Equity”** means, in respect of the Company at any time, the paid up capital of all of the outstanding shares of the Company;
- 5.4.1.11 **“Financial Covenants”** has the meaning ascribed to that term in Section 5.4;
- 5.4.1.12 **“Fiscal Quarter”** means each quarterly accounting period of the Company ending respectively on March 31, June 30, September 30 or December 31 in each Fiscal Year;
- 5.4.1.13 **“Fiscal Year”** means the fiscal year of the Company ending on December 31 in each calendar year;
- 5.4.1.14 **“Income Tax Expense”** means, with respect to the Company, for any period, the aggregate of all Taxes on the income of the Company for that period, whether current or deferred, determined in accordance with GAAP;
- 5.4.1.15 **“Indebtedness”** means, with respect to the Company and without duplication, any indebtedness of the Company, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments, the net amount that would appear as a liability upon a balance sheet of the Company prepared in accordance with GAAP;
- 5.4.1.16 **“Interest Reserve Account”** means the trust account established by the Trustee pursuant to Section 5.4.7;

- 5.4.1.17 **“Interest Reserve Amount”** means the amount required to pay six (6) months worth of interest pursuant to the Debt Securities outstanding;
- 5.4.1.18 **“Net Income”** means, for any period, the net revenue of the Company, on a consolidated basis, for such period, less all expenses and other charges not otherwise deducted in computing such net revenue for such period, all as determined in accordance with GAAP; **“Pending Event of Default”** means an event which, but for the requirement for the giving of notice, lapse of time, or both, or but for the satisfaction of any other condition subsequent to that event, would constitute an Event of Default;
- 5.4.1.19 [intentionally deleted]
- 5.4.1.20 **“Senior Officer”** means the chairperson, the chief executive officer, the chief operating officer, the chief financial officer, the president, or any senior vice-president of the Company or any person holding a similar office;
- 5.4.1.21 **“Tax”** or **“Taxes”** means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, royalties, duties, deductions, compulsory loans or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments, and any interest, fines and penalties, imposed by any governmental authority, whether disputed or not; and
- 5.4.1.22 **“Total Interest Expense”** of the Company means, for any period and on a consolidated basis, without duplication, the aggregate amount of interest and other financing charges expensed by the Company, on account of such period with respect of all Debt outstanding.

5.4.2 **Debt to Equity Ratio**

The Debt to Equity Ratio shall not be less than one (1) at any time while any Debt Securities are outstanding, such ratio to be tested and calculated as of the end of each Fiscal Quarter.

5.4.3 **Debt Coverage Ratio**

The Company covenants that, so long as any of the Debt Securities are outstanding, the aggregate principal amount of all the Company’s Indebtedness from time to time outstanding hereunder shall not cause the Debt Coverage Ratio to be less than one hundred and ten percent (110%) at the end of each Fiscal Quarter.

5.4.4 Calculation Methodology

For the purpose of calculating the Financial Covenants in respect of the period from the date hereof to the end of the Fiscal Quarter ended hereafter, the Financial Covenants shall be annualized and adjusted to the extent necessary to take into account that such Fiscal Quarter is not a full Fiscal Quarter.

5.4.5 Reporting Requirements

So long as this Indenture is in effect, and until the Debt Securities have been paid in full, and except as otherwise permitted by prior consent by way of an Extraordinary Resolution, the Company shall perform the following covenants:

5.4.5.1 Interim Reports

. Except for the Debt Coverage Ratio which shall commence reporting on January 1, 2021 and each six (6) months thereafter, the Company shall deliver to the Trustee as soon as available, and in any event within sixty (60) days of the end of each of its second Fiscal Quarter, and one hundred twenty (120) days of the end of its fourth Fiscal Quarter, a Compliance Certificate. Notwithstanding the foregoing, if the Debt Coverage Ratio covenant or the Debt to Equity Ratio covenant is breached at any time, the reporting requirement with respect to such ratio shall occur forty-five (45) days of the end of each of the Company's Fiscal Quarters for so long as that breach remains.

5.4.5.2 Annual Reports

. The Company shall deliver to the Trustee as soon as available, and in any event within 120 days after the end of each Fiscal Year, the annual audited financial statements of the Company prepared on a consolidated and unconsolidated basis including, without limitation, balance sheet, statement of income and retained earnings and statement of changes in financial position for such Fiscal Year. The financial statements shall be audited by a nationally recognized accounting firm, and shall be prepared in accordance with GAAP and certified by a Senior Officer of the Company. The Company shall also deliver to the Trustee, concurrently with the delivery of the financial statements referred to herein, a Compliance Certificate.

5.4.5.3 Other Information

. The Company shall promptly provide the Trustee with such other information as it may reasonably request respecting the Company (including, without limitation, an aged list of accounts receivable and accounts payable for each of the Company and any Subsidiary or Affiliate).

5.4.6 Specific Cure Periods

Notwithstanding anything else herein, should the Company fall below the requisite Debt Coverage Ratio or the Debt Equity Ratio when a report is due pursuant to Section 5.4.5.1, the Company shall have until the end of the next Fiscal Quarter to bring the Debt Coverage Ratio or Debt Equity Ratio, as applicable, into compliance. If the Debt Coverage Ratio falls below as covenanted in Section 5.4.3 hereof, the Company shall reduce or suspend any dividends and reduce

its operating expenses as necessary to cure such default. If the Debt Equity Ratio falls below as covenanted in Section 5.4.3 hereof, the Company shall raise additional capital or reduce any Debt as necessary to cure such default. If the Company still fails to meet the Debt Coverage Ratio as covenanted in Section 5.4.3 hereof or the Debt Equity Ratio as covenanted in Section 5.4.2 hereof by the end of the second Fiscal Quarter following the first occurrence, then an Event of Default shall have occurred immediately without any further cure period.

5.4.7 Interest Reserve Account

In accordance with this Indenture, the Trustee shall establish a single, segregated non-interest-bearing trust account designated as the “**Interest Reserve Account**”. The Company shall direct the Trustee to take such amount of funds from any issuances of Debt Securities that is equal to six months of interest thereon and deposit it to the Interest Reserve Account. Such Interest Reserve Amount shall be transferred to the holders of Debt Securities to pay interest outstanding thereon as well as any costs incurred by the Trustee upon the Company failing to make such interest payments when due. If the Interest Reserve Account is depleted and the Company fails to replenish such account within ninety (90) days thereof, such event will constitute an Event of Default. Notwithstanding anything else herein, the sum of money in the Interest Reserve Account cannot be used in the calculation of the Debt to Equity Ratio or the Debt Coverage Ratio.

ARTICLE 6 SECURITY

6.1 Security Documents

- 6.1.1 The Company agrees to execute and deliver each of the Security Documents, in each case as continuing collateral security for the due, prompt and complete payment, performance and satisfaction by the Company of all of its debts liabilities and obligations to the Trustee and the Debtholders under and in respect of the Indenture Documents.
- 6.1.2 The Security Documents shall be effective as of the date of this Indenture regardless of the date that the Debt Securities are issued or the date on which any money is advanced to the Company pursuant to the Indenture Documents.

6.2 Priority of Security

The Security Documents and the Liens created thereunder are for the equal and rateable benefit and security of all holders of Debt Securities and the Trustee. Each holder of Debt Securities by his, her or its acceptance of the Debt Securities hereby (a) designates and appoints the Trustee to hold the Liens created by the Security Documents for the benefit of all holders of Debt Securities; (b) consents and agrees to the terms of the Security Documents, and (c) authorizes and directs the Trustee to execute and deliver any Security Documents and to perform its obligations and exercise its rights thereunder in accordance with this Indenture.

6.3 After Acquired Property; Further Assurances

The Company shall forthwith, and from time to time, take such action and execute and deliver to the Trustee, on behalf of the holders of the Debtholders such agreements, conveyances, deeds and other documents and instruments which are necessary or advisable as a result of any change in Applicable Law after the date hereof or as may be necessary to ensure that any additional interests in the Collateral of the Company or in any asset of the Company to be subject to a security interest pursuant to the terms hereof or the Security Documents are subject to the security interests created hereby and thereby, in each case for giving the Trustee a valid Lien upon the Collateral to secure the payment of all principal, interest and other amounts outstanding under the Indenture and the Debt Securities and the performance of all debts, liabilities and obligations of the Company to each of the holders of Debt Securities and the Trustee from time to time, under and in respect of the Indenture and the other Indenture Documents.

6.4 Registration

6.4.1 The Company shall, from time to time, at the expense of the Company:

- 6.4.1.1 record, file, enter or register or cause to be recorded, filed, entered or registered, this Indenture and all other Indenture Documents, financing statements and all other instruments without delay, where necessary or advisable to perfect the Liens created by the Security Documents;
- 6.4.1.2 renew or cause to be renewed the recordings, filings or registrations made in respect of the Security Documents from time to time as and when required to maintain the perfection and intended priority of the Liens granted pursuant to the Security Documents; and
- 6.4.1.3 deliver to the Trustee, on demand, certificates or other forms of confirmation acceptable to the Trustee establishing such registration or recording, and renew the same from time to time, if such renewal is necessary in the opinion of counsel to the Trustee to preserve or protect the Liens created pursuant to the Security Documents.

