THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO WILDBRAIN HOLDINGS LLC (THE “COMPANY”), (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS UNDER REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT MUST BE FIRST PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA

DEKEL PARTNERS, L.P.

as Holder

- and -

WILDBRAIN HOLDINGS LLC

as Company

SECURED EXCHANGEABLE DEBENTURE

June 24, 2020

Principal Amount: $5,739,145

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SECURED EXCHANGEABLE DEBENTURE
(the **"Debenture"**)

THIS DEBENTURE dated as of June 24, 2020 between WildBrain Holdings LLC (the "**Company**") and Dekel Partners, L.P. (the "**Holder**" and, together with the Company, the "**parties**").

WHEREAS the Holder has advanced $5,739,145 to the Company, and the Company has agreed to issue the Debenture to the Holder in a principal amount equal to $5,739,145 (the "**principal amount**") on the terms and conditions set out in the securities purchase agreement dated as of June 24, 2020 among the Company, the Holder and WildBrain Ltd. (the "**Purchase Agreement**"). This Debenture is one of the Initial Debentures referred to in the Purchase Agreement.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

As used herein the following expressions will have the following meanings and grammatical variations thereof shall have corresponding meanings:

"**Account Control Agreement**" has the meaning given to it in the Purchase Agreement.

"**Affiliate**" has the meaning given to it in the Securities Act.

"**arm's length**" has the meaning given to it in the *Income Tax Act* (Canada);

"**Associate**" has the meaning give to it in the Discretionary Service Regulations.

"**Board**" means the board of directors of WildBrain.

"**Business Day**" means any day, other than a Saturday or a Sunday, upon which banks are open for business in the cities of: Toronto, Ontario; Halifax, Nova Scotia; and New York, New York.

"**Capital Reorganization**" has the meaning assigned to such term in Section 3.4(d).

"Capital Stock" means Equity Securities or other equity interests in any Person or any warrants, options or other rights to acquire any such interests.

"**Change of Control**" means (a) any transaction (whether by purchase, merger or otherwise) whereby a Person or Persons acting jointly or in concert (other than the Holder or any other funds managed by Fine Capital Partners, L.P.) directly or indirectly acquires the right to cast, at a general meeting of the shareholders of WildBrain, more than 66-2/3% of the votes that may be ordinarily cast at a general meeting or (b) any transaction involving or that would result in the conveyance, transfer, sale lease or other disposition of all or substantially all of WildBrain's and its Subsidiaries' assets and properties, taken as a whole, to an arm's length Person.

"**Change of Control Effective Date**" means, in respect of a Change of Control, the date upon which such Change of Control is completed or becomes effective.

"**Change of Control Payment Date**" has the meaning assigned to such term in Section 2.6.

"**Change of Control Redemption Price**" has the meaning assigned to such term in Section 2.6(a).

"**Change of Control Redemption Right**" has the meaning assigned to such term in Section 2.6(a).

"**Closing Date**" means the date of issue of this Debenture, which for clarity is June 24, 2020.

"**Code**" has the meaning given to it in the Purchase Agreement.

"**Common Voting Shares**" means the common voting shares in the capital of WildBrain or any other shares in the share capital of WildBrain into which such class of shares is reclassified or reconstituted.

"**Company**" means WildBrain Holdings LLC, a Delaware limited liability company, and its legal successors and permitted assigns.

"**Convertible Securities**" means any agreement, option, warrant, note, instrument, right, unit or other security or conversion privilege issued or granted by WildBrain or any of its Subsidiaries that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges.

"**Credit Obligations**" means all present and future indebtedness, liabilities and obligations of the Company or any of its Affiliates to the Holder or any other investment fund managed by Fine Capital Partners, L.P. or any other Affiliate of Fine Capital Partners, L.P. under this Debenture and any Related Debentures including the principal amount outstanding, all debts, claims and indebtedness (whether incurred before or after the Maturity Date), accrued and unpaid interest and all fees, costs and expenses, whether primary, secondary, direct, contingent, fixed or otherwise, heretofore, now and/or from time to time hereafter owing, due or payable including, without limitation, all interest, fees, costs and expenses accrued or incurred after the filing of any petition under any bankruptcy or insolvency law.

"**Current Market Price**" at any date means the Weighted Average Trading Price of the Shares on the Principal Stock Exchange during the twenty consecutive Trading Days ending on, and including, the fifth Trading Day immediately preceding such date, converted to United States

Dollars using the Bank of Canada exchange rate on the fifth Trading Day immediately preceding such date.

"**Default**" means any event which, with the passage of time, the giving of notice or both, would constitute an Event of Default.

"**Discretionary Service Regulations**" means the Discretionary Services Regulations issued under the *Broadcasting Act* (Canada).

"**Distributed Property**" has the meaning given in Section 3.4(c).

"**EBITDA**" means the earnings before interest, taxes, depreciation and amortization of the Company and its Subsidiaries determined in accordance with the International Financial Reporting Standards, interpretations and the framework adopted by the International Accounting Standards Board, in effect from time to time, or other applicable accounting standards of the Company and its Subsidiaries from time to time.

"**Equity Securities**" means any securities (i) having voting rights in the election of the board of directors of a Person not contingent upon default, (ii) evidencing an ownership interest in a Person, or (iii) convertible into or exercisable or exchangeable for any of the foregoing (other than unexercised options issued to an employee, consultant, officer or director of a Person pursuant to an incentive option plan or otherwise), or any agreement or commitment to issue any of the foregoing.

"**Event of Default**" means any of the events described in Section 6.1.

"**Exchange Agreement**" has the meaning given to it in the Purchase Agreement.

"**Exchange Cap**" means 17 million Variable Voting Shares, adjusted as necessary to give effect to any share splits, share consolidations or other Capital Reorganizations affecting the Shares after the date hereof.

"**Exchange Date**" has the meaning assigned in Section 3.3(b).

"**Exchange Period**" has the meaning assigned in Section 3.1.

"**Exchange Price**" means the Initial Exchange Price, subject to adjustment in accordance with the terms of this Debenture.

"**Expiration Date**" has the meaning assigned in Section 3.4(e).

"**Expiration Time**" has the meaning assigned in Section 3.4(e).

"**Fair Market Value**" means, as at any date:

(a) with respect to a security listed and posted for trading on a stock exchange, the Weighted Average Trading Price of such security for the 20 consecutive Trading Days immediately preceding such date on the stock exchange on which the greatest volume of trading in the security occurred during such 20 Trading Day period, converted to United States Dollars using the Bank of Canada exchange rate on the fifth Trading Day immediately preceding such date;

(b) with respect to a security not listed and posted for trading on a stock exchange but traded on an over-the-counter market, the Weighted Average Trading Price of such security on such over-the-counter market for the 20 consecutive Trading Days immediately preceding such date, converted to United States Dollars using the Bank of Canada exchange rate on the fifth Trading Day immediately preceding such date; or

(c) for any other security or property, the fair market value thereof at such date as determined by an Independent Member of the Investment Industry Regulatory Organization of Canada selected from time to time by the Board for such purpose, in either case, acting reasonably.

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Debenture (or any amended or successor version that is substantively comparable thereto), any current or future regulations or official interpretations thereof and any agreements entered into pursuant to Section 1471(b)(1) of the Code and any intergovernmental agreements with respect thereto and local implementing laws, regulations and official guidance with respect to the foregoing.

"**Governmental Entity**" means any:

(a) multinational, federal, provincial, territorial, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign;

(b) any subdivision or authority of any of the foregoing; or

(c) any quasi-governmental or private body exercising a regulatory, expropriation or taxing authority under or for the account of any of the above.

"**Gross-Up Payment**" has the meaning assigned to such term in Section 5.1(a)(i).

"**Holder**" means Dekel Partners, L.P., a Delaware limited partnership, and its legal successors and permitted assigns.

"**Holder Payment Default**" means any failure by an Investor (as defined in the Purchase Agreement) to purchase a Subsequent Debenture (as defined in the Purchase Agreement) on a Subsequent Closing Date (as defined in the Purchase Agreement) in accordance with the terms of the Purchase Agreement which has not been remedied within two Business Days of such Subsequent Closing Date.

"**IFRS**" means International Financial Reporting Standards, as established by the International Accounting Standards Board, as adopted by the Chartered Professional Accountants of Canada.

“**Indebtedness**” means, with respect to any Person: (a) the amount of any indebtedness of such Person, whether or not contingent: (i) in respect of borrowed money, (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit, letters of guarantee or bankers’ acceptances (or, without duplication, reimbursement obligations or indemnification obligations in respect thereof) and (iii) all renewals, extensions and refinancing of the foregoing; (b) to the extent not otherwise included in clause (a) of this definition, any obligation of such Person to be liable for, to purchase, to assume, or to pay, as obligor, guarantor or otherwise, on the Indebtedness of another Person (other than by endorsement of negotiable instruments for collection in the ordinary course of business); and (c) to the extent not otherwise included, in clause (a) or (b) of this definition, Indebtedness specified in clause (a) or (b) of this definition of another Person secured by a Lien on any asset owned by such Person (whether or not such Indebtedness is assumed by such Person); provided that “Indebtedness” does not include trade accounts payable and accrued liabilities (including contract loans and income taxes payable) incurred in the ordinary course of business;

“**Initial Exchange Price**” means the amount determined in accordance with Section 2.6 of the Purchase Agreement.

“**Interest Payment Date**” means (i) the Maturity Date, (ii) any Exchange Date (in relation to the accrued and unpaid interest on the principal amount of the Debenture exchanged by the Holder on exercising its exchange rights pursuant to the terms hereof) or (iii) the Redemption Date (in relation to the accrued and unpaid interest on the principal amount of the Debenture redeemed in accordance with the terms hereof).

“**Laws**” means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, instruments, policies, guidelines, and general principles of common law and equity, binding on or affecting the Person referred to.

“**Lien**” means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property).

“**Material Adverse Effect**” has the meaning given to it in the Purchase Agreement.

“**Maturity Date**” has the meaning assigned to such term in Section 2.3.

“Maturity Notice” means a maturity notice in the form attached as Exhibit A hereto.

“**NI 45-102**” means National Instrument 45-102 - *Resale of Securities*.

“**NI 62-104**” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids.*

“**No Call Date**” means December 24, 2021.

"**Notice of Exchange**" means a notice of exchange in the form attached as Exhibit C hereto.

"**Offered Securities**" has the meaning assigned to such term in Section 3.4(b).

"**parties**" means the parties to this Debenture.

"**Payment**" has the meaning assigned to such term in Section 5.1(a).

