

Dated as of the 20th day of December, 2017.

EXCHANGE INCOME CORPORATION

- and -

BNY TRUST COMPANY OF CANADA

\$100,000,000

TRUST INDENTURE

Providing for the issue of 5 Year 5.25% Convertible
Unsecured Subordinated Debentures

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THIS TRUST INDENTURE made as of the 20th day of December, 2017.

BETWEEN:

EXCHANGE INCOME CORPORATION, a corporation existing under the laws of Canada (hereinafter referred to as the "Corporation")

- and -

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

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

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

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

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

NOW THEREFORE the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Interpretation

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

- (a) "Affiliate" means an affiliate as defined in the *Canada Business Corporations Act*, as amended;
- (b) "Applicable Legislation" means the provisions, if any, of the *Canada Business Corporations Act*, as amended, and any other statute of Canada or a province thereof, and of regulations under any such statute, relating to trust indentures or to the rights, duties and obligations of trustees under trust indentures and of

corporations issuing debt obligations under trust indentures, to the extent that such provisions are for the time being in force and applicable to this Trust Indenture;

- (c) “Applicable Securities Laws” means applicable securities laws in each of the Provinces of Canada;
- (d) “Auditors of the Corporation” means an independent firm of chartered accountants duly appointed as auditors of the Corporation;
- (e) “Authorized Investment” means short term interest bearing or discount debt obligations issued or guaranteed by the Government of Canada or a Province or a Canadian chartered bank (which may include an Affiliate or related party of the Indenture Trustee) provided that each such obligation is rated at least R-1 (middle) by DBRS Inc. or an equivalent rating service;
- (f) “Base Shares” has the meaning set forth in Subsection 4.13(b);
- (g) “Business Day” means any day except Saturday, Sunday, a statutory holiday and days when the principal offices of the Indenture Trustee in Toronto, Ontario are not open to the public for the transaction of business;
- (h) “Cash Change of Control” means a Change of Control in which 10% or more of the consideration for voting securities of the Corporation in the transaction or transactions constituting a Change of Control consists of (i) cash or (ii) equity securities or other property that is not traded or intended to be traded immediately following such transactions on a stock exchange;
- (i) “Cash Change of Control Conversion Period” has the meaning set forth in Subsection 4.13(a);
- (j) “Cash Change of Control Conversion Price” has the meaning set forth in Subsection 4.13(a);
- (k) “Certificate of the Corporation”, “Request of the Corporation” and “Written Direction of the Corporation” means, respectively, a written certificate, request and direction signed in the name of the Corporation by any two of the Directors and/or officers of the Corporation and may consist of one or more instruments so executed. A Certificate of the Corporation shall be in the form of a statutory declaration if and when required under the provisions of this Trust Indenture, any Applicable Legislation or by the Indenture Trustee;
- (l) “Change of Control” means the acquisition by any Person, or group of Persons acting jointly or in concert, within the meaning of *The Securities Act* (Manitoba), of voting control or direction over an aggregate of 66-2/3% or more of the outstanding Shares and securities convertible into or carrying the right to acquire Shares;
- (m) “Change of Control Date” has the meaning set forth in Subsection 4.13(a);
- (n) “Change of Control Offer” has the meaning set forth in Subsection 4.12(a);

- (o) “Change of Control Payment” has the meaning set forth in Subsection 4.12(a);
- (p) “Change of Control Payment Date” has the meaning set forth in Subsection 4.12(b);
- (q) “Conversion Price” means the sum of \$51.50 per Share (or approximately 19.4175 Shares for every \$1,000 principal amount Debenture converted) with respect to a conversion by a Debentureholder, as may be adjusted pursuant to Section 4.13 or 5.3, as applicable;
- (r) “Conversion Rate” means, at any time, the number of Shares issuable for each \$1,000 principal amount of Debentures so converted, using the Conversion Price in effect at such time, which, as of the date hereof, using the Conversion Price of \$51.50, means approximately 19.4175 Shares issuable for each \$1,000 principal amount of Debentures;
- (s) “Corporation” means Exchange Income Corporation and includes any successor to or of the Corporation which shall have complied with the provisions of Article 9;
- (t) “Counsel” means a barrister and solicitor or firm of barristers and solicitors, who may be counsel for the Corporation, retained, employed, engaged or appointed by the Indenture Trustee or the Corporation and acceptable to the Indenture Trustee where the context so indicates;
- (u) “Credit Facility” means the credit facilities which are revolving term facilities in the maximum principal amounts (as of the date hereof) of \$695,000,000 and US\$55,000,000, respectively, provided to the Corporation by a syndicate of lenders pursuant to a seventh amended and restated loan agreement dated March 3, 2017 between the Corporation and such lenders, as it may be further amended from time to time hereafter;
- (v) “Current Market Price” means, with respect to the Corporation at any date, the price per Share equal to the Weighted Average Price at which the Shares have traded on the Exchange during a period of 20 consecutive trading days, ending on the fifth trading day preceding such date;
- (w) “Date of Conversion” shall have the meaning attributed to it in Subsection 5.2(b);
- (x) “Debentures” means the 5 Year 5.25% Convertible Unsecured Subordinated Debentures of the Corporation to be issued hereunder and to be entitled to the benefits hereof, and without limiting the generality of the foregoing “global Debenture” means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.13 for purposes of being held by or on behalf of the Depository as custodian for participants in the Depository’s book-entry only registration system;
- (y) “Debentureholders” or “Holders” means the Persons for the time being entered in the registers hereinafter mentioned as holders of Debentures;
- (z) “Debentureholders’ Request” means an instrument, signed in one or more counterparts by the Holder or Holders of not less than 25% of the principal

amount of the Debentures outstanding for the time being, requesting the Indenture Trustee to take or refrain from taking some action or proceeding specified therein;

- (aa) “Declaration” means a duly completed and signed declaration in the form attached to the Conversion Form, or such other form of declaration as the Corporation may request from time to time;
- (bb) “Depository” means, with respect to the Debentures, the person designated as Depository by the Corporation pursuant to Section 2.13 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Depository” shall mean each person who is then a Depository hereunder, and if at any time there is more than one such person, “Depository” as used with respect to the Debentures shall mean each Depository with respect to one or more global Debentures;
- (cc) “Director” means a member of the board of directors of the Corporation for the time being and “Directors” or “Board of Directors” means the board of directors of the Corporation for the time being and reference to “action by the Directors” means action by the directors of the Corporation as a board;
- (dd) “Environmental Laws” means all federal, provincial, state, municipal, county, local and other laws, statutes, codes, ordinances, by-laws, rules, regulations, policies, guidelines, certificates, approvals, permits, consents, directions, standards, judgments, orders and other authorizations, as well as common law, civil and other jurisprudence or authority, in each case domestic or foreign, having the force of law at any time relating in whole or in part to any Environmental Matters and any permit, order, directions, certificate, approval, consent, registration, licence or other authorization of any kind held or required to be held in connection with any Environmental Matters;
- (ee) “Environmental Matters” means:
 - (i) any condition or substance, heat, energy, sound, vibration, radiation or odour that may affect any component of the earth and its surrounding atmosphere or affect human health or any plant, animal or other living organism; and
 - (ii) any waste, toxic substance, contaminant or dangerous good or the deposit, release or discharge of any thereof into any component of the earth and its surrounding atmosphere;
- (ff) “Event of Default” means any event specified in Section 7.1, continued for the period of time, if any, therein designated;
- (gg) “Exchange” means the Toronto Stock Exchange or such other recognized stock exchange upon which the Shares are listed from time to time;
- (hh) “Extraordinary Resolution” has the meaning attributed to it in Section 12.12;