6.4.2 If the Company fails to perform its obligations under this Section 6.4, the Trustee may, in its sole discretion and without obligation or liability for doing so, perform any such obligation capable of being performed by it at the expense of the Company.

6.5 Order of Payment

Nothing contained in this Article 6 or elsewhere in this Indenture or in the Debt Securities is intended to or shall impair, as between the Company, its creditors, and the holders of the Debt Securities, the obligation of the Company, which is absolute and unconditional, to pay to the holders of Debt Securities the principal of, Premium, if any, and interest on the Debt Securities, as and when the same shall become due and payable in accordance with their terms, or affect the relative rights of the holders of Debt Securities and creditors of the Company, nor shall anything herein or therein prevent the Trustee or the holders of any Debt Securities from exercising all remedies otherwise permitted by Applicable Law upon default under this Indenture.

ARTICLE 7
DEFAULT AND ENFORCEMENT

7.1 Events of Default

Each of the following events in respect of a series of Debt Securities is an Event of Default:

- 7.1.1 the Company defaults in the payment of the principal of any Debt Security of such series and such default continues for ten (10) Business Days;
- 7.1.2 the Company defaults in payment of any interest when due on the Debt Securities in that series where such default continues for a period of ten (10) Business Days after the relevant Interest Payment Date;
- 7.1.3 the Company defaults in the performance of or is in breach of any covenant in this Indenture, any Security Document, the Debt Securities or a Supplemental Indenture in connection with that series of Debt Securities where such default or breach: (i) continues for a period of thirty (30) days after the Trustee has given notice in writing to the Company specifying the nature of such default or breach and requiring that it be remedied unless the Trustee (having regard to the subject matter of such breach or default) agrees to a longer period and, in such event, within the period agreed to by the Trustee; or (ii) is described in Section 5.4 and for which any cure period prescribed in has lapsed.
- 7.1.4 the Security Documents cease to be in full force and effect or if any Security Document ceases to constitute a valid and perfected first priority Lien (subject only to Permitted Lien) upon all the Collateral it purports to charge or encumber, in favour of the Trustee for the benefit of the holders of the Debt Securities;
- 7.1.5 the Company defaults under the terms of any Indebtedness (other than Non-Recourse Indebtedness) where that default results in such Indebtedness becoming or being declared due and payable prior to the date on which it would otherwise have become due and payable (after expiration of any applicable grace period) unless such acceleration is waived or rescinded, provided that the aggregate of all such Indebtedness which is accelerated exceeds 10% of the principal amount Debt Securities outstanding; and
- 7.1.6 the Company admits its inability to pay its liabilities generally as they become due or makes a general assignment for the benefit of the creditors of the Company or otherwise acknowledges the insolvency of the Company or any proceeding is instituted by or against the Company seeking to adjudicate it a bankrupt or insolvent or seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or composition of its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors or seeking the entry of an order for relief by the appointment of a receiver, liquidator, Trustee or other similar official for the Company or for any substantial part of the property of the Company and, if such proceeding has been instituted against the Company without the consent or concurrence of the Company, either such proceeding has not been stayed or dismissed

within 45 days or any of the actions sought in such proceeding (including the entry of an order for relief or the appointment of a receiver) are granted in whole or in part, or if a receiver is privately appointed in respect of the Company or a substantial part of the property of the Company, and such appointment has not been stayed or dismissed within 45 days.

7.2 Notice of Events of Default

- 7.2.1 Subject to Section 11.13.1, the Trustee will give to the holders of a series of Debt Securities, within a reasonable time but not exceeding thirty (30) days after the Trustee becomes aware of the occurrence of an Event of Default, notice of the Event of Default in respect of that series of Debt Securities unless the Trustee in good faith determines that the withholding of such notice is in the best interests of Debtholders and so advises the Company in writing.
- 7.2.2 Where notice of an Event of Default has been given to holders of a series of Debt Securities and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing will be given by the Trustee to the Persons to whom notice was given pursuant to Subsection 7.2.1 within a reasonable time, not to exceed thirty (30) days after the Trustee becomes aware that the Event of Default has been cured.

7.3 Acceleration on Default

Subject to Section 7.4, if any Event of Default (other than an Event of Default described in Subsection 7.1.6) has occurred and is continuing in respect of a series of Debt Securities, the Trustee may, in its discretion, and will, upon receipt of a Debtholders' Request of such series (subject to Section 7.4) by notice in writing to the Company, declare the principal of, Premium (if any) on and the interest and additional amounts (if any) on all Debt Securities of the applicable series then outstanding and any other money payable under this Indenture or the applicable Supplemental Indenture in respect of such series to be due and payable. If an Event of Default described in Subsection 7.1.1 occurs, then the principal of, Premium (if any) on and the interest and additional amounts (if any) on all Debt Securities then outstanding and any other moneys payable under this Indenture will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Debtholder. Notwithstanding anything contained in this Indenture, any Supplemental Indenture or the Debt Securities to the contrary, if the Trustee makes such declaration or an Event of Default described in Subsection 7.1.1 occurs, the Company will pay to the Trustee forthwith for the benefit of the holders of Debt Securities of such series the amount of principal of, Premium (if any) on and accrued and unpaid interest (including interest on amounts in default) on all Debt Securities of such series and all other money payable, together with subsequent interest thereon at the rate borne by the Debt Securities from the date of such declaration until payment is received by the Trustee, to be applied in the order of priorities established in Section 7.7 in respect of that series of Debt Securities. Such payment, when made, will be deemed to have been made in discharge of the Company's obligations under this Indenture.

7.4 Waiver of Default

- 7.4.1 If an Event of Default occurs, other than an Event of Default contemplated by Subsection 7.1.6:
- 7.4.1.1 the holders of more than 50% of the principal amount of the Debt Securities then outstanding of that series in respect of which the Event of Default has occurred will have the right (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by instrument signed by such Debtholders to instruct the Trustee to waive the Event of Default and/or annul the declaration made by the Trustee pursuant to Section 7.3 and the Trustee will thereupon waive the Event of Default and/or annul such declaration upon such terms and conditions as such Debtholders prescribe; and
 - 7.4.1.2 the Trustee, so long as it has not become bound to institute any proceedings under this Indenture by virtue of a Debtholders' Request or any other reason, will have the power to waive the Event of Default if, in the Trustee's opinion, the same has been cured or adequate satisfaction made therefor, and in such event to annul any such declaration made by the Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may consider advisable.
- 7.4.2 No delay or omission of the Trustee or of any Debtholders to exercise any right or power accruing upon any Event of Default will impair any such right or power or be construed to be a waiver of any such Event of Default or acquiescence therein. No act or omission either of the Trustee or of such Debtholders will extend to or be taken in any manner whatsoever to affect any subsequent Event of Default under this Indenture or the rights resulting therefrom.

7.5 Enforcement by the Trustee

- 7.5.1 If an Event of Default occurs, but subject to Section 7.4 and to the provisions of any Extraordinary Resolution that may be passed by holders of a series of Debt Securities as provided in this Indenture:
- 7.5.1.1 the Trustee may in its discretion proceed to enforce the rights of the Trustee and the Debtholders by any action, suit, remedy or proceeding authorized or permitted by this Indenture or by law or equity, and may file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee and of the Debtholders filed in any bankruptcy, insolvency, winding-up or other judicial proceedings relating to the Company; and
 - 7.5.1.2 upon receipt of a Debtholders' Request and upon receiving sufficient funds and being indemnified to its satisfaction as provided in Subsection 11.1.2, the Trustee will exercise or take such one or more remedies as the Debtholders' Request may direct (provided that the Trustee will not have received from the

majority in aggregate principal amount of the outstanding Debt Securities of that series a direction inconsistent with such request), provided that if any such Debtholders' Request directs the Trustee to take proceedings out of court the Trustee may in its discretion take judicial proceedings in lieu thereof.

7.5.2 No remedy for the enforcement of the rights of the Trustee or the Debtholders will be exclusive of or dependent on any other such remedy but any one or more of such remedies may from time to time be exercised independently or in combination.

7.5.3 All rights of action under this Indenture may be enforced by the Trustee without the possession of any of the Debt Securities or Coupons or the production thereof at the trial or other proceedings relating thereto.

7.5.4 If the Trustee has become entitled to enforce the security interests with respect to the Collateral, in addition to any right or remedy arising under the this Indenture or pursuant to Applicable Laws, the Trustee, by itself, its officers, its agents or its attorneys, may, in its discretion, as advised by its counsel, exercise any and all rights granted to the Trustee in any of the Security Documents.