"**Payment Tax**" has the meaning assigned to such term in Section 5.1(a).

"**Permitted Indebtedness**" means (without duplication):

(a) Indebtedness owed by the Company or any of its Subsidiaries to the Holder or any other investment fund managed by Fine Capital Partners, L.P. or any other Affiliate of Fine Capital Partners, L.P.;

(b) Indebtedness secured by a Permitted Lien;

(c) Indebtedness that is expressly subordinated in right of payment to the prior payment in full of all of the Credit Obligations;

(d) unsecured Indebtedness;

(e) any other Indebtedness approved by the Holder as constituting Permitted Indebtedness;

(f) amounts owed to trade creditors and accruals in the ordinary course of business;

(g) guarantees of the obligations of the Company or any of its Subsidiaries of any Indebtedness that is permitted to be incurred pursuant to any of the foregoing; and

(h) any indebtedness owed by the Company to any of its Subsidiaries and vice versa, or by any Subsidiary of the Company to any other Subsidiary of the Company.

"**Permitted Liens**" means any one or more of the following:

(a) Liens for Taxes, assessments or governmental charges which are not overdue for a period of more than thirty days or are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with IFRS;

(b) Statutory or common law Liens of landlords, carriers, warehousemen, mechanics, materialmen, repairmen, construction contractors or other like Liens arising in the ordinary course of business, which secure amounts not overdue for a period of more than ninety days or if more than ninety days overdue, are unfiled (or if filed, have been discharged or are stayed) and no other action has been taken to enforce such Lien or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(c) Liens, pledges or deposits in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance and other social security legislation, (ii) securing liability for reimbursement or indemnification obligations of (including bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance or (iii) securing obligations in respect of letters of credit that have been posted by the Company or any of its Subsidiaries to support the payment of items set forth in clauses (i) and (ii);

(d) Liens to secure the performance of tenders, statutory obligations, bids, trade contracts, governmental contracts, leases and other contracts (other than Indebtedness for borrowed money), statutory obligations, licenses, surety, stay, customs and appeal bonds, performance and return-of-money bonds, performance and completion guarantees and other obligations of a like nature (including (i) those to secure health, safety and environmental obligations, (ii) those required or requested by any governmental authority and (iii) letters of credit issued in lieu of any such bonds or to support issuance thereof) and other Liens in favor of providers of performance or surety bonds pursuant to customary indemnity and other similar arrangements entered into in connection therewith incurred in the ordinary course of business;

(e) (i) easements (including reciprocal easement arrangements), reservations, rights-of-way, restrictions (including building, zoning and similar restrictions), utility agreements, covenants, reservations, encroachments, protrusions, changes and other similar encumbrances and title defects affecting real property which, in the aggregate, do not in any case materially and adversely interfere with the ordinary conduct of the business of the Company and its Subsidiaries on the properties subject thereto, taken as a whole, (ii) mortgages, liens, security interests, restrictions, encumbrances or any other matter of record that have been placed by any developer, landlord or other third party on property over which the Company or any of its Subsidiaries has easement rights or a leasehold, and subordination or similar agreements relating thereto, (iii) ground leases in the ordinary course in respect of real property on which facilities owned or leased by the Company or any of its Subsidiaries are located and (iv) Liens arising on any real property as a result of any eminent domain, condemnation or similar proceeding being commenced with respect to such real property;

(f) Liens securing judgments, or arising by reason of a judgment, decree or court order;

(g) leases, licenses, subleases or sublicenses granted to others in the ordinary course of business and not interfering in any material respect with the business of the Company and its Subsidiaries, taken as a whole;

(h) Liens (i) in favor of customs and revenue authorities arising as a matter of Law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business or (ii) on specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances or letters of credit issued or created for the account of such Person, or supporting trade payables, warehouse receipts or similar facilities entered into, to facilitate the purchase, shipment or storage of such inventory or other goods in the ordinary course of business;

(i) Liens (i) of a collection bank arising under Section 4-210 of the Uniform Commercial Code (or analogous provisions of applicable Law) on items in the course of collection, (ii) attaching to commodity trading accounts or other commodities brokerage accounts incurred in the ordinary course of business; and (iii) in favor of a banking or other financial institution arising as a matter of Law or under customary general terms and conditions encumbering deposits (including the right of setoff) and which are within the general parameters customary in the banking industry;

(j) Liens (i) on cash or cash equivalents advances in favor of the seller of any property to be acquired by the Company or a Subsidiary to be applied against the purchase price for such property, (ii) arising out of conditional sale, title retention, consignment or similar arrangements for the purchase or sale of goods entered into by the Company or any of its Subsidiaries in the ordinary course of business, (iii) solely on any cash earnest money deposits made by the Company or any of its Subsidiaries in connection with any letter of intent or purchase agreement or (iv) consisting of an agreement to dispose of any property;

(k) Liens arising from precautionary UCC financing statement (or similar filings under applicable Law) filings regarding leases, consignment or bailee arrangements, or other non-Indebtedness arrangements, entered into by the Company or any of its Subsidiaries;

(l) any interest or title of a lessor, sublessor, licensee, sublicensee, licensor or sublicensor under any lease, sublease, license (or other grants of rights to use or exploit) or sublicense agreement or secured by a lessor’s, sublessor’s, licensee’s, sublicensee’s, licensor’s or sublicensor’s interest under any lease, sublease, license or sublicense permitted by this Agreement (including software and other technology licenses), and any Lien deemed to exist in connection with software escrow arrangements entered into by the Company or any of its Subsidiaries with third parties that do not interfere in any material respect with the business of the Company and its Subsidiaries, taken as a whole;

(m) Liens that are customary contractual rights of setoff (i) relating to the establishment of depository relations with banks or other financial institutions not given in connection with the incurrence of Indebtedness, (ii) relating to pooled deposit or sweep accounts of the Company or any of its Subsidiaries to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company or any of its Subsidiaries or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any of its Subsidiaries in the ordinary course of business;

(n) (i) deposits made in the ordinary course of business to secure liability to insurance carriers and (ii) Liens on insurance policies and the proceeds thereof securing the financing of insurance premiums with respect thereto;

(o) Liens arising in the ordinary course of business under contracts with broadcasters, licensees, licensors and distributors in favor of such broadcasters, licensees, licensors and distributors to secure, among other things, covenants, obligations, liabilities, debts, rights (in intellectual property or otherwise) and the performance of the obligations of the Company or any of its Subsidiaries to such broadcasters, licensees, licensors and distributors and, if applicable, the quiet enjoyment of the rights granted to such broadcasters, licensees, licensors and distributors and, if applicable, the right to recoup any advances and minimum guarantees paid by such broadcasters, licensees and distributors;

(p) Liens in favor of ACTRA Performers' Rights Society, Union of British Columbia Performers, the Directors' Guild and any other similar union or collective bargaining organization in any jurisdiction in respect of productions, provided that the aggregate amount payable in respect of the obligations secured by such Liens shall not exceed $500,000 at any time outstanding;

(q) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by the Company or any of its Subsidiaries in the ordinary course of business;

(r) Liens incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets;

(s) reservations, limitations, provisos and conditions, if any, expressed in any original grant from the Crown of any real property or any interest therein, provided they do not materially interfere with the use of the assets of the Person in the operation of the business of the Person;

(t) Liens securing the Permitted Indebtedness referred to in paragraph (c) of the definition thereof;

(u) the extension, renewal or refinancing of any Permitted Lien;

(v) such other Liens as may be consented to by the Holder in writing prior to their creation, assumption or registration;

(w) Liens securing the Secured Obligations to the Holder or any other investment fund managed by Fine Capital Partners, L.P. or any other Affiliate of Fine Capital Partners, L.P.; and

(x) Liens arising out of or related to the obligations of the Company or any of its Subsidiaries to pay any deferred or contingent amount of the purchase price for any shares, assets or rights of another Person as permitted in the Purchase Agreement in connection with the Use of Proceeds, provided that such Liens are either unsecured or subordinated and postponed pursuant to a subordination and postponement agreement satisfactory to the Holder.

"**Person**" means any natural Person, corporation, firm, partnership, joint venture, joint stock company, incorporated or unincorporated association, government, governmental agency or any other entity, whether acting in individual, fiduciary or other capacity.

"**Pledge and Security Agreements**" has the meaning given to it in the Purchase Agreement.

"**principal amount**" has the meaning ascribed thereto in the recitals to this Debenture.

"**Principal Stock Exchange**" means the TSX, and if the Shares are not listed on the TSX but are listed on another stock exchange or stock exchanges in Canada or the United States, references to the Principal Stock Exchange will be deemed to be references to such other stock exchange or, if more than one, to the one on which the greatest volume of Shares regularly trades during the prior 12 month period.

"**Purchase Agreement**" has the meaning assigned to such term in the recitals.

"**Purchased Shares**" has the meaning assigned to such term in Section 3.4(e)(ii)(A).

"**Redemption Date**" means the date on which this Debenture (or any portion thereof) is to be redeemed in accordance with Sections 2.4 and 2.6.

"Redemption Notice" means a redemption notice in the form attached as Exhibit B hereto.

“**Redemption Price**” has the meaning given to it in Section 2.4(a).

“**Regulatory Cap**” means the number of Shares, that if issued to the Holder or any of its Affiliates or Associates, would result in the Holder and its Affiliates or Associates holding in the aggregate, sufficient Shares to exceed any applicable thresholds requiring approval pursuant to the *Broadcasting Act* (Canada) or *Competition Act* (Canada) and the associated regulations and directions including, in particular: (i) the Holder and its Affiliates holding, in the aggregate, more than 20% of the votes attached to all of WildBrain’s voting shares for the purpose of the *Competition Act* (Canada); or (ii) the Holder and its Associates controlling, in the aggregate, 30% or more of the votes attached to all of WildBrain’s voting shares for the purposes of the Discretionary Service Regulations; or (iii) the Holder and its Associates owning, in the aggregate (directly and indirectly), 50% or more than 50% of the issued common shares of WildBrain (including its Common Voting Shares and Variable Voting Shares) for the purposes of the Discretionary Service Regulations.

“**Related Debentures**” means all debentures other than this Debenture issued by the Company pursuant to the terms of the Purchase Agreement.

“**Reporting Jurisdictions**” means each of the provinces of Canada.

“**Representatives**” means, in respect of any Person, the directors, officers, employees, consultants and professional advisors of such Person.