- (ii) “Freely Tradeable” means, in respect of shares of capital of any class of any corporation which (i) are issuable without the necessity of filing a prospectus or any other similar offering document (other than such prospectus or similar offering document that has already been filed) under Applicable Securities Laws and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) under Applicable Securities Laws; and (ii) can be traded by the holder thereof without any restriction under Applicable Securities Laws, such as hold periods, except in the case of a distribution by a control person (as defined in Applicable Securities Laws);
- (jj) “Government Obligations” means securities issued or guaranteed by the Government of Canada or any province thereof;
- (kk) “Indenture Trustee” means BNY Trust Company of Canada or its successor or successors for the time being as trustee hereunder;
- (ll) “Ineligible Consideration” has the meaning set forth in Section 5.3(h);
- (mm) “Interest Rate” means the interest rate payable on the Debentures and shall mean 5.25% per annum;
- (nn) “Make Whole Shares” has the meaning set forth in Subsection 4.13(b);
- (oo) “Maturity Date” means December 31, 2022;
- (pp) “Pari Passu Debt” means all indebtedness of the Corporation expressly stated to rank *pari passu* with the indebtedness of the Corporation under the Debentures;
- (qq) “Person” means an individual, firm, trust, trustee, syndicate, corporation, partnership, association, government or governmental agency;
- (rr) “Prospectus” means the final short form prospectus of the Corporation dated December 13, 2017 qualifying the distribution of the Debentures;
- (ss) “Receiver” means a receiver or a receiver-manager;
- (tt) “Redemption Price” means 100% of the aggregate outstanding principal amount of the Debentures together with accrued and unpaid interest up to but excluding the date of redemption of the Debentures on the principal amount of the Debentures;
- (uu) “Reference Property” has the meaning set forth in Section 5.3(h);
- (vv) “Senior Indebtedness” means all indebtedness of the Corporation (whether outstanding on the date of this Indenture or thereafter incurred) which by the terms of the instrument creating or evidencing such indebtedness is not expressed to be *pari passu* with or subordinate in right of payment to the Debentures. For greater certainty, “Senior Indebtedness” includes: (i) claims by trade creditors of the Corporation; and (ii) the Credit Facility;

- (ww) “Share Bid Request” means a request for bids to purchase Shares (to be issued by the Corporation on the Share Delivery Date) made by the Indenture Trustee in accordance with the Share Interest Payment Election Notice and which shall make the acceptance of any bid conditional upon the acceptance of sufficient bids to result in aggregate proceeds from such issue and sale of Shares which, together with the cash payments by the Corporation in lieu of fractional Shares, if any, equal the applicable interest payment owing on the Debentures;
- (xx) “Share Delivery Date” means a date, not more than 90 days and not less than one Business Day prior to the applicable interest payment date, upon which Shares are issued by the Corporation and delivered to the Indenture Trustee for sale pursuant to Share Purchase Agreements;
- (yy) “Share Interest Payment Election” means an election to satisfy an obligation to pay interest on the applicable interest payment date in the manner described in the Share Interest Payment Election Notice;
- (zz) “Share Interest Payment Election Amount” means the sum of the amount of the aggregate proceeds resulting from the sale of Shares on the Share Delivery Date pursuant to acceptable bids obtained pursuant to the Share Bid Requests, together with any amount paid by the Corporation in respect of fractional shares pursuant to Section 11.1(g), that is equal to the aggregate amount of the interest obligation in respect of which the Share Interest Payment Election Notice was delivered;
- (aaa) “Share Interest Payment Election Notice” means a written notice by the Corporation to the Indenture Trustee, in substantially the form set forth in Schedule C attached hereto, specifying:
 - (i) the interest payment obligation to which the election relates;
 - (ii) the Share Interest Payment Election Amount;
 - (iii) the investment banks, brokers or dealers through which the Indenture Trustee shall seek bids to purchase the Shares and the conditions of such bids, which may include the minimum number of Shares, minimum price per Share, timing for closing for bids and such other matters as the Corporation may specify; and
 - (iv) that the Indenture Trustee shall accept through the investment banks, brokers or dealers selected by the Corporation only those bids which comply with such notice;
- (bbb) “Share Proceeds Investment” has the meaning set forth in Subsection 11.1(h);
- (ccc) “Share Purchase Agreement” means an agreement in customary form among the Corporation, the Indenture Trustee and the Persons making acceptable bids pursuant to a Share Bid Request, which complies with all applicable laws, including Applicable Securities Laws and the rules and regulations of any stock exchange on which the Debentures or Shares are then listed;

- (ddd) "Share Redemption Right" has the meaning set forth in Subsection 4.5(a);
- (eee) "Share Repayment Right" has the meaning set forth in Subsection 4.10(a);
- (fff) "Shareholder" means a holder of Shares;
- (ggg) "Shares" means the common shares of the Corporation, as such common shares exist on the date of execution and delivery of this Trust Indenture;
- (hhh) "Subordination Agreement" means an agreement entered into between the Indenture Trustee and any lender to the Corporation or to a Subsidiary to which the Corporation has provided a guarantee pursuant to which the subordinate ranking and subordinate priority of the indebtedness represented or granted hereunder is acknowledged and confirmed;
- (iii) "Subsidiary" means, with respect to a specified entity, any entity: (i) of which more than 50% of the outstanding securities ordinarily entitled to elect a majority of the board of directors thereof (whether or not securities of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified entity; or (ii) which is otherwise controlled, directly or indirectly, by such specified entity;
- (jjj) "Successor Entity" has the meaning attributed to it in Section 9.1;
- (kkk) "Trust Indenture", "Indenture", "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions refer to this Trust Indenture and not to any particular Article, Section, Subsection or other portion hereof and include any and every instrument supplemental or ancillary hereto; and
- (III) "Weighted Average Price" means with respect to the Shares, for any period, the amount obtained by dividing the aggregate sale price of all Shares sold on the Exchange during the period in question by the total number of Shares so sold.

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

1.2 Meaning of "Outstanding"

Every Debenture certified and delivered by the Indenture Trustee hereunder shall be deemed to be outstanding until it shall be cancelled or delivered to the Indenture Trustee for conversion or redemption provided that:

- (a) Debentures which have been partially converted shall be deemed to be outstanding only to the extent of the unconverted part of the principal amount thereof;
- (b) when a new Debenture has been issued in exchange for a Debenture pursuant to Section 2.9 or Section 2.10 only one of such Debentures shall be counted for the purpose of determining the aggregate principal amount of Debentures outstanding; and

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

1.3 Headings, etc.

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

1.4 Applicable Law

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

1.5 Currency

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

1.6 Day not a Business Day

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

1.7 Trial by Jury

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

ARTICLE 2 THE DEBENTURES

2.1 Terms of Debentures

- (a) The aggregate principal amount of Debentures authorized to be issued under this Trust Indenture shall consist of and be limited to \$100,000,000.
- (b) The Debentures shall be designated as “5 Year 5.25% Convertible Unsecured Subordinated Debentures”, shall be dated as of the date hereof, shall mature on December 31, 2022 and shall bear interest (subject to the provisions of Section 2.6) from the date hereof, at the Interest Rate payable after as well as before maturity, default and judgment until paid in full and with interest on any amounts in default at the same rate, payable in equal semi-annual payments on June 30 and December 31 in each year with the initial payment occurring on June 30, 2018 (which shall represent interest from the date hereof up to, but excluding, June 30, 2018). For greater certainty, the first interest payment on the Debentures which is payable on June 30, 2018 will be in the amount of \$27.61644 per \$1,000 principal amount of Debentures.
- (c) The principal of the Debentures and interest thereon shall be payable in lawful money of Canada or Shares, as applicable, at the principal office of the Indenture Trustee in Toronto, Ontario or any paying agent.

2.2 Form and Signature of Debentures

- (a) The Debentures shall be issued only as fully registered Debentures in the denomination of \$1,000 and integral multiples of \$1,000. The Debentures (including the certificate of the Indenture Trustee, the registration, transfer and conversion panels endorsed thereon) shall be substantially in the form set forth in Schedule A hereto. The Debentures shall bear such distinguishing letters and numbers as the Indenture Trustee may approve.
- (b) The Debentures shall initially be issued as one or more fully registered global Debentures and the Depository for the Debentures shall be CDS Clearing and Depository Services Inc. The global Debentures shall be registered in the name of CDS & Co (or any nominee of the Depository). No beneficial holder will receive definitive certificates representing their interest in the Debentures except as provided in Section 2.15.
- (c) The Debentures may be under the seal of the Corporation, if any, (or a reproduction thereof which shall be deemed to be the seal of the Corporation) and shall be signed (either manually or by facsimile signature) by any one Director or officer of the Corporation. A facsimile signature upon any of the Debentures shall for all purposes of this Trust Indenture be deemed to be the signature of the Person whose signature it purports to be and to have been executed at the time such facsimile signature is reproduced. Debentures shall be valid and binding upon the Corporation and the Holder shall be entitled to the benefits of this Trust Indenture notwithstanding that a person whose signature, either manual or facsimile, may appear on the Debentures is not, at the date of

this Trust Indenture or at the date of the Debentures or at the date of the certification and delivery thereof, the holder of the office indicated.