7.6 Debtholders May Not Sue

7.6.1 No Debtholder will have the right to institute any action, suit or proceeding or to exercise any other remedy authorized or permitted by this Indenture or by law or by equity for the purpose of enforcing any rights on behalf of the Debtholders or for the execution of any trust or power under this Indenture, unless:

7.6.1.1 in the case of any suit by the holders of a series of Debt Securities, such Debtholders, by Extraordinary Resolution, have made a request to the Trustee to take action under this Indenture or a Debtholders' Request referred to in Section 7.3 has been delivered to the Trustee, and the Trustee has been offered a reasonable opportunity either itself to proceed to exercise the powers conferred upon or to institute an action, suit or proceeding in its name for such purpose;

7.6.1.2 the holders of Debt Securities of such series or any of them have furnished to the Trustee, when requested by the Trustee, sufficient funds and an indemnity in accordance with Subsection 11.1.2;

7.6.1.3 the Trustee has not received from the holders of at least a majority of the aggregate principal amount of the outstanding Debt Securities of such series a direction inconsistent with such request; and

7.6.1.4 the Trustee has failed to institute any such proceeding and does not have reasonable grounds for so doing.

7.6.2 In the event that a holder has the right to institute proceedings under this Section 7.6 (but not otherwise) any Debtholder, acting on behalf of itself and all other Debtholders

of such series, will be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken under Section 7.5, but in no event will any Debtholder or combination of Debtholders have any right to take any other remedy or proceedings out of court. It is intended that no one or more holders of Debt Securities will have any right in any manner whatsoever to enforce any right under this Indenture or under any Debt Security except subject to the conditions and in the manner provided in this Indenture, and that all powers and trusts under this Indenture will be exercised and all proceedings at law will be instituted, had and maintained by the Trustee, except only as provided in this Indenture, and in any event for the equal benefit of all holders of outstanding Debt Securities of the same series.

- 7.6.3 The limitations in Subsection 7.6.1 do not apply to a suit instituted by a Debtholder for enforcement of payment of the principal of, Premium (if any) on or interest on such Debt Security after the maturity date of the principal expressed in such Debt Security, as it may be amended pursuant to the provisions hereof.

7.7 Application of Money

- 7.7.1 Except as otherwise provided in this Indenture, any money arising from any enforcement of this Indenture, whether by the Trustee or any holder of Debt Securities of any series, will be held by the Trustee and applied by it, together with any money then or thereafter in the hands of the Trustee available for the purpose, as follows:
- 7.7.1.1 first, in payment or reimbursement to the Trustee of the remuneration, expenses, disbursements and advances of the Trustee earned, incurred or made in the administration or execution of the trusts under this Indenture or otherwise in relation to this Indenture with interest thereon as provided in this Indenture;
 - 7.7.1.2 second, if and to the extent that the Trustee deems it in the interest of the holders of Debt Securities generally, in payment of all Liens (if any) on the Collateral ranking or capable of ranking in priority to the Liens constituted by the Security Documents or to keep in good standing any such prior Liens;
 - 7.7.1.3 third, in or towards payment of the principal of all of the Debt Securities of such series then outstanding and thereafter in or towards payment of the accrued and unpaid interest and interest on overdue interest on such Debt Securities (or if the Debtholders by instrument signed by the holders of a majority of the aggregate principal amount of the Debt Securities of such series then outstanding or by Extraordinary Resolution passed at a meeting of Debt Securities of such series, have directed payments to be made in accordance with any other order of priority, or without priority as between principal and interest, then such money shall be applied in accordance with such direction); and
 - 7.7.1.4 fourth, the surplus (if any) of such money will be paid to the Company or as it may direct.

7.7.2 Notwithstanding Subsection 7.7.1, no payments will be made in respect of the principal of, Premium (if any) on or interest on any Debt Security held, directly or indirectly, by or for the benefit of the Company or an Affiliate (other than any Debt Security pledged for value and in good faith to a Person other than the Company, but only to the extent of such Person's interest therein) except subject to the prior payment in full of the principal of, Premium (if any) and interest on all Debt Securities of such series which are not so held.

7.8 Distribution of Proceeds

Payments to Debtholders pursuant to clause 7.7.1.2 will be made as follows:

- 7.8.1 at least 21 days' notice of every such payment will be given in the manner provided in Article 15 specifying the date and time when and the place or places where the Debt Securities and Coupons are to be presented and such payments are to be made and the amount of the payment and the application thereof as between principal, Premium (if any) and interest;
- 7.8.2 payment of any Debt Security or Coupon will be made upon presentation thereof at any one of the places specified in such notice and any such Debt Security or Coupon thereby paid in full will be surrendered and otherwise a notation of such payment will be endorsed thereon, provided that the Trustee may in its discretion dispense with presentation and surrender or endorsement in any special case upon receipt by it of such indemnity as it considers sufficient;
- 7.8.3 from and after the date of payment specified in the notice, interest will accrue only on the amount owing on each Debt Security after giving credit for the amount of the payment specified in such notice unless the Debt Security in respect of which such amount is owing is duly presented on or after the date so specified and payment of such amount is not made; and
- 7.8.4 the Trustee will not be required to make any partial or interim payment to holders of Debt Securities of any series unless the money in its hands, after reserving therefrom such amount as the Trustee may think necessary to provide for the payments described in clause 7.7.1.1, exceeds 5% of the aggregate principal amount of the outstanding principal amount of the Debt Securities of such series, but it may retain the money so received by it and deal with the same as provided in Section 11.9 until the money or investments representing the same, with the income derived therefrom, together with any other money for the time being under its control, is sufficient for such purpose or until it considers it advisable to apply the same in the manner set out above.

7.9 No Recourse Against Shareholders, etc.

No Shareholder, Director or officer of the Company will be held to have any personal liability as such, and no resort will be had to the private property of any Shareholder, Director or officer of the Company for satisfaction of any obligation or claim arising out of or in connection with this Indenture, and only the assets of the Company are liable and subject to levy or execution for full satisfaction. In particular, the Debtholders will not have any, and the Trustee hereby waives and

releases any, right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present and future Trustee or officer (as such) of the Company or of any Successor for the payment of the principal of, Premium (if any) on and interest on any of the Debt Securities or for the performance of any covenant or agreement or for the correctness of any representation or warranty by the Company in this Indenture or in the Debt Securities.

7.10 Persons Dealing with Trustee

No Person dealing with the Trustee or any of its agents will be required to inquire whether an Event of Default has occurred, or whether the powers which the Trustee is purporting to exercise have become exercisable, or whether any money remains due under this Indenture, any Supplemental Indentures or the Debt Securities, or to see to the application of any money paid to the Trustee; and in the absence of fraud on the part of such Person, such dealing will be deemed to be within the powers hereby conferred and to be valid and effective accordingly.

7.11 Remedies Cumulative

No remedy conferred in this Indenture upon or reserved to the Trustee or the Debtholders is intended to be exclusive of any other remedy, but each and every such remedy will be in addition to every other remedy given under this Indenture or now or hereafter existing by law or by statute.

7.12 Judgment Against the Company

In the case of any judicial or other proceedings to obtain judgment for the principal of, Premium (if any) on or interest on the Debt Securities, judgment may be rendered against the Company in favour of the Debtholders or in favour of the Trustee, as Trustee for the Debtholders, for any amount which may remain due in respect of the Debt Securities and the interest and Premium (if any) thereon.

7.13 Recourse and Destruction

Each Debtholder is entitled to recourse to the assets of the Company to satisfy the obligations of the Company to that Debtholder. That recourse will exist in full even if the Board have no right to seek indemnification from the assets of the Company or to apply those assets in satisfaction of those obligations or if those rights of the Board are impaired. For greater certainty, any rights of the Debtholders pursuant to this Section shall be enforced in accordance with this Article 7.

ARTICLE 8 SATISFACTION AND DISCHARGE

8.1 Cancellation and Destruction

All matured Debt Securities will forthwith after payment thereof be delivered to the Trustee or to a Person appointed by it or by the Company with the approval of the Trustee and will be cancelled by the Trustee. All Debt Securities or coupons which are cancelled or required to be cancelled under this or any other provision of this Indenture will be destroyed by the Trustee

and, if required by the Company, the Trustee will furnish to it a certificate setting out the designating numbers and denominations of the Debt Securities or Coupons so destroyed.

8.2 Release from Covenants

Upon proof being given to the reasonable satisfaction of the Trustee that:

- 8.2.1 the principal of all of the Debt Securities, Premium (if any) thereon and interest (including interest on amounts in default) thereon and other money payable under this Indenture has been paid or satisfied; or
- 8.2.2 all the outstanding Debt Securities have matured or have been duly called for redemption (or the Trustee has been given irrevocable instructions by the Company to publish, within ninety (90) days, notice of redemption of all outstanding Debt Securities), and such payment or redemption has been duly provided for by payment to the Trustee or otherwise,

and upon payment of all costs, charges and expenses properly incurred by the Trustee in relation to this Indenture and all interest thereon and the remuneration of the Trustee (or upon provision satisfactory to the Trustee being made therefor), at the written request and at the expense of the Company, the Trustee will forthwith execute and deliver to the Company such deeds or other instruments necessary to evidence the satisfaction and discharge of this Indenture, and the Security Documents and the Liens constituted thereby, and to release the Company from its covenants in this Indenture and the other Indenture Documents, except those relating to the indemnification of the Trustee.