“**Restricted Payment**” means, in respect of a specified Person, any of the following: (i) the declaration or payment of any dividend or any other distribution or payment on the issued and outstanding capital of such Person or any payment made to the direct or indirect holders (in their capacities as such) of capital of such Person (other than (x) dividends or distributions payable solely in Capital Stock or in options, warrants or other rights to purchase Capital Stock, and (y) dividends or any other distributions or payments on capital payable to the Company or any Subsidiary of the Company), (ii) the purchase, redemption or other acquisition or retirement for value of any Equity Securities of a Person or a Subsidiary of a Person (other than Equity Securities owned by such Person or a wholly-owned Subsidiary of such Person), unless redeemed from a wholly-owned Subsidiary of such Person, (iii) the making of any payment or repayment of or on account of any Indebtedness (other than Indebtedness described in subsections (a), (b) (in relation to Indebtedness secured by a Permitted Lien described in subsections (p) or (x) of the definition of Permitted Liens), (e), (f) and (g) (insofar as any guarantees under subsection (g) do not relate to Indebtedness described under subsections (b) (except for Indebtedness secured by a Permitted Lien described in subsections (p) or (x) of the definition of Permitted Liens), (c), (d) or (h)) of the definition of Permitted Indebtedness), including in respect of any principal, interest, bonus, premium or otherwise, or the purchase, defeasance, repurchase, redemption or other acquisition or retirement for value, any Indebtedness (other than Indebtedness described in subsections (a), (b) (in relation to Indebtedness secured by a Permitted Lien described in subsections (p) or (x) of the definition of Permitted Liens) (e), (f) and (g) (insofar as any guarantees under subsection (g) do not relate to Indebtedness described under subsections (b) (except for Indebtedness secured by a

Permitted Lien described in subsections (p) or (x) of the definition of Permitted Liens), (c), (d) or (h)) of the definition of Permitted Indebtedness) and (iv) forgiveness of any Indebtedness.

"**Rights Offering**" has the meaning given to it in Section 3.4(b).

"**Secured Obligations**" has the meaning ascribed thereto in the Pledge and Security Agreements.

"**Securities Act**" means the *Securities Act* (Ontario), as amended.

"**Securities Laws**" has the meaning given to it in the Purchase Agreement.

"**Securities Legislation**" means all applicable securities legislation in each Reporting Jurisdiction, and the rules and regulations made thereunder, and the orders and published policy statements of the securities commissions or other securities regulatory authorities in such jurisdictions, and the rules, regulations and policies of any stock exchange or quotation system on which the Shares are then listed or quoted, as the case may be, including the Principal Stock Exchange.

"**Share Interest Payment Election Notice**" means a written notice made by the Company to the Holder and to WildBrain specifying:

(a) the relevant Interest Payment Date;

(b) the amount of interest payable to the Holder on such Interest Payment Date; and

(c) that the Company has exercised the Share Repayment Election, in whole or in part (in such amounts as specified in such Share Interest Payment Election Notice) in respect of such interest payable.

"**Share Reorganization**" has the meaning given to it in Section 3.4(a).

"**Share Repayment Cap**" means, at any time, (i) 12 million Variable Voting Shares less (ii) the aggregate number of Variable Voting Shares issued prior to such time upon any exchange of this Debenture or any Related Debentures or in satisfaction of the outstanding principal amount or accrued and unpaid interest of this Debenture or any Related Debenture.

"**Share Repayment Election**" has the meaning given to it in Section 2.5(a).

"**Shareholder Approval**" has the meaning given to it in the Purchase Agreement.

"**Shareholder Approval Matters**" has the meaning given to it in the Purchase Agreement.

"**Shareholders**" means the registered owners of Shares.

"**Shares**" means the Common Voting Shares and the Variable Voting Shares.

"**Special Distribution**" has the meaning assigned to such term in Section 3.4(c).

"**Subsequent Security Documents**" has the meaning given to it in the Purchase Agreement.

"**Subsidiary**" means any entity with respect to which a Person (or a Subsidiary thereof) has the power, through the ownership of securities or otherwise, to elect at least a majority of the directors, or similar managing body, or in which such Person owns directly or indirectly 50% or more of the fair market value of the equity of such entity.

"**Taxes**" means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any applicable Governmental Entity, and including any interest and penalties thereon or with respect to the foregoing.

"**Tax Returns**" means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in written, electronic or other form) and any amendments, schedules, attachments, supplements, appendices and exhibits thereto, which have been prepared or filed or required to be prepared or filed in respect of Taxes.

"**Trading Day**" means a day on which the Principal Stock Exchange is open for the transaction of business and Shares have traded.

"**Transaction Agreements**" has the meaning given to it in the Purchase Agreement.

"**TSX**" means the Toronto Stock Exchange.

"**Use of Proceeds**" has the meaning given to it in the Purchase Agreement.

"**Variable Voting Shares**" means the variable voting shares in the capital of WildBrain or any other shares in the share capital of WildBrain into which such class of shares is reclassified or reconstituted.

"**Warrants**" means the warrants to purchase 5,000,000 Variable Voting Shares issued by WildBrain pursuant to the Purchase Agreement on June 24, 2020.

"**Weighted Average Trading Price**" means, with respect to any security listed on a stock exchange or quoted on a quotation service during a specified period, the per share volume-weighted average price as displayed on Bloomberg in respect of such security (or its equivalent successor) in respect of such period, or, if such price is not available, "**Weighted Average Trading Price**" shall mean the market value per such security during such period as determined using a volume-weighted average method, by a nationally recognized independent investment banking firm retained by the WildBrain for this purpose.

"**WildBrain**" means WildBrain Ltd.

1.2 Rules of Construction

In this Debenture:

(a) the terms “Debenture”, “this Debenture”, “the Debenture”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Debenture in its entirety and not to any particular provision hereof;

(b) references to an “Article”, “Section” or “Schedule” followed by a number or letter refer to the specified Article or Section of or Schedule to this Debenture;

(c) the word “including” is deemed to mean “including without limitation”; and

(d) the terms “party” and “the parties” refer to a party or the parties to this Debenture, unless the context suggest otherwise.

1.3 Time of the Essence

Time shall be of the essence of each provision of this Debenture. Any extension, waiver or variation of any provision of this Debenture shall not be deemed to affect this provision and there shall be no implied waiver of this provision.

1.4 Calculation of Time

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.

1.5 Currency

Unless otherwise specified, all references in this Debenture to dollar amounts, “dollars” or “$” are references to United States dollars.

1.6 Business Days

Whenever any action to be taken pursuant to this Debenture would otherwise be required to be taken on a day that is not a Business Day, such action shall be taken on the next Business Day following the day on which such action was to be taken.

1.7 Headings

The descriptive headings preceding Articles and Sections of this Debenture are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Debenture into Articles and Sections shall not affect the interpretation of this Debenture.

1.8 Schedules

The Schedules annexed hereto will, for all purposes, form an integral part of this Debenture.

1.9 Plurals and Gender

Words in the singular include the plural and vice versa and words in one gender include all genders.

1.10 Statutory References

Any reference to a statute or regulatory instrument shall mean the statute or regulatory instrument in force as at the date of this Debenture, together with all rules and regulations promulgated thereunder, as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute or regulatory instrument thereto, unless otherwise expressly provided.

1.11 Agreements

Any reference to any agreement (including this Debenture) means such agreement as amended, modified, replaced or supplemented from time to time.

1.12 Divisions

For all purposes under the Transaction Agreements, in connection with any division or plan of division under applicable Law: (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

1.13 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Debenture and the provisions of the other Transaction Agreements then, notwithstanding anything contained in the other Transaction Agreements, the provisions contained in this Debenture shall prevail to the extent of such conflict or inconsistency and the provisions of such other Transaction Agreements will be deemed to be amended to the extent necessary to eliminate such conflict.

ARTICLE 2
TERMS

2.1 Principal Sum

For value received, the Company promises to pay on the Maturity Date to the Holder, subject to the terms hereof, the then outstanding principal amount of this Debenture together with any accrued and unpaid interest thereon to the Maturity Date, in lawful money of the United States at the office of the Holder set forth in Section 7.5(a), or in such other manner as the Holder may designate.

2.2 Interest

(a) The principal amount of this Debenture outstanding will bear simple interest from and after the date hereof at a rate of 7.5% per annum, accruing daily calculated and payable in cash (unless the Company elects to satisfy such payment obligation in Shares pursuant to the terms hereof) on each Interest Payment Date in accordance with the terms hereof.

(b) For purposes of the *Interest Act* (Canada), whenever any interest or fee under this Debenture is calculated using a rate based on a number of days less than a full year, such rate determined pursuant to such calculation, when expressed as an annual rate, is equivalent to (x) the applicable rate, (y) multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends, and (z) divided by the number of days based on which such rate is calculated.

(c) The Company may, as described in Section 2.5 but subject to this Section 2.2(c), exercise the Share Repayment Election (as defined below), in whole or in part, in respect of its obligation to make any interest payment to the Holder on any Interest Payment Date in accordance with Section 2.2(a) by delivering to the Holder and to WildBrain a Share Interest Payment Election Notice on the date that is the earlier of (i) the date required by applicable Law or the rules of any stock exchange upon which the Shares are listed, and (ii) the day which is at least 15 Business Days prior to the Interest Payment Date to which the Share Repayment Election relates. The Company may not exercise the Share Repayment Election in respect of any accrued and unpaid interest due and payable on exercise of the Change of Control Redemption Right in accordance with Section 2.6 or on exercise of the Holder's exchange right in accordance with Article 3.

2.3 Maturity

(a) Subject to the terms hereof, the outstanding principal amount of this Debenture will be repayable by the Company to the Holder on the earlier of (a) June 24, 2023 (the "**Maturity Date**"), and (b) the occurrence of an Event of Default in accordance with Article 6.

(b) The Company may, as described in Section 2.5, exercise the Share Repayment Election in respect of its obligation to repay on the Maturity Date the principal amount, in whole or in part, of the Debentures by delivering a Maturity Notice to the Holder and to WildBrain not less than 30 days and not more than 60 days prior to the Maturity Date.

2.4 Voluntary Redemption

(a) From and after the No Call Date, all or any part of the outstanding principal amount of the Debenture may be redeemed at the option of the Company, at any time and from time to time by delivering a Redemption Notice to the Holder and to WildBrain not less than 30 days and not more than 60 days prior to the Redemption Date at a redemption price equal to such amount of the outstanding principal amount of the Debenture to be redeemed, plus all accrued and unpaid interest thereon up to but excluding the Redemption Date (the "**Redemption Price**"); provided that such notice may only be delivered and the Company may only proceed with such redemption if (i) the Current Market Price as of the date the notice of redemption is given exceeds 135% of the Exchange Price as of the date the notice of redemption is given; (ii) no Change of Control has occurred; and (iii) no Event of Default has occurred and is continuing. Every Redemption Notice shall specify the aggregate principal amount of the Debenture called for redemption, the amount of the accrued and unpaid interest thereon, the Redemption Price relating thereto, the Redemption Date and the specifics of the calculation of the Current Market Price.