2.3 Issue of Debentures

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

2.4 Certification by the Indenture Trustee

- (a) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the Holder to the benefits of this Trust Indenture, until it has been certified by or on behalf of the Indenture Trustee, substantially in the form set out in Schedule A hereto or in some other form approved by the Indenture Trustee. Such certification on any Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and that the Holder is entitled to the benefits hereof.
- (b) The certificate of the Indenture Trustee signed on the Debentures hereinafter mentioned shall not be construed as a representation or warranty by the Indenture Trustee as to the validity of this Trust Indenture or of the Debentures or as to the issuance of the Debentures and the Indenture Trustee shall in no respect be liable or answerable for the use made of the Debentures or any of them or the proceeds thereof. The certificate of the Indenture Trustee signed on the Debentures shall, however, be a representation and warranty by the Indenture Trustee that the Debentures have been duly certified by or on behalf of the Indenture Trustee and pursuant to the provisions of this Trust Indenture.

2.5 Debentures to Rank *Pari Passu*

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

2.6 Computation of Interest

- (a) All Debentures issued hereunder, whether issued originally or in exchange for other Debentures, shall bear interest from and including the date hereof or from and including the last interest payment date on which interest shall have been paid or made available for payment on the outstanding Debentures whichever shall be the later.
- (b) Interest for any period of less than 12 months shall be computed on the basis of a year of 365 days (366 days if such period falls within a leap year). Notwithstanding the foregoing, the two semi-annual interest payments to be made on June 30 and December 31 in each year shall be in equal amounts.

- (c) Notwithstanding any other provision of this Trust Indenture, interest on the Debentures shall be calculated from and including the date hereof or the last interest payment date, as applicable, to but excluding the next interest payment date.

2.7 Registers for the Debentures

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

2.8 Persons Entitled to Payment

- (a) The Person in whose name any Debenture is registered shall be deemed to be and shall be regarded as the owner thereof for all purposes of this Trust Indenture and payment of or on account of the principal of such Debenture shall be made only to or upon the order in writing to such Holder thereof and such payment shall be a good and sufficient discharge to the Indenture Trustee, any registrar and the Corporation and to any paying agent for the amounts so paid. As interest on Debentures becomes due (except interest payable at maturity which may be paid upon presentation and surrender of such Debentures for payment) the Corporation, at least three Business Days prior to each date on which interest on such Debentures becomes due, shall forward or cause to be forwarded by the Indenture Trustee or other paying agent by prepaid post, to the Holders of such Debentures appearing on the register maintained by the Indenture Trustee at the close of business on the last Business Day of the month preceding the month of the applicable interest payment date, at their respective addresses appearing on the appropriate register hereinbefore mentioned, a cheque for such interest payable to the order of each such Holder and negotiable at par at each of the places at which interest on such Debentures is expressed herein to be payable. The forwarding of such cheque shall satisfy and discharge the liability for the interest on such Debentures to the extent of the sum or sums represented thereby (plus the amount of any tax deducted) unless such cheque is not paid on presentation; provided that in the event of the non-receipt of such cheque by the Holder, or the loss or destruction thereof, the Corporation, upon being furnished with reasonable evidence of such non-receipt, loss or destruction, together with an indemnity satisfactory to it, acting reasonably, shall issue to such Holder a replacement cheque for the amount of such cheque.
- (b) The Holder for the time being of any Debenture shall be entitled to the principal moneys and interest evidenced by such Debenture, free from all equities or rights of set-off or counterclaim between the Corporation and the original or any intermediate Holder thereof and all Persons may act accordingly and a transferee of a Debenture shall, after an appropriate form of transfer is lodged with the Indenture Trustee or other registrar and upon compliance with all other conditions in that behalf required by this Trust Indenture or by any conditions contained in such Debenture or by law, be entitled to be entered on any of the appropriate registers as the owner of such Debenture free from all equities or rights of set off or counterclaim between the Corporation and his transferor or any previous Holder thereof, save with respect to equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.
- (c) The Corporation shall not be bound to enquire into the title of any Holder, save as ordered by a court of competent jurisdiction or as required by statute.
- (d) Where Debentures are registered in more than one name, the principal moneys and interest from time to time payable with respect thereto may be paid by cheque payable or issuance of Shares, as applicable, to the order of the Holder whose name first appears on such register, failing written instruction from them to the contrary, and such payment or issuance shall be a valid discharge to the

Indenture Trustee, any registrar, the Corporation and any paying agent, subject *mutatis mutandis* to the last sentence of Subsection 2.8(a).

- (e) In the case of the death of one or more joint Holders, the principal moneys and interest on any Debentures may be paid to the survivor or survivors of such Holders, and such payment shall constitute a valid discharge to the Indenture Trustee, any registrar, the Corporation and any paying agent, subject *mutatis mutandis* to the last sentence of Subsection 2.8(a).
- (f) Notwithstanding Section 2.8(a), if the Debentures are represented by one or more global Debentures, then all payments of interest on the global Debentures shall be made by electronic funds transfer or by cheque to the Depository or such other means as may be acceptable to the Depository or its nominee for subsequent payment to holders of interests in that global Debenture, unless the Corporation and the Depository otherwise agree. None of the Corporation, the Indenture Trustee or any agent of the Indenture Trustee for any Debenture issued as a global Debenture will be liable or responsible to any person for any aspect of the records related to or payments made on account of beneficial interests in any global Debenture or for maintaining, reviewing, or supervising any records relating to such beneficial interests.

2.9 Mutilation, Loss, Theft or Destruction

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

2.10 Exchange of Debentures

- (a) Other than global Debentures, Debentures of any denomination may be exchanged for Debentures of any other authorized denomination or denominations, any such exchange to be for Debentures of an equivalent aggregate principal amount. Any exchange of Debentures may be made at the offices of the Indenture Trustee or at the offices of any registrar where registers are maintained for the Debentures pursuant to the provisions of Section 2.7. Any Debentures tendered for exchange shall be surrendered to the Indenture Trustee or appropriate registrar and shall be canceled.

- (b) Except as herein otherwise provided, upon any exchange of Debentures of any denomination for other Debentures and upon any transfer of Debentures, the Indenture Trustee or other registrar may make a sufficient charge to reimburse it for any stamp or security transfer taxes or other governmental charge required to be paid and, in addition, a reasonable charge for its services and payment of the said charge shall be made by the party requesting such exchange or transfer as a condition precedent thereto.
- (c) All Debentures issued upon any registration of transfer or exchange of Debentures shall be the valid obligations of the Corporation, evidencing the same debt, and entitled to the same benefits under this Trust Indenture, as the Debentures surrendered upon such registration of transfer or exchange

2.11 Option of Holder as to Place of Payment

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

2.12 Indenture Trustee Not Bound to Make Enquiries

The Indenture Trustee, under any of the provisions of this Article, shall not be bound to make any enquiry or investigation as to the correctness of the matters set out in any of the resolutions, opinions, certificates and other documents. The Indenture Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable.

2.13 Issue of Global Debenture

- (a) The Debentures are initially to be issued as one or more global Debentures registered in the name of a Depository, or its nominee, designated by the Corporation in the Written Direction of the Corporation delivered to the Indenture Trustee at the time of issue of such Debentures.
- (b) Each Depository designated for a global Debenture must, at the time of its designation and at all times while it serves as such Depository, be a clearing agency registered or designated under the securities legislation of the jurisdiction applicable to the issue of such global Debentures, and under any other Applicable Legislation.