8.3 Failure to Surrender Debt Securities and Coupons

If the holder of any Debt Security or Coupon fails to surrender the same for payment on the date on which the principal thereof, Premium (if any) thereon and interest thereon or represented thereby becomes payable, either at maturity or on the date fixed for redemption thereof or otherwise, and does not within such time accept payment in respect thereof or give such receipt therefor (if any), as the Trustee may require:

- 8.3.1 the Company will be entitled to pay to the Trustee and direct it to set aside, or the Company will be entitled to make provision in form satisfactory to the Trustee in its absolute discretion for the payment of; or
- 8.3.2 in respect of money deposited with the Trustee which may or should be applied to the payment or redemption of the Debt Securities, the Company will be entitled to direct the Trustee in its discretion for the payment of,

the principal, Premium (if any) and interest, as the case may be, in Company to be paid to the holder of such Debt Security or Coupon upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal of, Premium (if any) and interest payable on each Debt Security and each Coupon in respect of which such funds have been set aside will be deemed to have been paid and thereafter such Debt Securities or Coupons will not be considered as outstanding under this Indenture and the holder thereof will

thereafter have no right in respect thereof except that of receiving payment of the money so set aside or provided (without interest) upon due presentation and surrender of the relevant Debt Security or Coupon, subject always to the provisions of Section 8.4. Any money so set aside may and, if remaining unclaimed for sixty (60) days and upon request by written instructions of the Company, shall be invested by the Trustee in accordance with Section 11.9.

8.4 Repayment of Unclaimed Money

Any money deposited to a Debt Account by the Company pursuant to Section 2.9 or paid to the Trustee pursuant to Sections 8.2 or 8.3 or following an Event of Default, and not claimed by and paid to holders of Debt Securities or Coupons within six years after the date on which payment first becomes due and payable, subject to Applicable Law, will be repaid to the Company on written demand and thereupon the Company will be released from all further liability with respect to such money, and thereafter the holders of the Debt Securities or Coupons in respect of which such money was so repaid to the Company will have no rights in respect thereof and the Company will be discharged from its obligations in respect thereof.

8.5 Defeasance

8.5.1 At any time that any series of Debt Securities are outstanding, the Trustee will, at the request and expense of the Company, execute and deliver to the Company such deeds and other instruments necessary to release the Company, subject to this Article 8, from the terms of this Indenture and any Supplemental Indenture relating to such series of Debt Securities, except those relating to the indemnification of the Trustee, subject to the following:

8.5.1.1 evidence delivered by the Company to the reasonable satisfaction of the Trustee that the Company has (i) deposited sufficient funds for payment of all principal, Premium (if any), interest and other amounts due or to become due on such series of Debt Securities, (ii) deposited funds or made provision for the payment of all expenses of the Trustee to carry out its duties under this Indenture, and (iii) deposited funds for the payment of taxes arising with respect to all deposited funds or other provision for payment, in each case irrevocably pursuant to the terms of a Company agreement in form and substance satisfactory to the Company and the Trustee;

8.5.1.2 delivery to the Trustee of an opinion of counsel acceptable to the Trustee to the effect that the holders of such series of Debt Securities will not be subject to any taxes as a result of the exercise by the Company of this defeasance option and that the holders of such series will be subject to taxes, including those in respect of income (including taxable capital gain) in the same amount, in the same manner and at the same time or times as would have been in the case if such option had not been exercised;

8.5.1.3 no Event of Default has occurred and is continuing on the date of the deposit referred to in Section 8.5.1.1;

- 8.5.1.4 such release does not result in a breach or violation of, or constitute a default under, any material agreement or instrument to which the Company is a party or by which the Company is bound;
 - 8.5.1.5 the Company will have delivered to the Trustee a Certificate stating that to the best of his or her belief, the deposit referred to in Section 8.5.1.1 was not made by the Company with the intent of preferring the holders of such series of Debt Securities over the other creditors of the Company with the intent of defeating, hindering, delaying or defrauding creditors of the Company or others; and
 - 8.5.1.6 the Company will have delivered to the Trustee a Certificate stating that all conditions precedent provided for or relating to the defeasance have been complied with.
- 8.5.2 The Company will be deemed to have made due provision for the depositing of funds if it deposited or caused to be deposited with the Trustee under the terms of an irrevocable Company agreement, solely for the benefit of the holders of a particular series of Debt Securities stated therein, cash or securities denominated in Canadian dollars constituting direct obligations of Canada or an agency or instrumentality of Canada, which will be sufficient, in the opinion of a firm of independent chartered accountants or an investment dealer acting reasonably and acceptable to the Trustee, to provide for payment in full of such series of Debt Securities and all other sums from time to time due and owing under this Indenture (“**Payout Securities**”).
- 8.5.3 If the opinion mentioned in Section 8.5.1.2 cannot be obtained from counsel acceptable to the Trustee, the Company shall, at its option and instead of the deposit of Payout Securities under a Company agreement in accordance with Section 8.5.2, deposit the Payout Securities with the Trustee pursuant to alternate arrangements as proposed by the Company, subject to the following terms and conditions:
- (a) such arrangements shall be to the satisfaction of the Trustee and, in the opinion of counsel acceptable to the Trustee, will be upon such terms to preserve and not impair any of the rights and powers of the Trustee and of the holders of the relevant series under this Indenture as are applicable in the circumstances;
 - (b) the Company shall have delivered to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the holders of the relevant series will not be subject to any taxes as a result of the entering into of such alternate arrangements and that the holders of such series will be subject to taxes, including those in respect of income (including taxable capital gain) in the same amount, in the same manner and at the same time or times as would have been in the case if the Company had not exercised its option to defease such series;
 - (c) nothing in this Section 8.5.2 shall prejudice or otherwise detract from the conditions in Section 8.5.1, Sections 8.5.4 or 8.5.5 all of which shall remain in full force and effect.

- 8.5.4 The Trustee will hold in trust the Payout Securities deposited with it pursuant to this Section 8.5, and will apply the same in accordance with this Indenture to the payment of principal of, Premium (if any) on, and interest on, the Debt Securities.
- 8.5.5 If the Trustee is unable to apply the Payout Securities in accordance with this Section 8.5 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 Company's obligations under this Indenture and the Debt Securities will be revived and reinstated as though no Payout Securities had been deposited pursuant to this Section 8.5 until such time as the Trustee is permitted to apply all the Payout Securities in accordance with this Section 8.5; provided that if the Company has made any principal, Premium (if any) or interest payments on Debt Securities because of the reinstatement of its obligations, the rights of the Company will be subrogated to the rights of the holders of such Debt Securities to receive such payment from the Payout Securities held by the Trustee.

ARTICLE 9 MEETINGS OF DEBTHOLDERS

9.1 Right to Convene Meetings

- 9.1.1 At any time and from time to time, the Trustee on behalf of the Company may and, on receipt of a Written Order or a Debtholders' Request from holders of Debt Securities of any series of Debt Securities, and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Company or the Debtholders signing such Debtholders' Request, will, convene a meeting of the Debtholders of that series. If, in the opinion of counsel to the Company, any business to be transacted at any meeting or any action to be taken or power to be exercised by signed instrument pursuant to this Article 9 does not adversely affect the rights of holders of Debt Securities of one or more particular series, no notice of any such meeting need be given to the holders of the Debt Securities of such series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which by its terms is effective only so long as the Debt Securities of a particular series are outstanding or an Event of Default relating to one series of Debt Securities will be deemed not to adversely affect the rights of the holders of the Debt Securities of any other series.
- 9.1.2 At any time and from time to time, the Trustee on behalf of the Company may and, on receipt of a Written Order or a Debtholders' Request and upon being indemnified and funded for the costs thereof to the reasonable satisfaction of the Trustee by the Company or the Debtholders signing such Debtholders' Request, will, convene a meeting of all Debtholders.
- 9.1.3 If the Trustee fails to convene a meeting after being duly requested as aforesaid (and indemnified and funded as aforesaid), the Company or such Debtholders may themselves convene such meeting and the notice calling such meeting may be signed

by such person as those Debtholders designate. Every such meeting will be held in Vancouver or such other place as the Trustee may in any case determine or approve.

9.2 Notice

At least 21 days' notice of any meeting of the holders of Debt Securities of any series or of all series then outstanding, as the case may be, will be given to the holders of Debt Securities in that series or in all series then outstanding, as applicable, and to the Trustee unless the meeting has been called by it, and to the Company unless the meeting has been called by it. Such notice will state the time when and the place where the meeting is to be held and will state briefly the general nature of the business to be transacted thereat, but it will not be necessary for any such notice to set out the terms of any resolution to be proposed at the meeting or any of the provisions of this Article.

9.3 Chairman

The Chief Executive Officer of the Company, if present, will be the Chairman of any meeting of Debtholders. Otherwise, an individual, who need not be a Debtholder, nominated in writing by the Trustee will be chairman of the meeting. If no individual is so nominated or if the individual so nominated is unable or unwilling to act or is not present within 15 minutes from the time fixed for the holding of the meeting, the Debtholders present in person or by proxy will choose an individual present to be chairman.