(b) In addition to its redemption rights pursuant to Section 2.4(a), if a Holder Payment Default occurs, at any time thereafter the Company shall be entitled to redeem the Debenture in whole or in part at any time and from time to time thereafter, whether before or after the No Call Date and regardless of the Current Market Price at the time, upon not less than 30 days and not more than 60 days prior written notice by delivery of a Redemption Notice to the Holder and to WildBrain at the Redemption Price.

(c) Upon a Redemption Notice being delivered in accordance with Section 2.4(a), but subject to the Holder's exercise of its rights under Article 3, the Redemption Price shall be and become due and payable on the Redemption Date specified in such notice of redemption and with the same effect as if it were the Maturity Date of such principal amount of the Debenture to be redeemed and, from and after such Redemption Date, interest shall cease to accrue on the principal amount to be redeemed, unless the Company fails to make payment of the Redemption Price on the Redemption Date.

2.5 Share Payment Election

(a) Subject to Section 2.2(c), the Company may, at its option and subject to WildBrain receiving all necessary regulatory approvals, elect to satisfy its obligation to pay or repay, as applicable, (i) any outstanding principal amount of this Debenture on the Maturity Date, (ii) any amount of the Redemption Price on the Redemption Date or (iii) any accrued and unpaid interest on the applicable portion of the principal amount of the Debenture on the Interest Payment Date, by delivering to the Holder that number of Variable Voting Shares equal to (A) the principal amount, portion of the Redemption Price or amount of accrued and unpaid interest, as applicable, that the Company wishes to satisfy pursuant to the Share Repayment Election divided by (B) an amount equal to 95% of the Current Market Price on the Maturity Date, Redemption Date or Interest Payment Date, as applicable (the "**Share Repayment Election**").

(b) Notwithstanding the above:

(i) in no event shall the aggregate number of Variable Voting Shares that may be delivered pursuant to the Share Repayment Election exceed, prior to the receipt of Shareholder Approval of the Shareholder Approval Matters, the Share Repayment Cap; and

(ii) the aggregate number of Variable Voting Shares that may be delivered upon (i) the exchange, redemption, or maturity of this Debenture and all Related Debentures, or in satisfaction of accrued and unpaid interest thereon and (ii) the exercise, in whole or in part, of the Warrant, shall not in any event exceed the Regulatory Cap.

For greater certainty, to the extent the number of Variable Voting Shares that may be delivered upon any redemption or maturity of this Debenture and all Related Debentures, or in satisfaction of accrued and unpaid interest thereon is restricted as a result of this Section 2.5(b), the Company shall satisfy the remaining balance of such obligation in cash.

(c) The Company shall exercise the Share Repayment Election by so specifying in a Share Interest Payment Election Notice, Maturity Notice or Redemption Notice delivered to both the Holder and to WildBrain in accordance with Section 2.2(c), Section 2.3(b) or Section 2.4(a), as applicable.

(d) The Company's right to exercise the Share Repayment Election is also subject to the following conditions being satisfied on the Maturity Date, Redemption Date or Interest Payment Date, as applicable:

(i) the listing or quoting of the Variable Voting Shares being delivered pursuant to the Share Repayment Election on the Principal Stock Exchange;

(ii) WildBrain being a reporting issuer or equivalent in good standing or equivalent under Securities Laws in the provinces and territories of Canada in which WildBrain is at that time a reporting issuer and have complied with all applicable Securities Laws;

(iii) no Event of Default having occurred that is continuing;

(iv) any Variable Voting Shares deliverable upon exercise of the Share Repayment Election will be duly authorized and validly issued as fully paid and non-assessable, free and clear of any liens, claims, rights or encumbrances, other than those arising under law as a result of the Holder thereof;

(v) WildBrain having maintained the listing of the Shares on the Principal Stock Exchange without any suspensions and having complied with all applicable rules and regulations of the Principal Stock Exchange;

(vi) the conditions set out in Section 2.1 of the Exchange Agreement have been satisfied; and

(vii) WildBrain having reserved for issuance, free from pre-emptive and other rights granted by WildBrain, such number of Variable Voting Shares as are deliverable upon exchange, maturity or redemption of the Debentures pursuant thereto.

If the foregoing conditions are not satisfied on the Redemption Date, Maturity Date or Interest Payment Date, as applicable, the Company shall pay in cash the principal amount, portion of the Redemption Price or amount of accrued and unpaid interest, as applicable, that the Company wishes to satisfy pursuant to the Share Repayment Election that would otherwise have been satisfied in Variable Voting Shares, unless the Holder waives the conditions which are not satisfied or extends the time by which the Company or WildBrain, as applicable, is to satisfy such condition.

(e) In the event that the Company exercises the Share Repayment Election in whole or in part, the Company shall, on the Redemption Date, Maturity Date or Interest Payment Date, as applicable, and upon presentation and surrender of this Debenture in connection with a redemption or on the Maturity Date at the address of the Company set out in Section 7.5, cause the Holder to be entered in the books of WildBrain as at the Redemption Date, Maturity Date or Interest Payment Date, as applicable, as the holder of the number of Variable Voting Shares to which the Holder is entitled pursuant to such Share Repayment Election and shall cause to be delivered to the Holder a certificate (or, if available and requested by the Holder, a direct registration system advice evidencing a non-certificated registered position) representing such number of Variable Voting Shares to which the Holder is entitled. In addition, in the event that the Company exercises the Share Repayment Election in part, the Company shall, on the Redemption Date, Maturity Date or Interest Payment Date, as applicable, deliver or cause to be delivered to the Holder, funds (by way of wire transfer) equal to the portion of the outstanding principal amount of the Debenture, applicable Redemption Price on such Redemption Date or accrued and unpaid interest on the applicable portion of the principal amount of the Debenture on the Interest Payment Date in respect of which the Share Repayment Election was not exercised. In the event that the Company elects to redeem a portion of the outstanding principal amount of the Debenture, the Company shall deliver a certificate representing the principal amount of Debentures not being redeemed.

2.6 Change of Control

(a) If Wildbrain announces a Change of Control at any time during the term of this Debenture, the Holder will have the right (the "**Change of Control Redemption Right**") to require the Company to redeem all, but not less than all, of this Debenture at a price equal to 100% of the principal amount of this Debenture then outstanding, plus all accrued and unpaid interest thereon (the "**Change of Control Redemption Price**"). The Holder may exercise the right under this Section 2.6 by delivering a written redemption notice to the Company and to WildBrain on or before the 10th Business Day prior to the Change of Control Effective Date. Upon such redemption notice being given, this Debenture plus all accrued and unpaid interest thereon will become due and payable on the redemption date specified in such notice (the "**Change of Control Payment Date**"), which date shall not be later than the Change of Control Effective Date.

(b) If the Holder exercises the Change of Control Redemption Right, it may, by so specifying in the redemption notice contemplated by Section 2.6(a) and even if the Regulatory Cap would be exceeded and subject to the Exchange Cap, elect to require the Company to satisfy some or all of the principal amount of this Debenture then outstanding by delivering to the Holder that number of Variable Voting Shares equal to (i) the principal amount of this Debenture then outstanding that the Holder wishes to have satisfied in Variable Voting Shares (as specified in the Holder's written redemption notice) divided by (ii) the Exchange Price. The accrued and unpaid interest on the principal amount of the Debenture being redeemed by the Holder will be due and payable by the Company in cash on the Change of Control Redemption Date.

(c) In the event that the Holder exercises the Change of Control Redemption Right, the Company shall, on the Change of Control Payment Date and upon presentation and surrender of this Debenture at the address of the Company set out in Section 7.5, cause the Holder to be entered in the books of WildBrain as at the Change of Control Payment Date, as the holder of the number of Variable Voting Shares to which the Holder is entitled pursuant to the Change of Control Redemption Right and cause to be delivered to the Holder a certificate (or, if available and requested by the Holder, a direct registration system advice evidencing a non-certificated registered position) representing the Variable Voting Shares to which the Holder is entitled. In addition, the Company shall, on the Change of Control Payment Date, deliver or cause to be delivered to the Holder funds (by way of wire transfer) equal to the portion of the Change of Control Redemption Price not satisfied by the delivery of Variable Voting Shares.

2.7 No Requirement to Issue Fractional Shares

The Company will not be required to deliver or cause to be delivered fractional Shares upon any exercise of the Share Repayment Election or the Change of Control Redemption Right. Any fractional Shares will be rounded down to the nearest whole number. For greater certainty, such rounding shall only occur after aggregating all Shares to be issued upon such exercise of the Share Repayment Election or the Change of Control Redemption Right.

2.8 Security

As continuing collateral security for the Secured Obligations, the Company has entered into the Pledge and Security Agreements and the Account Control Agreement and will, if requested by the Holder, enter into any Subsequent Security Document, in form to be agreed to between the Company and the Holder, each acting reasonably, that the Holder reasonably determines is necessary for the purposes of creating and maintaining the Holder's first priority perfected security interest in the property and assets of the Company, other than Excluded Assets (as defined in the Pledge and Security Agreements), and subject to the Perfection Exceptions (as defined in the Pledge and Security Agreements); provided, however, that the Company shall not be required to enter into any Subsequent Security Document if the Holder determines, acting reasonably, that the cost of entering into such Subsequent Security Document or perfecting the security interest in the property and assets subject thereto is disproportionate when compared to the practical benefit to the Holder obtained thereby.

2.9 Debentures to Rank Pari Passu

The Debenture and each of the Related Debentures will be direct secured obligations of the Company. The Debenture and each Related Debenture will rank *pari passu* with each other.