2.14 Registered Debentures

- (a) The Debentures shall initially be issued as global Debentures, unless otherwise determined by the Corporation. In the event that any Debentures are issued as fully registered Debentures, the Corporation shall cause to be kept by and at the principal offices of the Indenture Trustee in Toronto, Ontario and by the Indenture Trustee or such other registrar as the Corporation, with the approval of the Indenture Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures or as the Corporation may designate with the approval of the Indenture Trustee, a register in which shall be entered the names

and addresses of the Holders of fully registered Debentures and particulars of the Debentures held by them respectively and of all transfers of fully registered Debentures. Such registration shall be noted on the Debentures by the Indenture Trustee or other registrar unless a new Debenture shall be issued upon such transfer.

- (b) No transfer of a fully registered Debenture shall be valid unless made on such register by the registered Holder or such Holder's executors, administrators or other legal representatives or an attorney duly appointed by an instrument in writing in form and execution satisfactory to the Indenture Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Indenture Trustee and upon compliance with such other reasonable requirements as the Indenture Trustee or other registrar may prescribe, nor unless the name of the transferee shall have been noted on the Debenture by the Indenture Trustee or other registrar.

2.15 Global Debentures

- (a) With respect to each of the Debentures issuable in whole or in part as one or more global Debentures, the Corporation shall cause to be kept by and at the principal office of the Indenture Trustee in Toronto, Ontario and by the Indenture Trustee or such other registrar as the Corporation, with the approval of the Indenture Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Indenture Trustee, a register in which shall be entered the name and address of the Holder of each such global Debenture (being the Depository, or its nominee, for such global Debenture) as Holder thereof and particulars of the global Debenture held by it, and of all transfers thereof. If any Debentures at any time are not global Debentures, the provisions of Section 2.14 shall govern with respect to registrations and transfers of such Debentures.
- (b) Notwithstanding any other provision of this Article 2, a global Debenture may not be transferred by the registered Holder thereof except in the following circumstances:
 - (i) a global Debenture may be transferred by a Depository to a nominee of such Depository or by a nominee of a Depository to such Depository or to another nominee of such Depository or by a Depository or its nominee to a successor Depository or its nominee;
 - (ii) a global Debenture may be transferred at any time after the Depository for such global Debenture (i) has notified the Corporation that it is unwilling or unable to continue as Depository for such global Debenture; or (ii) the Depository of such global Debenture ceases to be eligible to be a Depository under Section 2.13(b), provided that at the time of such transfer the Corporation has not appointed a successor Depository for such global Debenture, and at such time the beneficial holders of the Debentures represented by such global Debenture shall receive certificates in registered and definitive form representing their Debentures;

- (iii) a global Debenture may be transferred at any time after the Corporation has determined, in its sole discretion, to terminate the book-entry only registration system in respect of such global Debenture and has communicated such determination to the Indenture Trustee in writing and at such time the beneficial holders of the Debentures represented by such global Debenture shall receive certificates in registered and definitive form representing their Debentures;
- (iv) a global Debenture may be transferred at any time after the Indenture Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures, provided that at the time of such transfer the Indenture Trustee has not waived the Event of Default; and
- (v) all or a portion of a global Debenture may be transferred by the Depository to a Holder that is a non-resident of Canada as a fully registered Debenture if required by applicable law or the policies of the Depository in connection with a conversion of such portion into Shares pursuant to the provisions hereof.

2.16 Contractual Rights of Rescission

Original purchasers of the Debentures (the “Original Purchasers”) will have a non-assignable contractual right of rescission, exercisable against the Corporation following the issuance of the Shares to such an Original Purchaser pursuant to the exercise of the Debenture conversion privilege pursuant to Article 5 of this Trust Indenture, to receive the purchase price paid by such Original Purchasers for such Debentures under the offering, if the Prospectus or any amendment thereto contains a misrepresentation within the meaning of *The Securities Act* (Manitoba), provided that such remedy for rescission is exercised within 180 days of the date hereof, following which this contractual right of rescission will be null and void. This contractual right of rescission provided by this Section 2.16 shall be subject to the defences, limitations and other provisions described under part XVIII of *The Securities Act* (Manitoba), and is in addition to any other right or remedy available to Original Purchasers of the Debentures under section 141 of *The Securities Act* (Manitoba) or otherwise at law. For greater certainty, this contractual right of rescission is only in connection with a misrepresentation (within the meaning of *The Securities Act* (Manitoba)) and is not a right to withdraw from an agreement to purchase securities within two business days as provided in securities legislation in certain provinces of Canada.

ARTICLE 3 SUBORDINATION OF DEBENTURES

3.1 Applicability of Article

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

Article 3. All provisions of this Article 3 shall be subject to any Subordination Agreement entered into by the Corporation.

3.2 Order of Payment

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

- (a) all Senior Indebtedness shall first be paid in full before any payment is made on account of the principal of or interest on the indebtedness evidenced by the Debentures; and
- (b) any payment or distribution of assets of the Corporation, whether in cash, property or securities, to which the Debentureholders or the Indenture Trustee on behalf of such Holders would be entitled except for the provisions of this Article 3, shall be paid or delivered by the trustee in bankruptcy, receiver, assignee for the benefit of creditors, or other liquidating agent making such payment or distribution, directly to the holders of Senior Indebtedness or their representative or representatives, or to the trustee or trustees under any indenture pursuant to which any instruments evidencing any of such Senior Indebtedness may have been issued, to the extent necessary to pay all Senior Indebtedness in full after giving effect to any concurrent payment or distribution, or provision therefor, to the holders of the Senior Indebtedness. For greater certainty, and without limitation of the foregoing, the Corporation will not make any payment, and neither the Debentureholders nor the Indenture Trustee on behalf of the Debentureholders will be entitled to demand, institute proceedings for the collection of or receive any payment or benefit (including, without limitation, by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Debentures in a manner inconsistent with the terms of any Subordination Agreement.

3.3 Obligation to Pay Not Impaired

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

3.4 No Payment if Senior Indebtedness in Default

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

3.5 Payment on Debentures Permitted

Nothing contained in this Article 3 or elsewhere in this Indenture, or in any of the Debentures, shall affect the obligation of the Corporation to make, or prevent the Corporation from making at any time any payment of principal of or interest on the Debentures, except that the Corporation shall not make any such payment if such payment is not permitted under a Subordination Agreement. The fact that any such payment is prohibited by this Section 3.5 shall not prevent the failure to make such payment from being an Event of Default hereunder. Nothing contained in this Article 3 or elsewhere in this Indenture, or in any of the Debentures, shall prevent the conversion of the Debentures or the application by the Indenture Trustee of any moneys deposited with the Indenture Trustee hereunder for the purpose, to the payment of or on account of the principal of, premium, if any, or interest, if any, on the Debentures.

3.6 Confirmation of Subordination

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

Until written notice shall be given to the Indenture Trustee by the Corporation or on behalf of any holder of any Senior Indebtedness of the occurrence of any default with respect to such Senior Indebtedness or of the existence of any other facts which would result in any payment with respect to the Debentures being in contravention of the provisions of this Article 3 or any Subordination Agreement, the Indenture Trustee shall be entitled to assume that no such default has occurred and that no such facts exist.

Subject to any Subordination Agreement, nothing in this Trust Indenture shall prevent the Indenture Trustee, prior to receipt of such notice, from applying any moneys received by it pursuant to this Trust Indenture, to the purposes for which the same were received, notwithstanding the occurrence or continuance of a default with respect to, or the existence of such facts with respect to, such Senior Indebtedness.

3.7 Authorization of Holders to Indenture Trustee to Effect Subordination

Each Holder of a Debenture, by its acceptance thereof, authorizes and directs the Indenture Trustee on such Holder's behalf to take such action as may be necessary or appropriate to: (i) effect the subordination provided for in this Article 3; (ii) acknowledge and confirm such subordination to any holder of Senior Indebtedness; and (iii) execute, deliver and perform the obligations of the Indenture Trustee and the Holders under the Subordination Agreement attached hereto as Schedule D or any additional or replacement Subordination Agreement as may be required, and appoints the Indenture Trustee its attorney-in-fact for any and all such purposes, including the execution and delivery by the Indenture Trustee of confirmations that the holders of any Senior Indebtedness are entitled to all the rights and benefits of Section 3.6 and that such holder of Senior Indebtedness may rely on and enforce Section 3.6 of this Trust Indenture. Forthwith upon the written request of any holder of Senior Indebtedness or its representative or the trustee under any indenture under which any instruments evidencing any Senior Indebtedness may have been issued, the Indenture Trustee shall execute and deliver to the Person making that request a form of such confirmation or, with the advice of Counsel, any such Subordination Agreement, on its own behalf and on behalf of all Holders.