9.4 Quorum

Subject to this Indenture, at any meeting of the holders of a series of Debt Securities, a quorum will consist of two or more Debtholders present in person or by proxy and representing at least 25%, or, if the meeting is called to pass an Extraordinary Resolution, 50%, of the aggregate principal amount of the Debt Securities then outstanding in that series. At any meeting of the holders of all series of Debt Securities then outstanding, a quorum will consist of two or more Debtholders present in person or by proxy and representing at least 25%, or, if the meeting is called to pass an Extraordinary Resolution, 50%, of the aggregate principal amount of all Debt Securities then outstanding. If a quorum of the Debtholders is not present within 30 minutes from the time fixed for holding any such meeting, the meeting, if convened by the Debtholders or pursuant to a Debtholders' Request, will be dissolved; but in any other case the meeting will be adjourned to be held at a place and upon a date and at an hour to be fixed by the Trustee which will give at least 14 days' notice of the date, time and location to which such meeting is adjourned and which notice will state that at such adjourned meeting a quorum will consist of the holders of Debt Securities in that series, or in all series then outstanding, as applicable, then and there represented in person or by proxy. For clarity, if a meeting to pass an Extraordinary Resolution is adjourned, at the adjourned meeting a resolution passed by the favourable votes of not less than 66-2/3% or, in the case of Subsection 9.9.2, 75% of the principal amount of Debt Securities represented at the meeting will be an Extraordinary Resolution for the purposes of this Indenture, notwithstanding that the holders of more than 50% of the principal amount of the applicable Debt Securities are not present in person or by proxy at such adjourned meeting.

9.5 Power to Adjourn

The chairman of any meeting at which a quorum of Debtholders is present may, with the consent of the holders of a majority in principal amount of the Debt Securities 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.

9.6 Voting

On a show of hands, every Person who is present and entitled to vote, whether as a Debtholder or as proxy, will have one vote. On a poll each Debtholder present in person or represented by a duly appointed proxy will be entitled to one vote in respect of each \$1,000 principal amount of Debt Securities of the relevant series of which it is the holder. A proxy need not be a Debtholder. In the case of joint registered holders of Debt Securities, 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 are present in person or by proxy, they shall vote together in respect of the Debt Securities of which they are joint registered holders.

9.7 Show of Hands

Every question submitted to a meeting, except an Extraordinary Resolution, will be decided by a majority of the votes given on a show of hands or, if a poll is requested as provided in this Indenture, by a majority of the votes cast on the poll and will be binding on all holders of Debt Securities in the relevant series, or in all series then outstanding, as applicable. At any meeting of Debtholders where no poll is required or requested, a declaration made by the chairman that a resolution has been carried, or carried by any particular majority, or lost, will be conclusive evidence thereof.

9.8 Poll

A poll will be taken on every Extraordinary Resolution and when required by a Debtholder or a proxy representing a Debtholder holding at least 5% of the principal amount of Debt Securities represented at the meeting. If at any meeting a poll is so demanded on the election of a chairman or on a question of adjournment, it will be taken forthwith. If at any meeting a poll is demanded on any other question, or an Extraordinary Resolution is to be voted upon, a poll will be taken in such manner and either at once or after an adjournment as the Chairman directs. The result of a poll will be deemed to be the decision of the meeting at which the poll was demanded and will be binding on all holders of Debt Securities in the relevant series.

9.9 Powers Exercisable by Extraordinary Resolution

9.9.1 In addition to any powers conferred by any other provisions of this Indenture, holders of any series of Debt Securities by Extraordinary Resolution have the power in respect of that series of Debt Securities to:

- 9.9.1.1 subject to the provisions of this Indenture, approve (a) any change whatsoever in any of the provisions of such Debt Securities or of any Indenture Document, and (b) any modification, abrogation, alteration,

compromise or arrangement of the rights of the Debtholders and/or the Trustee against the Company;

- 9.9.1.2 approve any transaction whereby all or substantially all of the undertaking, property and assets of the Company would become the property of another Person, including in connection therewith the transfer or assignment by the Company of its rights or obligations pursuant to any of the Security Documents, provided that no such approval will be necessary in respect of any such transaction if the provisions of Article 10 have been complied with;
- 9.9.1.3 direct or authorize the Trustee (subject to indemnification and funding pursuant to Subsection 11.1.2), to exercise or refrain exercising any power conferred upon it by any of the Indenture Documents or to take any act, action or proceeding in the exercise of such power or to otherwise direct the manner in which such power may be exercised;
- 9.9.1.4 waive and direct the Trustee to waive any default or Event of Default under this Indenture and/or cancel any declaration made by the Trustee pursuant to Section 7.3 either unconditionally or upon any conditions specified in such Extraordinary Resolution;
- 9.9.1.5 restrain any holder of a Debt Security or a Coupon of such series from taking or instituting any suit, action or proceeding for recovery of amounts payable under such Debt Security or under this Indenture or from the execution of any trust or power under this Indenture or for the appointment of a trustee in bankruptcy or the winding up of the Company or for any other remedy under this Indenture and to direct such holder of any such Debt Security to waive any Event of Default on which any suit or proceeding is founded;
- 9.9.1.6 direct any holder of a Debt Security or a Coupon of such series bringing any action, suit or proceeding to stay or discontinue or otherwise deal with the same in the manner directed by such Extraordinary Resolution upon payment (if the taking of such action, suit or proceeding has been permitted by Section 7.6) of the costs, charges and expenses reasonably and properly incurred by such Debtholder in connection therewith;
- 9.9.1.7 appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the Extraordinary Resolution) to exercise, and to direct the Trustee to exercise, on behalf of the holders of such Debt Securities, such of the powers of the Debtholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the Extraordinary Resolution appointing the committee, and to remove any committee so appointed. The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee and the Trustee. Such committee will consist of such number of persons prescribed in the Extraordinary Resolution appointing it and the members need not be themselves holders of such Debt

Securities. 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 procedures generally. Such regulations may provide that the committee may act at a meeting at which a person is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all holders of such Debt Securities. Neither the committee nor any member of it nor the Trustee will be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

- 9.9.1.8 assent to any judgment, compromise or arrangement by the Company with any creditor or creditors or any class or classes of creditors or with the holders of any securities of the Company provided that no assent will be necessary in respect of a judgment for less than \$5,000,000;
 - 9.9.1.9 provided the holders of every other series of Debt Securities passes an Extraordinary Resolution to that effect, remove the Trustee from office and appoint a new Trustee; and
 - 9.9.1.10 amend, alter or repeal any Extraordinary Resolution previously passed or approved by the Debtholders of such series or by any committee appointed pursuant to clause 9.9.1.7.
- 9.9.2 Notwithstanding Subsection 9.9.1, a resolution passed by the favourable votes of holders of not less than 75% of the outstanding principal amount of Debt Securities of any series represented at a meeting of holders of Debt Securities of such series will be required:
- 9.9.2.1 to approve a change to Subsection 9.9.2 or amend, alter or repeal any resolution amend, alter or repeal any resolution previously passed or approved by the Debtholders in accordance with this Subsection 9.9.2;
 - 9.9.2.2 to approve a reduction in the principal amount of, Premium (if any) or interest on, such Debt Securities; or
 - 9.9.2.3 to approve a change to the place of payment of principal or interest on, such Debt Securities.

9.10 Signed Instruments

Any action which may be taken and any power which may be exercised by the holders of a series of Debt Securities at a meeting held as provided in this Article provided may also be taken and exercised by the holders of not less than 50% of the aggregate principal amount of the outstanding Debt Securities in such series by a signed instrument, except for matters required to be approved by Extraordinary Resolution in which case such matter may be approved by an instrument signed by 66-2/3% or, where 75% is required pursuant to Subsection 9.9.2, 75%, of the aggregate principal amount of outstanding Debt Securities of such series, 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 9.10 will be given by the Trustee to the Debtholders affected thereby within 30 days of the date on which such resolution or Extraordinary Resolution was passed.

9.11 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article 9 at a meeting of Debtholders will be binding upon all Debtholders to which such resolution relates, whether present at or absent from such meeting, and every instrument signed by Debtholders in accordance with Section 9.10 will be binding upon all the Debtholders to which such instrument relates, whether signatories thereto or not, and each and every Debtholder will be bound to give effect to every such resolution, Extraordinary Resolution and instrument. Notwithstanding anything in this Indenture (but subject to the provisions of any indenture, deed or instrument supplemental or ancillary hereto), any covenant or other provision in this Indenture or in any Supplemental Indenture which is expressed to be or is determined by the Trustee (relying on the advice of counsel) to be effective only with respect to Debt Securities of a particular series, may be modified by the required resolution or consent of the holders of the Debt Securities of such series in the same manner as if the Debt Securities of such series were the only Debt Securities outstanding under this Indenture.

9.12 Powers Cumulative

Any one or more powers and/or any combination of powers in this Indenture stated to be exercisable by Debtholders by Extraordinary Resolution or otherwise may be exercised from time to time and the exercise of any one or more of such powers or any combination of powers from time to time will not be deemed to exhaust the right of the holders of that series of Debt Securities to exercise the same or any other such power or powers or combination of powers thereafter from time to time. No powers exercisable by Extraordinary Resolution, including, for greater certainty, any powers exercisable pursuant to Subsection 9.9.2, will derogate in any way from the rights of the Company or pursuant to this Indenture.