ARTICLE 3
EXCHANGE OF DEBENTURE

3.1 Exchange of Debenture for Variable Voting Shares

Upon and subject to the provisions and conditions of this Article 3, the Holder may, at its option, at any time and from time to time until 5:00 p.m. (Toronto time) on the Business Day immediately preceding the Maturity Date (the "**Exchange Period**"), exchange all or any portion of the outstanding principal amount of this Debenture for a number of Variable Voting Shares equal to the quotient obtained by dividing the principal amount of this Debenture being exchanged by the Exchange Price; provided, however, that with respect to any principal amount of the Debenture that the Company has elected to redeem on delivery of a Redemption Notice pursuant to Section 2.4(a), following receipt of such Redemption Notice the Holder may only exercise its exchange rights in respect of such portion of the principal amount being redeemed at any time and from time to time until 5:00 p.m. (Toronto time) on the Business Day immediately preceding the applicable Redemption Date; provided, further, that the Holder may continue to exercise its exchange rights pursuant to this Section 3.1 for the remainder of the Exchange Period in respect of any portion of the outstanding principal amount of the Debenture that the Company has not elected to redeem on such Redemption Date.

3.2 Restrictions on Exchange

The Holder's right to exchange the Debenture is subject to the following limitations:

(a) until Shareholder Approval for the removal of the Exchange Cap has been obtained, the aggregate number of Variable Voting Shares that may be delivered upon (i) the exchange, redemption, or maturity of this Debenture and all Related Debentures, or in satisfaction of accrued and unpaid interest hereon and thereon and (ii) the exercise, in whole or in part, of the Warrant, shall not exceed the Exchange Cap; and

(b) the aggregate number of Variable Voting Shares that may be delivered upon (i) the exchange, redemption, or maturity of this Debenture and all Related Debentures, or in satisfaction of accrued and unpaid interest hereon and thereon and (ii) the exercise, in whole or in part, of the Warrant, shall not in any event exceed the Regulatory Cap.

3.3 Manner of Exercise of Exchange Right

(a) The Holder may exercise its right to exchange in accordance with the provisions of Article 3, by (i) sending to the Company and Wildbrain a Notice of Exchange in the manner provided in Section 7.5, and (ii) surrendering this Debenture to the Company at its address set out in Section 7.5.

(b) The date of exchange for the purposes of Article 3 (the "**Exchange Date**") shall be the date that the Company has received (i) the Notice of Exchange and (ii) the surrendered Debenture at the address of the Company set out in Section 7.5.

(c) Upon exchange of all or a portion of this Debenture in accordance with this Article 3, the Company shall cause the Holder to be entered in the books of WildBrain as at the applicable Exchange Date as the holder of the number of Variable Voting Shares into which the principal amount of this Debenture tendered for exchange pursuant to this Section 3.3 and, as soon as practicable, the Company shall cause to be delivered to the Holder a certificate (or, if available and requested by the Holder, a direct registration system advice evidencing a non-certificated registered position) for the appropriate number of the Variable Voting Shares and shall deliver to the Holder a certificate representing the outstanding principal amount of this Debenture not being exchanged, if any.

(d) The Company covenants and agree to pay to the Holder in cash an amount equal to any unpaid interest that has accrued up to the date immediately prior to the Exchange Date on the principal amount of this Debenture that is being exchanged pursuant to this Article 3.

(e) The Company and the Holder agree that the exchange of all or any portion of the principal amount of this Debenture into Variable Voting Shares in accordance with the provisions of this Article 3 and payment of the applicable accrued and unpaid interest thereon in accordance with Section 3.3(d) will constitute a full settlement of the debt obligation to the extent of the principal amount of this Debenture so exchanged in consideration for the delivery by the Company of such Variable Voting Shares.

3.4 Adjustment of Exchange Price

The Exchange Price will be subject to adjustment from time to time in the events and in the manner provided as follows:

(a) If during the Exchange Period WildBrain:

(i) issues any of its securities to all or substantially all holders of the Shares by way of a stock dividend or interest or distributions;

(ii) subdivides or redivides its outstanding Shares into a greater number of Shares; or

(iii) reduces, combines or consolidates its outstanding Shares into a smaller number of Shares,

(any of such events being herein called a "**Share Reorganization**"), then the Exchange Price will be adjusted effective as of the effective time of the Share Reorganization referred to in (ii) or (iii) above or after the record date at which holders of Shares are determined for the purposes of the Share Reorganization referred to in (i) above, as the case may be, to a price which is the product of (1) the Exchange Price and (2) a fraction:

(A) the numerator of which is the number of Shares outstanding immediately prior to giving effect to such Share Reorganization; and

(B) the denominator of which is the number of Shares outstanding after giving effect to the Share Reorganization;

(b) If during the Exchange Period WildBrain sets a record date for the issuance of Convertible Securities to all or substantially all holders of Shares, entitling them, for a period expiring not more than 45 days after the record date (the "**Offered Securities**") at a price per Offered Security (or having a conversion price per such security) less than 95% of the Current Market Price as of such record date (the issuance of any such rights, options or warrants being a

"**Rights Offering**"), then the Exchange Price will be adjusted downward effective immediately after the record date so that it will equal the price determined by multiplying the Exchange Price in effect on the record date by a fraction:

(i) the numerator of which will be the number of Shares outstanding on the record date plus a number of Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the Convertible Securities so offered) by the Current Market Price as of the record date of the Rights Offering; and

(ii) the denominator of which will be the number of Shares outstanding on the record date plus the total number of additional Shares offered for subscription or purchase (or into which the Convertible Securities so offered are convertible);

Such adjustment shall be made successively whenever such an issuance is made or a record date is fixed. To the extent that any such rights, options or warrants are not so issued or are not exercised prior to the expiration thereof, the Exchange Price will be readjusted to the Exchange Price which would then be in effect if the record date had not been fixed or the Exchange Price which would then be in effect based upon the number of Shares actually issued upon the exercise of such rights, options and warrants, as the case may be.

(c) If during the Exchange Period WildBrain issues or distributes to all or substantially all holders of Shares, (i) securities of any kind (including Convertible Securities), (ii) evidences of indebtedness, or (iii) any other assets (in each case, the "**Distributed Property**") and, in any of those cases, the issuance or distribution does not constitute a Share Reorganization or a Rights Offering (any of such events being herein called a "**Special Distribution**"), then the Exchange Price will automatically be adjusted as of the record date for such issuance or distribution so that it will equal the price determined by multiplying the Exchange Price in effect on such record date by a fraction:

(i) the numerator of which will be the number of Shares outstanding on the record date multiplied by the Current Market Price on the record date, less the Fair Market Value of the Special Distribution; and

(ii) the denominator of which will be the number of Shares outstanding on the record date multiplied by such Current Market Price.

Such adjustment shall be made successively whenever such a record date is fixed.

(d) If during the Exchange Period there is a reclassification or change of Shares into other shares or there is a reorganization of WildBrain or a consolidation or merger or amalgamation of, or arrangement involving, WildBrain with or into another Person that results in any reclassification of Shares or a change of Shares into other shares or there is a transfer of the undertaking or assets of WildBrain as an entirety or substantially as an entirety to another person (any such event being herein called a "**Capital Reorganization**"), then the Holder will be entitled to receive and will accept, upon the exercise of such right of exchange, or upon the exercise by the Company of the Share Repayment Election in accordance with Section 2.5, at any time after the effective date thereof, in lieu of the number of Variable Voting Shares to which the Holder was theretofore entitled on exchange or on the Redemption Date, Maturity Date or Interest Payment Date, as applicable, the kind and amount of shares or other securities or money or other property that the Holder would have been entitled to receive as a result of such Capital Reorganization, if, on the effective date thereof, the Holder had been the registered holder of the number of such Variable Voting Shares to which the Holder was theretofore entitled upon exchange, subject to adjustment thereafter in accordance with provisions the same, as nearly as may be possible, as those contained in Section 2.5, Section 2.6, this Section 3.4 and Section 3.5, as applicable.

(e) If any issuer bid (other than an issuer bid made through the facilities of the TSX) made by WildBrain for all or any portion of Shares shall expire, then, if the issuer bid shall require the payment to Shareholders of consideration per Share having a Fair Market Value which exceeds the Current Market Price per Share on the last date (the "**Expiration Date**") tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the "**Expiration Time**"), then the Exchange Price will be adjusted effective immediately preceding the opening of business on the day following the Expiration Date so that it shall equal the amount determined by multiplying the Exchange Price in effect immediately preceding the close of business on the Expiration Date by a fraction:

(i) the numerator of which will be the product of the number of Shares outstanding (including Purchased Shares (as defined below) but excluding (without duplication) any Shares held in the treasury of WildBrain or any Subsidiary thereof) at the Expiration Time multiplied by the Current Market Price per Share on the Expiration Date; and

(ii) the denominator of which will be the sum of:

(A) the Fair Market Value of the aggregate consideration payable to Shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Shares validly tendered and not withdrawn as of the Expiration Time (the Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Shares**"); and

(B) the product of the number of Shares outstanding (less any Purchased Shares and excluding (without duplication) any Shares held in the treasury of WildBrain or any Subsidiary thereof) at the Expiration Time and the Current Market Price per Share on the Expiration Date.

In the event that WildBrain is obligated to purchase Shares pursuant to any such issuer bid, but to the extent WildBrain is prevented by applicable Law from effecting any or all such purchases or to the extent any or all such purchases are rescinded, the Exchange Price shall again be adjusted to be the Exchange Price which would have been in effect based upon the number of Shares actually purchased, if any. If the application of this Section 3.4(e) to any issuer bid would result in a decrease in the Exchange Price, no adjustment shall be made for such issuer bid under this Section 3.4(e).

For purposes of this Section 3.4(e), the term “issuer bid” shall mean an issuer bid (other than an issuer bid which is exempt from the requirements of Part 2 of NI 62-104) under Securities Legislation or a take-over bid (other than a takeover bid which is exempt from the requirements of Part 2 of the NI 62-104) under Securities Legislation by a Subsidiary of WildBrain for the Shares and all references to “purchases” of Shares in issuer bids (and all similar references) shall mean and include the purchase of Shares in issuer bids and all references to “tendered Shares” (and all similar references) shall mean and include Shares tendered in issuer bids.

(f) If and whenever at any time after the date hereof and prior to the Maturity Date, WildBrain shall fix a record date for the payment of a cash dividend or distribution to the holders of all or substantially all of the outstanding Shares, then the Exchange Price will be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exchange Price in effect on such record date by a fraction:

(i) the numerator of which will be the Current Market Price per Share on such record date minus the amount in cash per Share distributed to holders of Shares; and

(ii) the denominator of which will be the Current Market Price per Share on such record date.

Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Exchange Price shall be re-adjusted to the Exchange Price which would then be in effect if such record date had not been fixed.