3.8 Indenture Trustee May Hold Senior Indebtedness

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

3.9 Rights of Holders of Senior Indebtedness Not Impaired

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

3.10 Altering the Senior Indebtedness

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

3.11 Additional Indebtedness

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

3.12 Right of Debentureholder to Convert Not Impaired

The subordination of the Debentures to the Senior Indebtedness and the provisions of this Article 3 do not impair in any way the right of a Debentureholder to convert its Debentures pursuant to Article 5.

3.13 Paramountcy of Article 3

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

ARTICLE 4 REDEMPTION OR REPURCHASE OF DEBENTURES

4.1 Redemption of Debentures

All, but not less than all, of the Debentures shall be redeemable at the option of the Corporation (in the manner hereinafter provided and in accordance with and subject to the provisions hereinafter set forth) by the payment of money or by the issuance of Freely Tradeable Shares as provided in Section 4.5 after December 31, 2020, but prior to December 31, 2021, provided that the Current Market Price of the Shares on the date that the notice of redemption is given is greater than 125% of the Conversion Price then in effect, upon payment of the Redemption Price. On and after December 31, 2021 but prior to Maturity Date, the Debentures shall be redeemable at the sole option of the Corporation upon payment of 100% of the Redemption Price. The redemption of the Debentures by the Corporation is subject to the provision that a Holder may, upon receipt of the notice provided for in Section 4.2 and at any time up to the Business Day immediately preceding the date specified by the Corporation for the redemption of the Debentures, elect to convert Debentures into Shares at the applicable Conversion Price effective on the Business Day immediately preceding the date specified by the Corporation for the redemption of the Debentures.

4.2 Notice of Redemption

Notice of intention to redeem the Debentures under this Article shall be given by or on behalf of the Corporation to the Holders of the Debentures which are to be redeemed and to the Indenture Trustee, not more than 60 days and not less than 30 days prior to the date fixed for redemption, in the manner provided in Section 13.2 hereof. The notice of redemption shall specify the redemption date, the Redemption Price and places of payment and shall state that all interest thereon shall cease from and after such redemption date.

4.3 Debentures Due on Redemption Dates

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

4.4 Deposit of Redemption Moneys or Shares

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

4.5 Right to Pay Redemption Price in Shares

- (a) Subject to the other provisions of this Section 4.5, the Corporation on not more than 60 days' and not less than 40 days' prior written notice may, at its option and subject to regulatory approval, elect to satisfy its obligation to pay the portion of the Redemption Price equal to the outstanding principal amount of the Debentures by issuing and delivering to Holders on the redemption date that number of Freely Tradeable Shares obtained by dividing the portion of the Redemption Price equal to the outstanding principal amount of the Debentures by 95% of the then Current Market Price of the Shares (the "Share Redemption Right"). For greater certainty, the portion of the Redemption Price equal to the accrued and unpaid interest up to but excluding the redemption date on the principal amount of the Debentures must be satisfied in cash and not in Freely Tradeable Shares.

- (b) The Corporation shall exercise the Share Redemption Right by so specifying in the Redemption Notice.
- (c) The Corporation's right to exercise the Share Redemption Right shall be conditional upon the following conditions being met on the Business Day preceding the date fixed for redemption:
 - (i) the qualification of the Shares to be issued on exercise of the Share Redemption Right as Freely Tradeable;
 - (ii) the listing of such additional Shares on each stock exchange on which the Shares are then listed;
 - (iii) the Corporation being a reporting issuer in good standing under Applicable Securities Laws where the distribution of such Shares occurs;
 - (iv) no Event of Default shall have occurred and be continuing;
 - (v) the receipt by the Indenture Trustee of a Certificate of the Corporation stating that conditions (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Shares to be delivered for each \$1,000 principal amount of Debentures and the Current Market Price of the Shares on the date fixed for redemption; and
 - (vi) the receipt by the Indenture Trustee of an opinion of Counsel to the effect that such Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the portion of the Redemption Price equal to the outstanding principal amount of the Debentures, will be validly issued as fully paid and non-assessable, that conditions (i) and (ii) above have been satisfied and that, relying exclusively on reporting issuer lists maintained, or certificates of good standing issued by, the relevant securities authorities, condition (iii) above is satisfied, except that the opinion in respect of condition (iii) need not be expressed with respect to those provinces where certificates are not issued.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the date fixed for redemption, the Corporation shall pay the Redemption Price in cash in accordance with Section 4.4.

- (d) In the event that the Corporation duly exercises its Share Redemption Right, upon presentation and surrender of the Debentures for payment on the date fixed for redemption, at any place where a register is maintained pursuant to Article 2 or any other place specified in the Redemption Notice, the Corporation shall at least one Business Day prior to the date fixed for redemption make the delivery to the Indenture Trustee for delivery to and on account of the Holders, of certificates representing the Freely Tradeable Shares to which such Holders are entitled.
- (e) No fractional Shares shall be delivered upon the exercise of the Share Redemption Right but, in lieu thereof, the Corporation shall pay to the Indenture

Trustee for the account of the Holders, at the time contemplated in Section 4.5(d), the cash equivalent thereof determined on the basis of the Current Market Price of the Shares on the date fixed for redemption (less any tax required by law to be deducted, if any), provided that no such cheque shall be issued for an amount less than \$20.00.

- (f) Subject to Section 4.6, a Holder shall be treated as the holder of record of the Shares issued on due exercise by the Corporation of its Share Redemption Right effective immediately after the close of business on the date fixed for redemption, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including share dividends and dividends or distributions in kind) thereon and arising thereafter, and in the event that the Indenture Trustee receives the same, it shall hold the same in trust for the benefit of such Holder.
- (g) The Corporation shall at all times reserve and keep available out of its authorized Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the exercise of the Corporation's Share Redemption Right as provided herein, and shall issue to Debentureholders to whom Shares will be issued pursuant to exercise of the Share Redemption Right, such number of Shares as shall be issuable in such event. All Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (h) The Corporation shall comply with all Applicable Securities Laws regulating the issue and delivery of Shares upon exercise of the Share Redemption Right and shall cause to be listed and posted for trading such Shares on each stock exchange on which the Shares are then listed.
- (i) The Corporation shall from time to time promptly pay, or make provision satisfactory to the Indenture Trustee for the payment of, all taxes and charges which may be imposed by the laws of Canada or any province thereof (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Shares to Holders upon exercise of the Share Redemption Right pursuant to the terms of the Debentures and of this Indenture.

4.6 Failure to Surrender Debentures

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

In the case of an election by the Corporation to satisfy redemption proceeds through the issuance of Shares, the reservation by the Corporation of such Shares for issuance by the

Corporation shall be deemed to be a payment of the redemption price to the Debentureholders upon the occurrence of the redemption date and the Debentures shall thereafter not be considered outstanding hereunder and the Debentureholder shall have no other right except to take delivery of a certificate representing the Shares, upon surrender and delivery up of such Holder's Debenture. The Shares issuable upon redemption of Debentures shall not be issued and shall not be deemed to be issued until the Debentureholder has delivered and surrendered the certificate(s) representing such Debentures and such Debentureholder shall have no rights as a Holder of Shares until such delivery and surrender, and the issuance of such Shares, has occurred.

4.7 Cancellation of Debentures

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

4.8 Surrender of Debentures for Cancellation

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

4.9 Purchase of Debentures

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

4.10 Right to Repay Principal Amount in Shares on Maturity

- (a) Subject to the other provisions of this Section 4.10, the Corporation may, at its option and subject to regulatory approval, elect to satisfy its obligation to repay the principal amount of all, but not less than all, of the Debentures outstanding by issuing and delivering to Holders on the Maturity Date that number of Freely Tradeable Shares obtained by dividing the \$1,000 principal amount of the Debentures by 95% of the then Current Market Price of the Shares (the "Share Repayment Right").
- (b) The Corporation shall exercise the Share Repayment Right by so specifying in a maturity notice, which shall be delivered to the Indenture Trustee and the Holders of Debentures not more than 60 days and not less than 40 days prior to the Maturity Date.