9.13 Minutes

Minutes of all resolutions and proceedings at every meeting of holders of a series of Debt Securities will be made and duly entered in books to be provided for that purpose by the Trustee at the expense of the Company, and any such minutes, 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 holders of that series of Debt Securities, will 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 have been made, will be deemed to have been duly held and convened, and all resolutions passed or proceedings had thereat, to have been duly passed and had.

9.14 Company and Trustee May Be Represented

The Company and the Trustee, by their directors, officers and employees, as applicable, and the legal advisers of the Company and the Trustee may attend any meeting of Debtholders, but will have no vote as such.

9.15 Evidence of Rights of Debtholders

- 9.15.1 Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debtholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Debtholders in person or by attorney duly appointed in writing. 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.
- 9.15.2 Notwithstanding Subsection 9.15.1, the Trustee may in its discretion require further proof in cases where it considers further proof necessary or desirable or may accept such other proof as it considers proper.

9.16 Regulations

- 9.16.1 The Trustee or the Company, with the approval of the Trustee, may from time to time make reasonable regulations (and reasonable variations thereof) as it thinks fit providing for, without limitation:
- 9.16.1.1 voting by proxy by holders of Registered Debt Securities and the form of the instrument appointing a proxy (which will be in writing) and the manner in which the same may be executed and for the production of the authority of any Person signing on behalf of the giver of such proxy;
 - 9.16.1.2 the deposit of instruments appointing proxies at such place or places and in such custody as the Trustee, the Company or the Debtholders convening a particular 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 will be deposited;
 - 9.16.1.3 the deposit of instruments appointing proxies at some approved place or places other than the place at which a particular meeting is to be held and enabling particulars of instruments appointing proxies to be mailed, cabled, telegraphed, telecopied or sent by telex before the meeting to the Company 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; and

9.16.1.4 the issue of the voting certificates to holders of Unregistered Debt Securities:

- (i) by any bank, trust company, or other depository approved by the Trustee certifying that specified Unregistered Debt Securities have been deposited with it by a named holder and will remain on deposit until after the meeting and any adjournment thereof; and
- (ii) by any bank, trust company, governmental departments or agency approved by the Trustee certifying that it is the holder of specified Unregistered Debt Securities and will continue to hold the same until after the meeting and any adjournment thereof;

which voting certificates will entitle the holders named in them to be present and vote at any such meeting and at any adjournment thereof or to appoint a proxy or proxies to represent them and vote for them at any such meeting and at any adjournment thereof, in the same manner and with the same effect as though the holders so named in such voting certificates were the actual holders of the Debt Securities in bearer form specified therein.

9.16.2 Any regulations made in accordance with Subsection 9.16.1 will be binding and effective and the votes given in accordance therewith will be valid and counted. Except as such regulations may provide, the only Persons who will be recognized at any meeting of the holders of Debt Securities entitled to vote or be present at the meeting in respect thereof, will be Persons who produce Unregistered Debt Securities at the meeting and the holders of Registered Debt Securities of the series in respect of which the meeting was called and persons whom such Debtholders have duly appointed as their proxies.

9.17 Participation in Meeting by Electronic Means

Any holder of Debt Securities entitled to attend a meeting thereof may participate in the meeting by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Trustee makes available such a communication facility. A Person participating in a meeting by such means is deemed for the purposes of this Indenture to be present at the meeting. If the Company or the Trustee calls a meeting pursuant to this Indenture, the Trustee or the Company, as applicable, may determine that the meeting shall be held entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

**ARTICLE 10
SUCCESSORS TO THE COMPANY**

10.1 Restrictions on Amalgamation, Merger and Sale of Certain Assets

The Company may not consolidate with, amalgamate or merge with or into or sell, assign, transfer or lease all or substantially all of its properties and assets unless:

- 10.1.1 the entity (the “**Successor**”) formed by such consolidation or amalgamation or into which the Company is merged or the entity which acquires by operation of law or by conveyance or by transfer the assets of the Company substantially as an entirety is a corporation or unincorporated organization organized or existing under the laws of Canada or any province or territory thereof and (except where such assumption is deemed to have occurred solely by the operation of law) the Successor assumes under a Supplemental Indenture with the Trustee in form satisfactory to counsel to the Trustee, all obligations of the Company under the Indenture, any Supplemental Indenture and the Debt Securities, and such transaction to the satisfaction of the Trustee and in the opinion of counsel will be upon such terms to preserve and not to impair any of the rights and powers of the Trustee and of the Debtholders under this Indenture;
- 10.1.2 immediately before and immediately after giving effect to such transaction, no Event of Default has occurred and is continuing;
- 10.1.3 where any Supplemental Indenture includes a covenant restricting the amount of Indebtedness the Company may incur, immediately after giving effect to such transaction, the Successor could incur at least \$1.00 of Indebtedness under such Supplemental Indenture; and
- 10.1.4 the Company has delivered to the Trustee a Certificate and an opinion of counsel each stating that such consolidation, amalgamation, merger, sale, lease or transfer and such supplemental indenture comply with this Article and that all conditions precedent contained in this Indenture relating to such transaction have been complied with.

10.2 Vesting of Powers in Successor

Whenever the conditions of Section 10.1 have been duly observed and performed, the Trustee will execute and deliver a supplemental indenture as provided for in Article 14 and then:

- 10.2.1 the Successor will possess and from time to time may exercise each and every right and power of the Company under this Indenture in the name of the Company 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 Company may be done and performed with like force and effect by the like directors or officers of such Successor; and
- 10.2.2 the Company will be released and discharged from liability under this Indenture 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 11 THE TRUSTEE

11.1 Duties of Trustee

- 11.1.1 In the exercise of the rights and duties prescribed or conferred by the terms of this Indenture, the Trustee will act honestly and in good faith exercise that degree of care, diligence and skill that a reasonably prudent institutional Trustee would exercise in comparable circumstances. Subject to the foregoing, the Trustee will be liable for its own wilful misconduct and 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. The Trustee will read, and act and rely upon (as required by this Indenture) and shall be protected in acting and relying on all of the Written Orders, Written Directions, Certificates, opinions and other documents delivered to it under or pursuant to this Indenture.
- 11.1.2 Subject only to Subsection 11.1.1, the obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing any rights of the Trustee or Debtholders under this Indenture will be conditional upon such Debtholders furnishing, when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and an 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. None of the provisions in this Indenture will 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.
- 11.1.3 The Trustee, commencing or at any time during the continuance of any such act, action or proceeding, may require the Debtholders at whose instance it is acting to deposit with it Debt Securities held by them, for which Debt Securities the Trustee will issue receipts.
- 11.1.4 Every provision of this Indenture that by its terms relieves the Trustee of liability or entitles it to rely upon any evidence submitted to it is subject to the provisions of applicable legislation, this Section 11.1 and Section 11.3.

11.2 No Conflict of Interest

The Trustee represents to the Company that at the date of the execution and delivery of this Indenture there exists no material conflict of interest between the role of the Trustee as a fiduciary under this Indenture and the Trustee's role in any other capacity. If at any time a material conflict of interest exists in the Trustee's role as a fiduciary under this Indenture that is not eliminated within ninety (90) days after the Trustee becomes aware that such a material conflict of interest exists, the Trustee will resign from the trusts under this Indenture by giving notice in writing of the nature of the conflict to the Company at least twenty-one (21) days prior

to such resignation and will thereupon be discharged from all further duties and liabilities hereunder. If, notwithstanding the foregoing provisions of this Section, the Trustee has a material conflict of interest, the validity and enforceability of this Indenture, any Supplemental Indenture and any Debt Securities issued under any Supplemental Indenture will not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Trustee contravenes the foregoing provisions of this Section, any interested party may apply to the Court in Vancouver, British Columbia for an order that the Trustee be replaced as Trustee under this Indenture.

11.3 Reliance upon Evidence of Compliance

11.3.1 In the exercise of its rights, duties and obligations, the Trustee may, if it is acting in good faith, rely as to the truth of the statements and the accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports, Certificates or other evidence furnished pursuant to any covenant, condition or other requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties under this Indenture where such statutory declarations, opinions, reports or Certificates comply with the requirements of this Indenture and the Trustee examines such evidence and determines that such evidence indicates compliance with the applicable requirements of this Indenture. If there is a conflict between the provisions of this Indenture and the provisions of any law applicable to this Indenture or the Trustee, the provisions of such law will prevail.

11.3.2 In addition to the reports, Certificates, opinions, statutory declarations and other evidence required by this Indenture, the Company will furnish to the Trustee such additional evidence of compliance with any provisions of this Indenture in such form as the Trustee may reasonably require by written notice to the Company.

11.4 Employing Agents

The Trustee may employ or retain such counsel, auditors, accountants, appraisers or other experts or advisers, whose qualifications give authority to any opinion or report made by them, as it may reasonably require for the purpose of determining and discharging its duties under this Indenture. The remuneration, costs and expenses of any such counsel, auditor, accountant, appraiser or other expert or advisor will be paid by the Company. The Trustee may act and rely and shall be protected in acting and relying in good faith on the opinion or advice of or information obtained from any counsel, auditor, accountant, appraiser, or other expert or advisor, whether retained or employed by the Company or by the Trustee, in relation to any matter arising in the administration of the trusts hereof.