3.5 Exchange Price Adjustment Rules

The following rules and procedures are applicable to adjustments made pursuant to Section 3.4:

(a) no adjustment of the Exchange Price shall be made if the amount of such adjustment shall be less than 1% of the Exchange Price in effect immediately prior to the event giving rise to the adjustment, provided, however, that in such case any adjustment that would otherwise be required then to be made shall be carried forward and shall be made at the time of and together with the next subsequent adjustment which, together with any adjustment so carried forward, shall amount to at least 1% of the Exchange Price.

(b) any Shares owned by or held for the account of WildBrain or the Company, if any, will be deemed not to be outstanding for the purpose of any computation pursuant to Section 3.4;

(c) in any case in which Section 3.4 shall require that an adjustment become effective immediately after a record date or agreement date for an event referred to herein and if any portion of this Debenture is exchanged after that record date or agreement date and prior to the occurrence of such event, the Company may direct Wildbrain to, until the occurrence of such event, postpone the issuance to the Holder of the additional Shares issuable to the Holder upon such exchange by reason of the adjustment to the Exchange Price required by such event before giving effect to such adjustment provided, however, that the Company shall direct WildBrain to deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on the Shares forming part of such additional Shares declared in favour of holders of record of such Shares on and after the Exchange Date or such later date as such Holder would, but for the provisions of this subsection (c), have become the holder of record of such additional Shares pursuant to subsection 3.3(c). For greater certainty, this Section 3.5(c) shall not apply to the issuance of Shares to the Holder on exercise of its Change of Control Redemption Right.

(d) the adjustments provided for in Section 3.4 are cumulative and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of Section 3.4 or this Section 3.5, no adjustment shall be made which would result in any increase in the Exchange Price (except upon a consolidation or combination of outstanding Shares);

(e) no adjustment in the Exchange Price will be made in respect of any event described in Section 3.4 if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had exchanged the entire principal amount of this Debenture immediately prior to the effective date or record date of such event, as applicable;

(f) no adjustment in the Exchange Price will be made pursuant to Section 3.4 in respect of the issue of Shares pursuant to:

(i) this Debenture, the Warrant, any Related Debenture or Convertible Securities existing as of the date of the Purchase Agreement; or

(ii) any stock option, purchase plan or other share compensation arrangement for officers, employees or directors of WildBrain or any of its Subsidiaries outstanding or in existence as at the date hereof, as such plans may be replaced, supplemented or further amended from time to time;

(g) if a dispute arises with respect to any adjustment or proposed adjustment in the Exchange Price, such dispute will be conclusively determined by a firm of independent chartered professional accountants as may be selected by the Company and the Holder, and any such determination will be binding upon the Holder and the Company; and

(h) if WildBrain sets a record date to determine holders of Shares for the purpose of entitling them to receive any dividend or distribution or any subscription or purchase rights and will thereafter legally abandon its plans to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exchange Price will be required by reason of the setting of such record date.

3.6 Postponement of Issuance of Shares

In any case where the application of Section 3.4 results in a decrease of the Exchange Price taking effect immediately after the record date or agreement date for a specific event, if any portion of this Debenture is exchanged after that record date or agreement date and prior to the occurrence of the event, the Company may direct WildBrain to postpone the issuance to the Holder of the Variable Voting Shares to which the Holder is entitled by reason of the decrease of the Exchange Price, but such Variable Voting Shares will be so issued and delivered to the Holder upon completion of that event with the number of such Variable Voting Shares calculated on the basis of the Exchange Price on the Exchange Date adjusted for completion of that event. The Company shall direct WildBrain deliver to the Holder an appropriate instrument evidencing the Holder’s right to receive such Variable Voting Shares. For greater certainty, this Section 3.6 shall not apply to the issuance of Shares to the Holder on exercise of its Change of Control Redemption Right.

3.7 No Requirement to Issue Fractional Shares

The Company will not be required to deliver or cause to be delivered fractional Shares upon the exchange of the principal amount of this Debenture. Any fractional Shares will be rounded down to the nearest whole number without payment or compensation in lieu thereof. For greater certainty, such rounding shall only occur after aggregating all Shares to be issued upon the exchange of the principal amount of this Debenture.

3.8 Certificate as to Adjustment

The Company will from time to time as soon as practicable after the occurrence of any event which requires an adjustment or re-adjustment in the Exchange Price as provided in Section 3.4, deliver a certificate of the Company to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

3.9 Notice of Certain Matters

The Company will cause WildBrain to give notice to the Holder of its intention to undertake any event and/or fix a record date (if applicable) for any event described in Section 3.4 that may give rise to an adjustment in the Exchange Price not less than 30 days prior to the earlier of the record date (if applicable) or the effective date of such event, which notice shall include the material terms of such event.

3.10 Legends

(a) Any certificates representing the Variable Voting Shares issued pursuant to the terms of this Debenture will bear the following legend:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDERS OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS 4 MONTHS AND 1 DAY AFTER DISTRIBUTION DATE].

(b) If the holder is a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933) any certificates representing the Variable Voting Shares issued on exchange of the principal under this Debenture will bear the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO WILDBRAIN LTD. (THE “COMPANY”), (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS UNDER REGULATIONS, (C) IN COMPLIANCE WITH RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR

(D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C) OR (D) ABOVE, EITHER A CERTIFICATION TO SUCH EFFECT OR, IF REASONABLY REQUESTED BY THE COMPANY, A LEGAL OPINION REASONABLY SATISFACTORY TO THE COMPANY TO SUCH EFFECT MUST BE FIRST PROVIDED. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA

3.11 Replacement of Debenture

If this Debenture becomes mutilated or lost, stolen or destroyed, the Company will issue to the Holder a new Debenture upon surrender and cancellation of the mutilated Debenture, or, in the case of a lost, stolen or destroyed Debenture, upon the Holder furnishing to the Company such evidence of such loss, theft or destruction as will be satisfactory to the Company, acting reasonably, together with an indemnity in an amount and form satisfactory to the Company, acting reasonably. The Holder will pay all reasonable expenses incidental to the issuance of any such replacement Debenture.

ARTICLE 4
OTHER COVENANTS OF THE COMPANY

4.1 Affirmative Covenants

The Company hereby covenants and agrees with the Holder that, until all Credit Obligations have been repaid in full and this Debenture has either been terminated or the entire principal amount of this Debenture has been fully exchanged for Variable Voting Shares and the accrued interest thereon has been fully paid in cash or Shares, in each case, in accordance with the terms of this Debenture:

(a) **Notices**. The Company shall promptly notify the Holder of the occurrence of any Default or Event of Default, and of the occurrence or existence of any event or circumstance where it is reasonably foreseeable that such event or circumstance will become a Default or Event of Default.

(b) **Prompt Payment**. The Company shall duly and punctually pay or cause to be duly and punctually paid all amounts payable by the Company. The Company shall promptly comply with all obligations to deliver Variable Voting Shares upon a redemption in Section 2.6(b) or an exchange under Section 3.1 and in compliance with Section 3.3 and take all related steps in furtherance of the foregoing.

(c) **Legal Existence**. The Company shall, and shall cause each Subsidiary of the Company to, preserve and maintain its legal existence in good standing and shall qualify and remain duly qualified to carry on business and own property in each jurisdiction in which failure to maintain such qualification would have a Material Adverse Effect.

(d) **Compliance with Laws**. The Company shall, and shall cause each Subsidiary of the Company to, conduct its business in such a manner so as to comply in all material respects with all applicable Laws:

(e) **Use of Proceeds**. The Company shall apply all of the proceeds of the funds advanced under the Debenture in the manner contemplated by the Purchase Agreement.

(f) **Taxes**. The Company shall, and shall cause each Subsidiary of the Company to, file all material Tax Returns and pay all material Taxes due, levied, assessed or imposed upon or against it or its property or assets or any part thereof, as and when the same become due and payable (save and except when and so long as the validity of any such Taxes is being contested in good faith by appropriate proceedings and adequate reserves shall have been set aside in the books of the Company or such Subsidiary in accordance with IFRS).

(g) **Protect Liens**. At all times take all action and, upon request, supply the Holder with all information on a timely basis necessary to maintain the Holder's first priority perfected security interest in all personal property and assets of the Company (subject to Permitted Liens and the terms of the Pledge and Security Agreements and any Subsequent Security Documents to which it is a party), including those provided for under the Pledge and Security Agreements, the Account Control Agreement and any Subsequent Security Document in effect at such time, and any registrations, filings and recordings in respect thereof and confer upon the Holder the Liens intended to be created hereby and thereby.

(h) **U.S. Tax Status**. The Company shall be classified as a disregarded entity for U.S. federal income tax purposes and shall not file a check-the-box election to be treated as corporation for U.S. federal income tax purposes.

(i) **Place of Management**. The management and control of Company shall not be exercised in Canada.

(j) **Notice of Certain Acquisitions**. If the Company intends to acquire any assets, rights or securities located in a jurisdiction outside of the United States, the Company shall notify the Holder of such proposed acquisition at least ten Business Days prior to the completion of such acquisition. Such notice shall identify the nature of the assets, rights or securities to be acquired and the jurisdiction in which they are located.

4.2 Restrictive Covenants.

The Company hereby covenants and agrees with the Holder that, until all Credit Obligations have been repaid in full and this Debenture has either been terminated or the entire principal amount of this Debenture has been fully exchanged for Variable Voting Shares and the accrued interest thereon has been fully paid in cash or Shares in accordance with its terms:

(a) **Liens**. Neither the Company nor any Subsidiary of the Company shall enter into or grant, create, assume or suffer to exist any Lien affecting any of its property or assets other than Permitted Liens.

(b) **Indebtedness**. Neither the Company nor any Subsidiary of the Company shall incur, assume or otherwise become liable for or otherwise permit to exist any Indebtedness of the Company or any Subsidiary of the Company other than Permitted Indebtedness.

(c) **Dispositions.** Neither the Company nor any Subsidiary of the Company shall sell, transfer or otherwise dispose of any of the collateral pledged pursuant to the Pledge and Security Agreements and the Account Control Agreement other than for fair value; provided, however the Company and its Subsidiaries may only transfer or otherwise dispose of cash as permitted in the Purchase Agreement in connection with the Use of Proceeds.

(d) **Existence**. The Company shall not take part in any consolidation, plan of arrangement, amalgamation, merger, winding-up, dissolution, capital or corporate reorganization or similar proceeding or arrangement, unless (i) the company formed by or surviving any such proceeding or arrangement is a company incorporated under the original jurisdiction of formation, the laws of the United States (such company being herein referred to as the "**Successor Entity**"), (ii) the Successor Entity expressly assumes all the Secured Obligations and all of the Company's obligations under the Exchange Agreement pursuant to an instrument in form and substance satisfactory to the Holder, acting reasonably, (iii) no Default or Event of Default is then existing or would result from the consummation of such proceeding or arrangement; (iv) the provisions of Article 3, as applicable, have been complied with; and (v) the Successor Entity delivers to the Holder an officer's certificate, in form and substance reasonably satisfactory to the Holder, acting reasonably, with respect to the instrument delivered pursuant to clause (ii) above.