- (c) The Corporation's right to exercise the Share Repayment Right shall be conditional upon the following conditions being met on the Business Day preceding the Maturity Date:
- (i) the qualification of the Shares to be issued on exercise of the Share Repayment Right as Freely Tradeable;
 - (ii) the listing of such additional Shares on each stock exchange on which the Shares are then listed;
 - (iii) the Corporation being a reporting issuer in good standing under Applicable Securities Laws where the distribution of such Shares occurs;
 - (iv) no Event of Default shall have occurred and be continuing;
 - (v) the receipt by the Indenture Trustee of a Certificate of the Corporation stating that conditions (i), (ii), (iii) and (iv) above have been satisfied and setting forth the number of Shares to be delivered for each \$1,000 principal amount of Debentures and the Current Market Price of the Shares on the Maturity Date; and
 - (vi) the receipt by the Indenture Trustee of an opinion of Counsel to the effect that such Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the principal amount of the Debentures outstanding will be validly issued as fully paid and non-assessable, that conditions (i) and (ii) above have been satisfied and that, relying exclusively on reporting issuer lists maintained, or certificates of good standing issued by, the relevant securities authorities, condition (iii) above is satisfied, except that the opinion in respect of condition (iii) need not be expressed with respect to those provinces where certificates are not issued.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the Maturity Date, the Corporation shall pay the principal amount of the Debentures outstanding in cash, unless the Debentureholder waives the conditions which are not satisfied.

- (d) In the event that the Corporation duly exercises its Share Repayment Right, upon presentation and surrender of the Debentures for payment on the Maturity Date, at any place where a register is maintained pursuant to Article 2 or any other place specified in the Maturity Notice, the Corporation shall at least one Business Day prior to the Maturity Date make the delivery to the Indenture Trustee for delivery to and on account of the holders, of certificates representing the Freely Tradeable Shares to which such Holders are entitled.
- (e) No fractional Shares shall be delivered upon the exercise of the Share Repayment Right but, in lieu thereof the Corporation shall pay to the Indenture Trustee for the account of the Holders, at the time contemplated in Section 4.10(d), the cash equivalent thereof determined on the basis of the Current Market Price of the Shares on the Maturity Date (less any tax required by law to

be deducted, if any), provided that no such cheque shall be issued for an amount less than \$20.00.

- (f) A Holder shall be treated as the holder of record of the Shares issued on due exercise by the Corporation of its Share Repayment Right effective immediately after the close of business on the Maturity Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including share dividends and dividends or distributions in kind) thereon and arising thereafter, and in the event that the Indenture Trustee receives the same, it shall hold the same in trust for the benefit of such Holder.
- (g) The Corporation shall at all times reserve and keep available out of its authorized Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the exercise of the Corporation's Share Repayment Right as provided herein, and shall issue to Debentureholders to whom Shares will be issued pursuant to exercise of the Share Repayment Right, such number of Shares as shall be issuable in such event. All Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (h) The Corporation shall comply with all Applicable Securities Laws regulating the issue and delivery of Shares upon exercise of the Share Repayment Right and shall cause to be listed and posted for trading such Shares on each stock exchange on which the Shares are then listed.
- (i) The Corporation shall from time to time promptly pay all taxes and charges which may be imposed by the laws of Canada or any province thereof (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Shares to Holders upon exercise of the Share Repayment Right pursuant to the terms of the Debentures and of this Indenture.

4.11 Deposit of Maturity Moneys or Shares

Payment on maturity of Debentures shall be provided for by the Corporation depositing with the Indenture Trustee or any paying agent to the order of the Indenture Trustee, on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the Maturity Date such sums of money or certificates representing Shares, as the case may be, as may be sufficient to pay the principal amount of Debentures, together with accrued interest thereon up to but excluding the Maturity Date, provided the Corporation may elect to satisfy this requirement by providing the Indenture Trustee with a certified cheque for such amounts required under this Section 4.11 post-dated to the Maturity Date. The Corporation shall also deposit with the Indenture Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Indenture Trustee in connection therewith. Every such deposit shall be irrevocable. From the sums so deposited, or certificates so deposited, the Indenture Trustee shall pay or cause to be paid, or issue or cause to be issued, to the Holders of such Debentures, upon surrender of such Debentures, the principal, premium (if any) and interest (if any) to which they are respectively entitled on maturity.

4.12 Change of Control

- (a) If a Change of Control occurs, the Corporation will be required to make an offer to repurchase all or, at the option of the Holder, any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Debentures pursuant to the offer described in this Section 4.12 (the "Change of Control Offer") on the terms set forth herein. In the Change of Control Offer, the Corporation will be required to offer payment in cash equal to 100% of the aggregate principal amount of Debentures outstanding together with accrued and unpaid interest on the Debentures to the date of purchase (the "Change of Control Payment").
- (b) Upon any Change of Control, the Corporation will give written notice to Holders and the Indenture Trustee describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Debentures on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the "Change of Control Payment Date"). The Corporation must comply with the requirements of Applicable Securities Laws and regulations in connection with the repurchase of the Debentures as a result of a Change of Control. To the extent that the provisions hereof governing the requirement to make or the method of making a Change of Control Offer conflict with any such Applicable Securities Laws or regulations, the Corporation will be required to comply with such laws and regulations and will not be deemed to have breached such provisions hereof by virtue of compliance with such laws and regulations.
- (c) A Debentureholder may exercise its rights specified in this Section 4.12 upon delivery of a written notice of the exercise of such rights, in the form attached hereto as Schedule B, to the Corporation and the Indenture Trustee not less than five Business Days prior to the Change of Control Payment Date.
- (d) On the Change of Control Payment Date, the Corporation will:
 - (i) accept for payment all Debentures or portions of such Debentures properly tendered pursuant to the Change of Control Offer;
 - (ii) deposit with the Indenture Trustee or any paying agent an amount of money sufficient to pay the Change of Control Payment in respect of all Debentures or portions of such Debentures properly tendered; and
 - (iii) deliver or cause to be delivered to the Indenture Trustee the Debentures properly accepted, together with a Certificate of the Corporation stating the aggregate principal amount of such Debentures or portions of such Debentures being purchased by the Corporation.
- (e) The Indenture Trustee will promptly mail to each Holder of properly tendered Debentures the Change of Control Payment for such Debentures, and in the case of Debentures purchased only in part, the Corporation shall execute and the Indenture Trustee will promptly certify and mail (or cause to be transferred by book-entry) to each such Holder, without charge, a new Debenture equal in principal amount to the unpurchased portion of any such Debenture surrendered;

provided that each new Debenture will be in a principal amount of \$1,000 and integral multiples thereof.

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

4.13 Cash Change of Control

If a Cash Change of Control occurs:

- (a) Subject to regulatory approval (if required), in the event of the occurrence of a Cash Change of Control, for purposes of the conversion of Debentures pursuant to this Indenture, the Conversion Price in effect during the period (the "Cash Change of Control Conversion Period") beginning on the 10th day prior to the effective date of the Change of Control (the "Change of Control Date") and ending at the close of business on the 30th day after the date on which the Change of Control Offer in respect of the Cash Change of Control is delivered or mailed to Holders of Debentures in accordance with Section 4.12 (the "Cash Change of Control Conversion Price") shall be calculated in accordance with the following formula provided that the Cash Change of Control Conversion Price shall not be less than the price permitted by the Exchange:

$COCCP = ECP / (1 + (CP \times (c/t)))$ where:

COCCP is the Cash Change of Control Conversion Price;

ECP is the Conversion Price in effect on the Change of Control Date;

CP = 40%;

c = the number of days from and including the Change of Control Date to but excluding the Maturity Date; and

t = the number of days from and including the date hereof to but excluding the Maturity Date.

In the event the Cash Change of Control Conversion Price calculated in accordance with the formula above is less than the price permitted by the Exchange, the Cash Change of Control Conversion Price shall be deemed to be the lowest price permitted by the Exchange.