11.5 Trustee May Deal in Debt Securities

Subject to Sections 11.2 and 11.3, the Trustee may buy, sell, lend upon and deal in the Debt Securities or other securities of the Company, and generally contract and enter into financial transactions with the Company or otherwise, without being liable to account for any profits made thereby.

11.6 Trustee Not required to Give Security

The Trustee will not be required to give any bond or security for the execution of the trusts or otherwise in respect of this Indenture.

11.7 Action by Trustee to Protect Interests

The Trustee will have power to institute and maintain such actions and proceedings as it may consider necessary or expedient to preserve, protect or enforce its interests and the interests of the Debtholders.

11.8 Protection of Trustee

By way of supplement to the provisions of any law for the time being relating to Board, it is expressly declared and agreed as follows:

- 11.8.1 the Company hereby indemnifies and saves harmless the Trustee and its directors, officers, employees and agents from and against all claims, demands, losses, actions, causes of action, costs, charges, expenses, damages and liabilities whatsoever brought against the Trustee which it may suffer or incur as a result of or arising in connection with the performance of its duties and obligations under this Indenture, including any and all legal fees and disbursements of whatever kind or nature except only in the event of the negligent action or failure to act or the wilful misconduct or bad faith of the Trustee. This indemnity will survive the removal or resignation of the Trustee under this Indenture and the termination of the Indenture;
- 11.8.2 the Trustee will not be liable for or by reason of any statements of fact in this Indenture or in the Debt Securities (except the representation contained in Sections 11.2 and 11.11 and in the certificate of the Trustee on the Debt Securities) or required to verify the same, but all such statements are and will be deemed to be made by the Company;
- 11.8.3 the Trustee will not be bound to give notice to any Person of the execution of this Indenture;
- 11.8.4 the Trustee will not incur any liability or responsibility whatever or in any way be responsible for the consequence of any breach on the part of the Company of any of the covenants contained in this Indenture or of any acts of the agents or employees of the Company;
- 11.8.5 neither the Trustee nor any Affiliates of the Trustee will be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Company; and
- 11.8.6 nothing in this Indenture will impose on the Trustee any obligation to see to, or to require evidence of the registration or filing (or renewal thereof) of this Indenture or any instrument ancillary or supplemental to this Indenture.

11.9 Investment of Funds

Upon receipt of a written direction from the Company, the Trustee shall invest the funds in its name in accordance with such direction only in Authorized Investments. Any direction from the Company to the Trustee shall be in writing and shall be provided to the Trustee no later than 9:00 am, on the day on which the investment is to be made. Any such direction received by the Trustee after 9:00 a.m. or received on a non-Business Day, shall be deemed to have been given prior to 9:00 am. the next Business Day. For the purpose of this Section, "Business Day" shall not include any day on which banks are not open for business in Vancouver, British Columbia. For the purpose hereof, "Authorized Investments" means short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada or a Province or a Canadian chartered bank (which may include an Affiliate or related party of the Trustee) provided that such obligation is rated at least R1 (middle) by DBRS Inc. or an equivalent rating service.

In the event that the Trustee does not receive a direction or only a partial direction, the Trustee may hold cash balances constituting part or all of the fund and may, but need not, invest same in its deposit department or the deposit department clone of its Affiliates; but the Trustee and its Affiliates shall not be liable to account for any profit to any parties to this Agreement or to any other person or entity other than at a rate, if any, established from time to time by the Trustee or one of its Affiliates.

The Trustee shall not be held liable for any losses incurred in the investment of any funds in Authorized Investments.

11.10 Resignation or Removal of Trustee

- 11.10.1 The Trustee may resign from as trustee under this Indenture and thereupon be discharged from all further duties and liabilities under this Indenture by giving to the Company at least sixty (60) days' written notice or such shorter notice as the Company may consider sufficient.
- 11.10.2 If the Trustee resigns or is removed or dissolves, becomes bankrupt, goes into liquidation or otherwise becomes incapable of acting under this Indenture, the Company will forthwith appoint a new trustee unless a new trustee has already been appointed by the Debtholders; failing such appointment by the Company, the retiring Trustee at the Company's expense may apply to a Judge of the Supreme Court of British Columbia, on such notice as such Judge may direct, for the appointment of a new trustee. Any new trustee so appointed by the Company or by the Court will be subject to removal by all Debtholders by Extraordinary Resolution. Any new trustee appointed under any provision of this Section 11.10 will be a corporation authorized to carry on the business of a trust company in each province and territory of Canada. On any new appointment, the new trustee will be vested with the same powers, rights, duties and responsibilities as if it had been originally named in this Indenture as trustee. The expense of any, act, document or other instrument or thing required or permitted under this Section 11.10 will be satisfied by the Company.

- 11.10.3 Forthwith upon appointment, any new or successor trustee will become vested with all the estates, properties, rights, powers and trusts of its predecessors in the trusts under this Indenture, with like effect as if originally named as trustee in this Indenture. Nevertheless, upon the written request of the successor trustee or of the Company and upon payment of all outstanding fees and expenses properly payable to the Trustee under this Indenture, the Trustee ceasing to act will execute and deliver an instrument assigning and transferring to such successor trustee its rights and obligations under this indenture, and will duly assign, transfer and deliver all property and money held by such Trustee to the successor trustee so appointed in its place. If any deed, conveyance or instrument in writing from the Company is 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 will on the request of the new or successor trustee, be made, executed, acknowledged and delivered by the Company, as the case may be.
- 11.10.4 Any company into which the Trustee may be merged or with which it may be consolidated or amalgamated or any company resulting from any merger, consolidation or amalgamation to which the Trustee will be a party will be a successor Trustee under this Indenture without the execution of any instrument or any further act; provided that such successor Trustee will be a corporation qualified to carry on the business of a trust company in each province and territory of Canada and will not have a material conflict of interest in its role as a fiduciary under this Indenture.

11.11 Authority to Carry on Business

The Trustee represents to the Company 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 British Columbia and Alberta. If, notwithstanding the provisions of this section, the Trustee ceases to be so authorized to carry on business, the validity and enforceability of this Indenture and the Debt Securities issued under this Indenture or any Supplemental Indenture will not be affected in any manner whatsoever by reason only of such event but, within ninety (90) days after ceasing to be authorized to carry on the business of a trust company in British Columbia and Alberta, the Trustee either will become so authorized or resign in the manner and with the effect specified in Section 11.10.

11.12 General Provisions as to Certificates

- 11.12.1 Each Certificate of the Company, opinion of counsel or Written Order made to the Trustee or any Debtholder pursuant to any provision of this Indenture will specify the section of this Indenture under which such Certificate, opinion or Written Order is being made and will include, in the case of an opinion or Certificate:
- 11.12.1.1 a statement that the Person signing such Certificate or opinion has read and is familiar with those provisions of this Indenture relating to the conditions precedent with respect to compliance with which such evidence is being given; and

11.12.1.2 a statement that, in the belief of the Person giving the evidence, that Person 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.

11.12.2 Whenever the delivery of a Certificate or opinion is a condition precedent to the taking of any action by the Trustee under this Indenture, the truth and accuracy of the facts and opinions stated in such Certificate or opinion will in each case be conditions precedent to the right of the Company to have such action taken.

11.12.3 Any certificate of any expert, insofar as it relates to matters outside of such expert's competence or responsibility, may be based upon a certificate or opinion of or upon representations by counsel or some other qualified expert, unless the first expert knows that the certificate or opinion or representations with respect to the matters upon which the certificate may be based as aforesaid are erroneous or, in the exercise or reasonable care, should have known that the same were erroneous.

11.12.4 The Trustee shall, if acting in good faith, be entitled to rely, and act upon, on any Certificate, opinion, direction, order, instruction, notice or other communication provided to it hereunder which is sent to it by facsimile transmission.

11.13 Conditions Precedent to Trustee's Obligation to Act

11.13.1 The Trustee will not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it by this Indenture until it has been required so to do under the terms of this Indenture. The Trustee will not be required to take notice of any Event of Default under this Indenture, other than in payment of any money required by any provision of this Indenture to be paid to it, unless and until notified in writing of such Event of Default which notice will specify the Event of Default desired to be brought to the attention of the Trustee. In the absence of such notice, the Trustee may for all purposes of this Indenture assume that no default has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained in this Indenture. Any such notice will in no way limit any discretion given to the Trustee in this Indenture to determine whether or not to take action with respect to any Event of Default.

11.13.2 The obligation of the Trustee to commence or continue any act, action or proceeding, will be conditional upon receipt of an Extraordinary Resolution specifying the act, action or proceeding which the Trustee is requested to take, sufficient funds to commence or continue such act, action or proceeding and an 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.

**ARTICLE 12
ACCEPTANCE OF TRUSTS BY TRUSTEE**

12.1 Acceptance of Trusts

The Trustee accepts the trusts declared in this Indenture and agrees to perform the same upon the terms and conditions set forth in this Indenture and to hold all rights, privileges and benefits conferred hereby in trust for the Debtholders from time to time, subject to the terms and conditions of this Indenture.