(e) **Restricted Payments.** Neither the Company nor any of its Subsidiaries shall declare, pay or make any Restricted Payment; provided however that the Company shall be permitted to make Restricted Payments (i) to its shareholder in any consecutive 12 month period in a maximum amount equal to the aggregate EBITDA generated by the Company and its Subsidiaries during such 12 month period up to a maximum of $1,849,750 or (ii) that have been approved by the Holder, acting reasonably.

(f) **No Modification of Constating Documents**. Other than in connection with a Change of Control of the Company, neither the Company nor any of its Subsidiaries shall take any action to amend or modify its certificate of formation or limited liability company agreement, articles or by-laws (or any corresponding organizational documents) that would adversely affect the Holder in any material respect.

(g) **Issuance of Additional Equity**. The Company shall not issue additional shares, Equity Securities or other equity interests in the Company or any warrants, options or other rights to acquire any such interests in the Company to any Person other than to WildBrain or to any wholly-owned Subsidiary of WildBrain.

(h) **Subsidiary Equity Interests**. The Company shall direct all of its Subsidiaries to restrict and prohibit the issuance of any shares, Equity Securities or other equity interests in such Subsidiaries or any warrants, options or other rights to acquire any such interests in such Subsidiaries to any Person other than to the Company other than any such issuances made in accordance with pre-emptive rights in favour of minority investors pursuant to the terms of applicable Law, the articles, by-laws or similar constating documents of such Subsidiary or any shareholder agreement, partnership agreement, limited liability company agreement or similar agreement in respect of such subsidiary that existed prior to the date of the Company holding any interest in such Subsidiary. The Company shall not hold any equity interests in its Subsidiaries or any warrants, options or other rights to acquire any such interests in its Subsidiaries other than by way of direct ownership.

ARTICLE 5
TAXATION

5.1 Taxation

(a) Any payment, transfer or distribution by the Company to the Holder hereunder, whether for principal, interest or otherwise and including on an exchange in whole or in part of this Debenture, shall not be subject to any deduction, withholding or offset for any reason whatsoever except to the extent required by applicable Law. Notwithstanding any term or provision of this Debenture to the contrary, if it shall be determined that any payment or distribution by the Company to or for the benefit of the Holder pursuant to the terms of this Debenture, whether for principal, interest or otherwise and whether paid or payable, distributed or distributable, or actual or deemed (a "**Payment**") would be or is subject to any deduction, withholding or offset due under Part XIII of the *Income Tax Act* (Canada) or any other applicable Law of any jurisdiction (such tax, together with any interest and/or penalties related thereto, hereinafter collectively referred to as the "**Payment Tax**"), then:

(i) the Company shall, in addition to such Payment, pay or credit to or for the benefit of the Holder an additional amount in cash (a "**Gross-Up Payment**") in an amount such that after the Payment Tax on the aggregate of the Payment and the Gross-Up Payment is deducted, withheld or offset by the Company, the Holder receives a net after-tax amount equal to the Payment; and

(ii) the Company shall duly deduct or withhold such Payment Tax on the aggregate of the Payment and the Gross-Up Payment from or against the Gross-Up Payment, shall timely remit such Payment Tax to the applicable governmental authority and shall provide evidence of such remittance to the Holder within ten (10) days of making such remittance.

(b) If the Holder receives a refund of any Payment Tax in respect of which the Company has made a Gross-Up Payment pursuant to Section 5.1(a), the Holder shall pay to the Company an amount equal to such refund (but only to the extent of Gross-Up Payments made by the Company with respect to Payment Taxes giving rise to such refund), without interest (except any interest received by the Holder from the applicable governmental authority) and less any reasonable costs, fees, expenses, damages, losses, taxes or other amounts incurred by the Holder in respect of such refund. This provision shall not be construed to require the Holder to make available any information relating to its taxes that it considers confidential to the Company, to arrange its affairs in any particular manner or, except as provided in the next sentence, to claim any available refund. The Holder shall make commercially reasonable efforts, at the request and expense of the Company, to contest the payment, and seek a refund, of any Payment Tax that the Company reasonably considers to be incorrectly or illegally imposed or asserted, provided that contesting the payment, or seeking a refund, of such Payment Tax shall not relieve the Company from its obligation to make the Gross-Up Payment under Section 5.1(a).

(c) The Holder shall deliver documentation and information to the Company, at the times and in the form required by Law and reasonably requested by the Company, sufficient to permit the Company to determine (i) whether or not payments under this Debenture are subject to taxes, (ii) if applicable, the required rate of withholding or deduction, (iii) the Holder's entitlement to any available exemption from, or reduction of, applicable taxes for such payments or otherwise to establish the Holder's status for withholding tax purposes in the applicable jurisdiction, and (iv) to demonstrate that payments to the Holder are exempt from any United States withholding tax imposed pursuant to FATCA or to determine the amount to deduct or withhold under FATCA from any payment.

(d) Notwithstanding anything to the contrary in this Article 5, the Company shall not be required to make any Gross-Up Payment (i) on account of FATCA, (ii) on account of back-up withholding tax under the Code, including, without limitation, Section 3406 of the Code; (iii) in the event of an assignment of this Debenture by a Holder, to the extent that the assignee would be entitled to any greater payment than the assignor at the time of the assignment; (iv) to the extent that such payment is attributable to the Holder's failure to comply with Article 5.1(c); and (v) on account of the Holder's change of lending office or residence for tax purposes to the extent that such change would result in the Holder being entitled to an increased payment.

ARTICLE 6
EVENTS OF DEFAULT AND REMEDIES

6.1 Events of Default

The occurrence of any of the following events will constitute an Event of Default under this Debenture:

(a) a breach by the Company of any payment obligation under this Debenture or any Related Debenture;

(b) the commencement of proceedings for the dissolution, liquidation or winding up of any of WildBrain, the Company or any material Subsidiary of the Company or for the suspension of the operations of any of WildBrain, the Company or any material Subsidiary of the Company (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being diligently defended, or (ii) such proceedings have not been discharged, vacated or stayed within thirty (30) days after commencement);

(c) WildBrain, the Company or any material Subsidiary of the Company ceases to carry on its business or is adjudged or declared bankrupt or insolvent or admits in writing its inability to pay its debts generally as they become due or makes an assignment for the general benefit of creditors, petitions or applies to any tribunal for the appointment of a receiver or trustee for it or for any part of its property (or such a receiver or trustee is appointed for it or any part of its property), or files a notice of intention to file a proposal, or commences (or any other Person commences) any proceedings relating to it under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction whether now or hereafter in effect (provided that, if such proceedings are commenced by another Person, such proceedings shall only constitute an Event of Default if either (i) such proceedings are not being actively and diligently contested in good faith, or (ii) such proceedings have not been discharged, vacated or stayed within sixty (60) days after commencement), or expressly consents to or approves of any such proceeding for it or for any part of its property, or acquiesces to the appointment of any receiver or trustee, sequestrator or other custodian for it or any such part of its property;

(d) any representation or warranty made by WildBrain or the Company in the Purchase Agreement or any other Transaction Agreement proves to have been incorrect in any material respect (without duplicating any materiality qualification contained in any such representation or warranty) when made or furnished which, if capable of being remedied, has not been remedied within fifteen (15) Business Days after written notice to do so has been given by the Holder to the Company or WildBrain, as applicable;

(e) the breach or failure of due observance or performance by the Company of any provision of Section 4.1 or Section 4.2, provided that, if such breach or default is capable of being cured, such default continues unremedied for a period for fifteen (15) Business Days after the earlier of knowledge by the Company thereof or notice thereof from the Holder;

(f) the breach or failure of due observance or performance by WildBrain or the Company of any covenant or provision hereof or any other covenant or provision of any of the other Transaction Agreements, other than those heretofore or hereafter dealt with specifically in this Section 6.1, or of any other document, agreement or instrument delivered pursuant hereto or thereto which is not remedied within fifteen (15) Business Days after written notice to do so has been given by the Holder to the Company;

(g) any one or more of the Transaction Agreements is determined by a court of competent jurisdiction not to be valid and enforceable by the Holder (except as a result of any the Holder’s failure to be a validly existing entity) against WildBrain or the Company, as applicable, and any such document has not been replaced by a valid and enforceable document and equivalent in effect to such document, assuming such document had originally been valid and enforceable, in form and substance acceptable to the Holder, within 30 days of such determination;

(h) WildBrain ceases to be a reporting issuer in good standing in each of the Reporting Jurisdictions, provided that an Event of Default shall not occur for the purposes of this Debenture if WildBrain ceases to remain a reporting issuer in good standing due to any merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Shares;

(i) one or more material judgments or decrees shall be entered against the Company, any of its material Subsidiaries or WildBrain and all of such judgments or decrees shall not have been vacated, discharged, stayed or bonded pending appeal within thirty (30) days from the entry thereof;

(j) the Holder shall for any reason, except as a result of the acts or omissions of the Holder, cease to have a valid and perfected first priority security interest in the collateral pledged under the Pledge and Security Agreements and the Account Control Agreement free and clear of all Adverse Claims (as defined in the Purchase Agreement); or

(k) any event occurs or series of events occur (including a change to any applicable Laws) which individually or together has a Material Adverse Effect;

If an Event of Default occurs, the entire unpaid principal amount of this Debenture outstanding at that time plus all accrued and unpaid interest and any other monetary amounts outstanding under this Debenture will be accelerated, and will become immediately due and payable at the option of the Holder (upon written notice by the Holder to the Company); provided, however, in the case of the Events of Default described in subsection 6.1(i), one or more material judgments or decrees against WildBrain (i) shall not trigger acceleration of the unpaid principal amount of this Debenture pursuant to the terms of this Section 6.1, (ii) shall not prevent the Company from exercising its redemption right pursuant to Section 2.4, provided that the Company may not exercise its Share Repayment Election in connection with such redemption so long as such Event of Default is continuing. On the occurrence and during the continuation of an Event of Default, the Holder may continue to exercise its right of exchange set out in Article 3 in respect of all or any portion of the outstanding principal amount of this Debenture.