- (b) Notwithstanding the foregoing, if the Date of Conversion of any Debentures occurs during the period beginning on the 10th day prior to the Change of Control Date and ending at the close of business on the Change of Control Date, the Holders of such Debentures shall, on conversion of their Debentures, only be entitled to that number of Shares resulting from the Cash Change of Control Conversion Price in excess of the number of Shares to which they would otherwise have been entitled to (the "Base Shares") at the Conversion Price that would then have been in effect but for the Cash Change of Control (such excess

number of Shares being the “Make Whole Shares”) on the Business Day immediately following the Change of Control Date and, for greater certainty, only if the Change of Control occurs. The Base Shares shall be issued in accordance with the terms of this Indenture applicable to a conversion of Debentures otherwise than during the Cash Change of Control Conversion Period, including without limitation at the then applicable Conversion Price.

- (c) The Make Whole Shares shall be deemed to have been issued upon conversion of Debentures on the Business Day immediately following the Effective Date. Section 5.3 shall apply to such conversion and, for greater certainty, the former Holders of Debentures in respect of which the Make Whole Shares are issuable shall be entitled to receive and shall accept, in lieu of the Make Whole Shares, the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from the transaction that constitutes the Cash Change of Control that such Holders would have been entitled to receive if such Holders had been the registered holders of the applicable number of Make Whole Shares on the Change of Control Date.
- (d) Except as otherwise provided in this Section 4.13, all other provisions of this Indenture applicable to a conversion of Debentures shall apply to a conversion of Debentures during the Cash Change of Control Conversion Period.

4.14 Restriction on Share Redemption Right and Share Repayment Right

Notwithstanding any other provision of this Article 4, the Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Shares, dividend or other distribution on the Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- (a) the number of securities to be issued;
- (b) the price at which securities are to be issued, converted or exchanged; or
- (c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Share Redemption Right or the Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Share Redemption Right or the Share Repayment Right.

ARTICLE 5 CONVERSION OF DEBENTURES

5.1 Conversion Privileges and Conversion Price

- (a) Upon and subject to the provisions and conditions of this Article, each Debentureholder shall have the right, at such Debentureholder's option, at any time commencing on the date of issue of the Debenture and ending immediately

prior to the Close of Business on the last day prior to the Maturity Date to convert in whole or in part such Debenture into Shares at the Conversion Price.

- (b) Such right of conversion shall extend only to the maximum number of whole Shares into which the aggregate principal amount of the Debenture or Debentures surrendered for conversion at any one time by the Holder thereof may be converted in accordance with the foregoing provisions of this Section. Fractional interests in Shares shall be adjusted for in the manner provided in Section 5.4.
- (c) "Close of Business" as used in this Article shall mean the normal closing hour of the office of the Indenture Trustee referred to in Subsection 5.2(a) at which such conversion right is being exercised.

5.2 Manner of Exercise of Right to Convert

- (a) The Holder of a Debenture desiring to convert such Debenture, in whole or in part as herein provided, into Shares shall surrender such Debenture to the Indenture Trustee at its principal office in the City of Toronto, Ontario together with the Conversion Form on the back of such Debenture and a Declaration or any other written notice in a form satisfactory to the Indenture Trustee, duly executed by the Holder or his executors or administrators or other legal representatives or his or their attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Indenture Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other governmental charges and compliance with all reasonable requirements of the Indenture Trustee, his nominee(s) or assignee(s), shall be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in Subsection 5.2(b)) as the holder of the number of Shares into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall cause the Indenture Trustee (or, in the event that the Indenture Trustee is not at such time the registrar and transfer agent for the Shares of the Corporation, shall cause such registrar and transfer agent) to deliver to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), a certificate or certificates for such Shares and, if applicable, a cheque for any amount payable under Section 5.4.
- (b) For the purposes of this Article, a Debenture shall be deemed to be surrendered for conversion on the date (herein called the "Date of Conversion") on which it is so surrendered in accordance with the provisions of this Article and, in the case of a Debenture so surrendered by post or other means of transmission, on the date on which it is received by the Indenture Trustee at one of its offices referred to in Subsection 5.2(a); provided that if a Debenture is surrendered for conversion on a day on which the register of Shares is closed, the Person or Persons entitled to receive Shares shall become the holder or holders of record of such Shares as at the date on which such registers are next opened.
- (c) Any part, being \$1,000 or an integral multiple thereof, of a Debenture of a denomination in excess of \$1,000 may be converted as provided in this Article

and all references in this Trust Indenture to conversion of Debentures shall be deemed to include conversion of such parts.

- (d) The Holder of any Debenture of which part only is converted shall, upon the exercise of his right of conversion, surrender the said Debenture to the Indenture Trustee for cancellation and the Indenture Trustee shall without charge, against such surrender, forthwith certify and deliver to the Holder a new Debenture or Debentures in an aggregate principal amount equal to the unconverted part of the principal amount of the Debenture so surrendered.
- (e) The Holder of a Debenture surrendered for conversion in accordance with this Section shall be entitled to receive accrued and unpaid interest with respect thereto from the interest payment date next preceding the Date of Conversion of such Debenture up to and including the last record date declared by the Corporation for determining Shareholders entitled to receive dividends on the Shares, but there shall be no payment or adjustment by the Corporation or the Indenture Trustee on account of any interest accrued or accruing on such Debentures from such record date. The Shares issued upon such conversion shall rank and bear entitlement only with respect to dividends declared in favour of Shareholders of record on and after the Date of Conversion or such later date as such Holder shall become the holder of record of such Shares pursuant to Subsection 5.2(b), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Shares.

5.3 Adjustment of Conversion Price and Effect of Reclassification

The Conversion Price in effect at any date shall be subject to adjustment from time to time as follows:

- (a) If and whenever at any time the Corporation shall (i) subdivide or redivide the outstanding Shares into a greater number of Shares, (ii) reduce, combine or consolidate the outstanding Shares into a smaller number of Shares, or (iii) issue Shares to the Holders of all or substantially all of the outstanding Shares by way of a Share dividend, the Conversion Price in effect on the effective date of such subdivision, redivision, reduction, combination or consolidation or on the record date for such issue of Shares by way of a Share dividend, as the case may be, shall in the case of the events referred to in (i) and (iii) above, be decreased in the proportion that the number of Shares outstanding immediately prior to such subdivision, redivision or dividend bears to the number of outstanding Shares resulting from such subdivision, redivision or dividend, or shall, in the case of the events referred to in (ii) above, be increased in the proportion that the number of Shares outstanding immediately prior to such reduction, combination or consolidation bears to the number of outstanding Shares resulting from such reduction, combination or consolidation. Such adjustment shall be made successively whenever any event referred to in this Subsection 5.3(a) shall occur; any such issue of Shares by way of a Share dividend shall be deemed to have been made on the record date for the Share dividend for the purpose of calculating the number of outstanding Shares under Subsections 5.3(b) and 5.3(c).

- (b) If and whenever at any time the Corporation shall fix a record date for the issuance of rights or warrants to all or substantially all the holders of its outstanding Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Shares (or securities convertible into or exchangeable for Shares) at a price per Share (or having a conversion or exchange price per Share) less than the 95% of the Current Market Price of the Shares on such record date, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, the numerator of which shall be the total number of Shares outstanding on such record date plus a number of Shares equal to the number arrived at by dividing the aggregate conversion or exchange price of the convertible or exchangeable securities so offered by such Current Market Price per Share, and the denominator of which shall be the total number of Shares outstanding on such record date plus the total number of additional Shares offered for subscription or purchase (or into which the convertible or exchangeable securities so offered are convertible or exchangeable). Any Shares owned by or held for the account of the Corporation or any Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that any such rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon the number of Shares (or securities convertible or exchangeable into Shares) actually issued upon the exercise of such rights or warrants, as the case may be.
- (c) If and whenever at any time the Corporation shall fix a record date for the making of a dividend to all or substantially all the holders of its outstanding Shares of (i) Shares or shares of any class, whether of the Corporation or any other corporation, (ii) rights, options or warrants (excluding those referred to in Subsection 5.3(b)), (iii) evidences of indebtedness or (iv) assets (which, for greater certainty, does not include a cash dividend on Shares) then, in each such case, the Conversion Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the numerator shall be the total number of Shares outstanding on such record date multiplied by the Current Market Price per Share on such record date, less the fair market value (as determined by the Board of Directors, acting reasonably, which determination shall be conclusive) of such Shares, rights, options, warrants, evidences of indebtedness or assets so distributed, and of which the denominator shall be the total number of Shares outstanding on such record date multiplied by such Current Market Price per Share; any Shares owned by or held for the account of the Corporation or any Subsidiary shall be deemed not to be outstanding for the purpose of any such computation; such adjustment shall be made successively whenever such a record date is fixed; to the extent that such dividend is not so made, the Conversion Price shall be readjusted to the Conversion Price which would then be in effect if such record date had not been fixed or to the Conversion Price which would then be in effect based upon such Shares or rights, options or warrants or evidences of indebtedness or assets actually distributed, as the case may be.