**ARTICLE 13
CHANGE OF CONTROL**

13.1 Change of Control

In the event of a Change of Control, each of the Debtholders may require the Company to repurchase its Debt Securities, in whole or in part, at a price (the "Purchase Price") of (i) 101% of the principal amount of such Debt Securities plus (ii) all accrued interest to the date of repurchase.

The Company shall, upon determining that a Change of Control has occurred, provide the Trustee with written notice thereof and shall further provide to the Trustee forms of written notice to be provided to the Debtholders setting out, inter alia, their rights under this Article 13 as a result of such Change of Control.

13.2 Notice

Debtholders who desire to have their Debt Securities repurchased must provide the Company and the Trustee with a written notice, in the manner provided in Article 15, not more than 30 days following their deemed receipt of the notice given to the Debtholders pursuant to Section 13.1 (the "Notice Period"). Unless all Debt Securities are to be repurchased, every such notice must specify that part of the principal amount of such Debt Securities to be repurchased.

13.3 Payment

The Company will deposit, in an account established for such purpose and maintained by and subject to the control of the Trustee and for the benefit of the Debtholders who desire to have their Debt Securities repurchased, on or before the 30th day following the end of the Notice Period, such sums as may be sufficient to pay the aggregate Purchase Price for such Debt Securities which are to be repurchased pursuant to this Article, and will pay to the order of the Trustee the estimated charges and expenses to be incurred in connection with such repurchase. From the sums so deposited and upon surrender of such Debt Securities to the Trustee, the Trustee will pay or cause to be paid to the applicable holders of the Debt Securities the amounts that are owed to such holders pursuant to this Article 13.

13.4 Cancellation of Debt Securities

All Debt Securities repurchased under this Article 13 and delivered to the Trustee will be cancelled by the Trustee and no Debt Securities will be issued in substitution therefor.

ARTICLE 14 SUPPLEMENTAL INDENTURES

14.1 Supplemental Indentures

- 14.1.1 Subject to the provisions of this Indenture, from time to time the Trustee and the Company may, and, when required by this Indenture, will, execute, acknowledge and deliver by their proper officers, Supplemental Indentures which will then form part of this Indenture for any one or more of the following purposes:
- 14.1.1.1 establishing the terms of any series of Debt Securities and the forms and denominations in which they may be issued as provided in Article 2;
 - 14.1.1.2 adding to the provisions of this Indenture such additional covenants of the Company, enforcement provisions and other provisions for the protection of the holders of any series of Debt Securities;
 - 14.1.1.3 providing for events of default in addition to those specified in this Indenture;
 - 14.1.1.4 making such amendments not substantially inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising under this Indenture, which, in the opinion of the Trustee, it may be expedient to make, provided that the Trustee, relying on an opinion of counsel, will be of the opinion that such provisions and modifications are not materially prejudicial to the interests of the holders of any series of Debt Securities;
 - 14.1.1.5 rectifying typographical, clerical or other manifest errors contained in this Indenture provided that the Trustee will be of the opinion that such rectification is acceptable;
 - 14.1.1.6 evidencing the succession, or successive successions, of any other Person to the Company and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
 - 14.1.1.7 giving effect to any Extraordinary Resolution passed as provided in Article 9;
 - 14.1.1.8 modifying, amending or eliminating any of the terms of the Indenture, provided that no such modification, amendment or elimination will be effective with respect to any Debt Securities which are outstanding at the time of such modification, amendment or elimination unless such modification, amendment or elimination has been approved by the holders of such Debt Securities in the manner provided for in Article 9 ; and

- 14.1.1.9 any other purpose not inconsistent with the terms of this Indenture which are not materially prejudicial to the interests of holders of any series of Debt Securities.
- 14.1.2 The Trustee may also, by supplemental deed or otherwise, concur with the Company in making any changes or corrections in this Indenture which counsel to the Company has advised it are not substantive corrections or changes or are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistake or error in this Indenture or in any deed or indenture supplemental or ancillary to this Indenture.
- 14.1.3 For greater certainty, any amendment to this Indenture or the terms of any Debt Securities will require a written agreement, whether in the form of a Supplemental Indenture or otherwise, executed by the Company.

ARTICLE 15 NOTICES

15.1 Notice to the Company

Any notice to the Company under the provisions of this Indenture will be valid and effective if delivered personally to, or sent by facsimile transmission (with receipt confirmed), original to follow by mail, to:

RE Royalties Ltd.
15th Floor, 1040 West Georgia Street
Vancouver, British Columbia
V6E 4H1

Attention: Chief Executive Officer
Email: bernardtan@reroyalties.com

and will be deemed to have been received at the time of delivery or transmission. The Company may from time to time notify the Trustee of a change in address by giving notice as provided in Section 15.3.

15.2 Notice to Debtholders

Unless expressly provided to the contrary in this Indenture, any notice to holders of a series of Debt Securities in bearer form under the provisions of this Indenture will be given by means of publication in one English language daily newspaper of general circulation published in each of the cities of Montreal, Toronto, Calgary and Vancouver, and any notice so published will be deemed to have been given on the date when the publication has appeared in each such newspaper. Any notice to holders of a series of Debt Securities in registered form will be given if sent to a destination within Canada by first class mail and if sent to a destination outside Canada by airmail, postage prepaid in each case, addressed to the Debtholder at its post office

address appearing in the Register and will be deemed to have been given on the date of mailing. Any accidental error, omission or failure in giving or in delivering or mailing any such notice or the non-receipt of any such notice by any Debtholder will not invalidate or otherwise prejudicially effect any action or proceeding founded thereon.

15.3 Notice to the Trustee

Any notice to the Trustee under the provisions of this Indenture will be valid and effective if delivered or sent by facsimile transmission (with receipt confirmed), original to follow by mail to the Trustee at:

Western Pacific Trust Company
920 -789 West Pender Street
Vancouver, British Columbia
V6C 1H2

Attention: Alison Alfer, President and CEO
Email: aalfer@westernpacifictrust.com

and will be deemed to have been received at the time of delivery or transmission. The Trustee may from time to time notify the Company of a change of address by giving notice as provided in Section 15.1.

ARTICLE 16 GENERAL

16.1 Counterparts

This Indenture may be executed in several counterparts, each of which when so executed will be deemed to be an original, and such counterparts together will constitute one and the same instrument.

16.2 Language of Indenture

The parties have requested that this document be drafted in the English language. Les parties ont demandé que le présent document soit rédigé en langue anglaise.

Remainder of page intentionally left blank.

DATED this 10 day of August, 2020.

RE ROYALTIES LTD.

By: _____
Bernard Tan
Chief Executive Officer

WESTERN PACIFIC TRUST COMPANY

By:

By:

The Debt to Equity Ratio of the Consolidated Group in respect of the Fiscal Period, as computed in Appendix I attached hereto, was:

Minimum Permitted Debt to Equity Ratio	Actual Debt to Equity Ratio
●	●

B. DEBT COVERAGE RATIO

The Debt Coverage Ratio of the Consolidated Group in respect of the Fiscal Period, as computed in Appendix II attached hereto, was:

Minimum Permitted Debt Coverage Ratio	Actual Debt Coverage Ratio
●	●

IN WITNESS WHEREOF we have signed this Compliance Certificate as of the date first set out above.

RE ROYALTIES LTD.

Per: _____
Name: Bernard Tan
Title: CEO

Per: _____
Name: Trevor Thomas
Title: Corporate Secretary

SCHEDULE A
COMPLIANCE CERTIFICATE

TO: WESTERN PACIFIC TRUST COMPANY (the "Trustee")
FROM: RE ROYALTIES LTD. (the "Company")
DATE: ●

Each of the undersigned, the [insert titles] of the Company hereby certifies for and on behalf of the Company, in that capacity and not personally, that:

1. Purpose

This Compliance Certificate is delivered to you pursuant to Section [5.4.5.1 or 5.4.5.2] of the Trust Indenture made as of August 10, 2020 (as the same may be modified, amended, supplemented, restated and replaced from time to time, the "Indenture") between the Company and the Trustee, in respect of the [Fiscal Year / Fiscal Quarter] ended _____ (the "Fiscal Period"). All capitalized terms set forth in this Compliance Certificate and not otherwise defined herein shall have the respective meanings ascribed thereto in the Indenture.

We have read and are familiar with the provisions of the Indenture and we have made or caused to be made such examinations or investigations, including a review of the applicable books and records of the Company, as are, in our opinion, necessary to furnish this Compliance Certificate, and we have furnished this Compliance Certificate with the intent that it may be relied upon by the Trustee as a basis for determining compliance by the Company with its covenants and obligations under the Indenture as of the date of this Compliance Certificate.

1. Representations and Warranties

All of the representations and warranties of the Company contained in the Indenture are true and correct as of the date hereof (except any representations which are stated to be as of a specific date which were true and correct as of such date) with the same force and effect as if made at and as of the date hereof.

2. Terms, Covenants and Conditions

All of the terms, covenants and conditions of the Company, its Subsidiaries and Affiliates contained in the Indenture to be performed or complied with by the Company, its Subsidiaries and Affiliates, at or prior to the date hereof have been performed or complied with.

3. Events of Default and Pending Events of Default

No Event of Default or Pending Event of Default has occurred and is continuing on the date hereof.

A. DEBT TO EQUITY RATIO