ARTICLE 7
GENERAL

7.1 Waiver

No act or omission by the Holder in any manner whatever will extend to or be taken to affect any provision hereof or any subsequent breach or default or the rights resulting therefrom save and except for an express waiver in writing and any consent or waiver granted in accordance with Section 7.2. A waiver of default will not extend to, or be taken in any manner whatsoever to affect the rights of the Holder with respect to, any subsequent default, whether similar or not. The Company waives every defence based upon any or all indulgences that may be granted by the Holder.

7.2 Consent

Where a provision of this Debenture requires an approval or consent by a party to this Debenture and written notification of such approval or consent is not delivered within the applicable time in accordance with this Debenture, then the party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

7.3 No Merger or Novation

Neither the taking of any judgment nor the exercise of any power of seizure or sale will operate to extinguish the liability of the Company to pay the monies owed hereunder nor will the same operate as a merger of any covenant herein contained or of any other obligation, nor will the acceptance of any payment or other security constitute or create any novation.

7.4 Holder May Remedy Default

If the Company fails to do anything hereby required to be done by it, the Holder may, but will not be obliged to, do such thing and all reasonable sums thereby expended by the Holder will be payable forthwith by the Company, but no such performance by the Holder will be deemed to relieve the Company from any default hereunder.

7.5 Notices

Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by electronic transmission (including email) to such party, as follows:

(a) to the Holder at:

[redacted]

Attn: Jonathan Whitcher

[redacted]

with a copy to

[redacted]

Attn: Robert Murphy

[redacted]

(b) to the Company at:

[redacted]

Attn.: Aaron Ames

[redacted]

with a copy to

[redacted]

Attn: Michael Partridge
[redacted]

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. at the place of receipt, then on the next following Business Day). Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 7.5.

7.6 Severability

If any provision of this Debenture is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Debenture shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any party hereto. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Debenture so as to effect the original intent of the parties hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

7.7 Adjustment of Interest

Notwithstanding any provision to the contrary contained in this Debenture, in no event will the aggregate “interest” (as defined in Section 347 of the *Criminal Code* (Canada)) payable under this Debenture exceed the effective annual rate of interest on the “credit advanced” (as defined in that section) under this Debenture lawfully permitted under that section and, if any payment, collection or demand pursuant to this Debenture in respect of “interest” (as defined in that section) is determined to be contrary to the provision of that section, such payment, collection or demand will be deemed to have been made by mutual mistake of the Company and the Holder and the amount of such payment or collection will be refunded to the Company; for purposes of this Debenture the effective annual rate of interest will be determined in accordance with generally accepted actuarial practices and principles over the term of this Debenture on the basis of annual compounding of the lawfully permitted rate of interest and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by the Holder will be conclusive for the purposes of such determination, in the absence of evidence to the contrary.

7.8 Assignment

Neither party may assign any rights and benefits or obligations under this Debenture without the prior written consent of the other party, except that the Holder may assign this Debenture or any of its rights and benefits or obligations under this Debenture, in whole or in part, without the Company's prior written consent to any investment fund managed by Fine Capital Partners, L.P. or to any other Affiliates of Fine Capital Partners, L.P.

7.9 Enurement

This Debenture and all its provisions enures to the benefit of the Holder, its successors and permitted assigns and will be binding upon the Company, its successors and permitted assigns. Presentment, notice of dishonour, protest and notice of protest hereof are hereby waived.

7.10 Amendments

This Debenture may only be amended by a written agreement of the Company, on the one hand, and the Holder, on the other hand.

7.11 Further Assurances

Each party shall do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Debenture, and each party shall provide such further documents or instruments as reasonably required by any other party as necessary or desirable to effect the purpose of this Debenture and carry out its provisions. Without limiting the generality of the foregoing, the Company will, to the extent it is required to do so pursuant to the terms of the Transaction Agreements, from time to time duly authorize, execute and deliver to the Holder such further instruments and documents and take such further action as the Holder may reasonably request in accordance with Section 2.8. The Company shall renew such registrations, filings and recordings from time to time as and when required to keep them in full force and effect.

7.12 Governing Law and Jurisdiction for Disputes

This Debenture shall be governed by and construed in accordance with the applicable Laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated, in all respects, as an Ontario contract. Each of the parties irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Ontario, the courts of the State of New York, or the United State Courts located in the Borough of Manhattan in New York City over any action or proceeding arising out of or relating to this Debenture.

7.13 Entire Agreement

This Debenture and the other Transaction Agreements constitute the entire agreement between the parties to this Debenture pertaining to the subject matter of this Debenture and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to the subject matter of this Debenture (other than the

Transaction Agreements) (including, for greater certainty, the binding term sheet dated May 13, 2020 between the WildBrain and Fine Capital Partners, L.P.).

7.14 Patriot Act

The Company acknowledges and agrees that pursuant to the provisions of the USA Patriot Act (Title III of the Pub. L. 107-56) signed into law October 26, 2001 (the "Patriot Act"), the Holder may be required to obtain, verify and record information with respect to the Company; and the Company hereby agrees to cooperate with the Holder and provide the Holder with all information that may be required in order to fulfil its obligations under the Patriot Act.

7.15 Counterparts and Delivery

This Debenture and all documents contemplated by or delivered under or in connection with this Debenture may be executed and delivered in any number of counterparts (whether by facsimile, email, or other electronic means), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[Signature page follows]

IN WITNESS WHEREOF the parties have executed this Debenture.

WILDBRAIN HOLDINGS LLC,
as the Company

Per: *"Eric Ellenbogen"*

Name: Eric Ellenbogen
Title: Chief Executive Officer

[Holder Signature on Following Page]

DEKEL PARTNERS, L.P., by its general partner, FINE CAPITAL MANAGEMENT, L.L.C.
as the Holder

Per: *"Debra Fine"*

Name: Debra Fine
Title: Chairman and Founder

EXHIBIT A
MATURITY NOTICE

TO: [●] (the "Holder")
AND TO: WildBrain Ltd. ("WildBrain")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Debenture(s) mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 2.3(b) of the Debenture(s) dated as of **[●]**, 2020, (the "**Debenture(s)**") made between WildBrain Holdings LLC (the "**Company**") and the Holder, that the Debentures will become due and payable as of **[●]** (the "**Maturity Date**").

Pursuant to Section 2.3(b) of the Debenture(s), the Company hereby advises the Holder and WildBrain and instructs WildBrain to deliver to the Holder that number of Variable Voting Shares equal to (A) **[●]** representing [●]% of the principal amount of the Debenture(s) on the Maturity Date that the Company wishes to satisfy pursuant to the Share Repayment Election divided by (B) **[●],** representing an amount equal to 95% of the Current Market Price on the Maturity Date.

Upon presentation and surrender of the Debentures for payment on the Maturity Date, the Company shall, on the Maturity Date, cause to be delivered to the Holders, a certificate (or, if available and requested by the Holder, a direct registration system advice evidencing a non-certificated registered position) representing the Variable Voting Shares to which the Holder is entitled, together with a cheque or wire transfer representing the accrued and unpaid interest and the principal amount of Debentures being repaid in cash, if any.

DATED the _____ day of ____________________, 20___.

WILDBRAIN HOLDINGS LLC

Per: ________________________________
Name: ●
Title: ●

EXHIBIT B
REDEMPTION NOTICE

TO: [●] (the "Holder")
AND TO: WildBrain Ltd. ("WildBrain")

Note: All capitalized terms used herein have the meaning ascribed thereto in the Debenture(s) mentioned below, unless otherwise indicated.

Notice is hereby given pursuant to Section 2.4(a) of the Debenture(s) dated as of **[●]**, 2020, (the "**Debenture(s)**") made between WildBrain Holdings LLC (the "**Company**") and the Holder, that $**[●]** principal amount of the Debenture(s), representing **[●]%** of the principal amount of the Debenture(s) outstanding will be redeemed as of **[●]** (the "**Redemption Date**"), upon payment of a redemption amount of $**[●]** being equal to **[●]**% of the outstanding principal amount of the Debenture(s), plus all accrued and unpaid interest thereon up to but excluding the Redemption Date (the "**Redemption Price**").

The Redemption Price will be payable upon presentation and surrender of the Debentures called for redemption to the Company:

The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Price shall not be made on presentation for surrender of such Debentures to the Company.

[If payment of the Redemption Price is made in Variable Voting Shares:]

[Pursuant to section 2.5(c) of the Debenture(s), the Company hereby irrevocably elects to satisfy its obligation to pay to the Holder $[●] of the Redemption Price by causing WildBrain to issue and deliver to the Holders that number of Variable Voting Shares obtained by dividing (i) [●] by (ii) 95% of the Current Market Price on the Redemption Date.

Upon presentation and surrender of the Debenture(s) for payment on the Redemption Date, the Company shall, on the Redemption Date, deliver or cause to be delivered to the Holders, a certificate (or, if available and requested by the Holder, a direct registration system advice evidencing a non-certificated registered position) representing the Variable Voting Shares to which the Holder is entitled, together with a cheque or wire transfer representing the accrued and unpaid interest and the principal amount of the Debenture(s) being repaid in cash, if any and a certificate representing the principal amount of the Debenture(s) not being redeemed, if any.]

DATED the _____ day of ____________________, 20___.

WILDBRAIN HOLDINGS LLC

Per: ____
Name: ●
Title: ●

EXHIBIT C
NOTICE OF EXCHANGE

TO: WildBrain Holdings LLC (the "Company")
AND TO: WildBrain Ltd. ("WildBrain")

The undersigned holder (the "**Holder**") of the attached Secured Exchangeable Debenture (the "**Debenture**") hereby irrevocably elects to exchange $ __________ of the outstanding principal amount thereof into __________ Variable Voting Shares of WildBrain pursuant to the terms of the Debenture at the Exchange Price and on the other terms specified in the Debenture. The capitalized terms used but not otherwise defined herein have the meanings given in the Debenture.

The Holder irrevocably directs that such Variable Voting Shares and all the securities comprising such Variable Voting Shares be issued in the name of the Holder and be delivered to the Holder at the address set out below:

____
Street

____
City Province / State

____
Postal / ZIP Code

____
Attention

____
Phone Number / Fax Number

____
E-mail

Or, if requested by the Holder, the direct registration system advice evidencing a non-certificated registered position as set out below:

Name and Address of Registered Holder	**Beneficial Holder/ Deposit ID #**	**CDS Participant Name**	**CDS FINS Number / CUID**	**CDS Participant Contact**

DATED the ______ day of ______________________, 20___.

● **[Name of Holder]**

Per: ____
Name: ●
Title: ●

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