- (d) In any case in which this Section 5.3 shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Debenture converted after such event, any additional Shares issuable upon such conversion by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to such Holder an appropriate instrument evidencing such Holder's right to receive such additional Shares upon the occurrence of the event requiring such adjustment and the right to receive any dividends made on such additional Shares declared in favour of holders of record of Shares on or after the Date of Conversion or such later date as such Holder would, but for the provisions of this Subsection 5.3(d), have become the holder of record of such additional Shares pursuant to this Article.
- (e) In any case in which Subsections 5.3(b) or 5.3(c) require that an adjustment be made to the Conversion Price, no such adjustment shall be made if the Holders of the outstanding Debentures receive the rights or warrants referred to in Subsection 5.3(b) or the Shares, shares, rights, options, warrants, evidences of indebtedness or assets referred to in Subsection 5.3(c), as the case may be, in such kind and number as they would have received if they had been holders of Shares on the applicable record date or effective date, as the case may be, by virtue of the outstanding Debentures having been converted into Shares at the Conversion Price in effect on the applicable record date or effective date, as the case may be, subject to the approval of the Exchange.
- (f) The adjustments provided for in this Section 5.3 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, dividends, issues or other events resulting in any adjustment under the provisions of this Section, provided that, notwithstanding any other provision of this Section, no adjustment of the Conversion Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Conversion Price then in effect; provided however that any adjustments which by reason of this Subsection 5.3(f) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
- (g) In the event of any question arising with respect to the adjustments provided in this Section 5.3, such questions shall be conclusively determined by a firm of chartered accountants (who may be the Auditors of the Corporation) appointed by the Corporation; such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Indenture Trustee and the Debentureholders.
- (h) If the Corporation is a party to any reclassification of the Shares (other than as described in Subsections 5.3(a), (b) or (c)) or a consolidation, amalgamation, merger, binding share exchange, statutory arrangement, sale or conveyance of all or substantially all of the Corporation's consolidated assets to another Person or entity or other similar combination involving the Corporation, in each case pursuant to which the Shares are converted into cash, securities or other property, then at the effective time of such transaction the Corporation or the successor or purchasing Person, as the case may be, shall execute with the Indenture Trustee a supplemental indenture providing that, subject to the

provisions of this Section 5.3, the Debentures shall be convertible into the kind and amount of cash, securities or other property receivable upon such transaction by a Holder had such Holder converted its Debentures immediately prior to such transaction solely for Shares (the "Reference Property"). If such transaction causes the Shares to be converted into the right to receive more than a single type of consideration (determined based in part upon any form of shareholder election), the Reference Property into which the Debentures will be convertible shall be deemed to be the weighted average of the types and amounts of consideration received by the holders of Shares that affirmatively make such an election. Notwithstanding any other provision of this Section 5.3, if prior to the date that is five years plus one day from the last date of original issuance of Debentures, Holders would otherwise be entitled to receive, upon conversion of the Debentures, any property (including cash) or securities that would not constitute "prescribed securities" for the purposes of Clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) as it applied immediately before January 1, 2008 (referred to herein as "Ineligible Consideration"), such Holders shall not be entitled to receive such Ineligible Consideration but the Corporation or the successor or acquirer, as the case may be, shall have the right (at the sole option of the Corporation or the successor or acquirer, as the case may be) to deliver either such Ineligible Consideration or "prescribed securities" for the purposes of Clause 212(1)(b)(vii)(E) of the Income Tax Act (Canada) as it applied immediately before January 1, 2008 with a market value (as conclusively determined by the Board of Directors) equal to the market value of such Ineligible Consideration. Such supplemental indenture shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided for in this Section 5.3. If, in the case of any such reclassification, consolidation, amalgamation, merger, binding share exchange, statutory arrangement, sale or conveyance or other similar combination, the cash, securities or other property receivable thereupon by a holder of Shares includes cash, securities or other property of a corporation other than the successor or purchaser corporation, as the case may be, in such transaction, then the supplemental indenture shall also be executed by such other corporation and shall contain such additional provisions to protect the interests of the Holders as the Board of Directors shall reasonably consider necessary by reason of the foregoing, subject to the approval of the Exchange.

The Corporation shall give notice to the Holders at least 30 days prior to the effective date of any transaction set forth in this Section 5.3(h) in writing stating the consideration into which it shall have determined that the Debentures will be convertible after the effective date of such transaction. After such notice, the Corporation or the successor or acquirer, as the case may be, may not change the consideration to be delivered upon conversion of the Debenture except in accordance with any other provision of this Trust Indenture.

The Corporation shall cause notice of the execution of such supplemental indenture to be mailed to each Holder, at the address of such Holder as it appears on the register of Holders maintained by the Indenture Trustee, within 20 days after the execution thereof. Failure to deliver such notice shall not affect the legality or validity of such supplemental indenture. The above provisions of this Subsection 5.3(h) shall apply to successive reclassifications, consolidations,

amalgamations, mergers, binding share exchanges, statutory arrangements, sales or conveyances or other similar combinations.

5.4 No Requirement to Issue Fractional Shares

The Corporation shall not be required to issue fractional Shares upon the conversion of Debentures pursuant to this Article. If more than one Debenture shall be surrendered for conversion at one time by the same Holder, the number of whole Shares issuable upon conversion thereof shall be computed on the basis of the aggregate principal amount of such Debentures to be converted. If any fractional interest in a Share would, except for the provisions of this Section, be deliverable upon the conversion of any principal amount of Debentures, the Corporation shall, in lieu of delivering any certificate of such fractional interest, satisfy such fractional interest by paying to the Indenture Trustee for the account of the Holder, the cash equivalent thereof determined on the basis of the Current Market Price of the Shares on the Date of Conversion, provided that no such cheque shall be issued for an amount less than \$20.00.

5.5 Corporation to Reserve Shares

The Corporation covenants with the Indenture Trustee that it shall conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants with the Indenture Trustee that all such Shares which shall be issuable shall be duly and validly issued as fully-paid and non-assessable.

5.6 Taxes and Charges on Conversion

The Corporation will from time to time promptly pay or make provision satisfactory to the Indenture Trustee for the payment of any and all taxes and charges which may be imposed by the laws of Canada or any province thereof (except income tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery to the Holders, upon the exercise of their right of conversion, of Shares of the Corporation pursuant to the terms of the Debentures and of this Indenture.

5.7 Cancellation of Converted Debentures

All Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to, and cancelled by, the Indenture Trustee and, subject to the provisions of Subsection 5.2(d), no Debenture shall be issued in substitution therefor.

5.8 Certificate as to Adjustment

The Corporation shall immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 5.3, deliver a Certificate of the Corporation to the Indenture Trustee specifying the nature of the event requiring the same and the amount of the adjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based, which Certificate and the amount of the adjustment specified therein shall be verified by an opinion of a firm of chartered accountants (who may be the Auditors of the Corporation) appointed by the Corporation and shall be conclusive and binding on all parties in interest. The Corporation shall, except with respect to any subdivision, redivision, reduction, combination or consolidation of the Shares,

forthwith give notice to the Debentureholders and to the Indenture Trustee, in the manner provided in Section 13.2 and Section 13.3 respectively, specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price; provided that, if the Corporation has given notice under Section 5.9 covering all the relevant facts with respect to such event and no such notice need be given under this Section 5.8.

5.9 Notice of Special Matters

The Corporation covenants with the Indenture Trustee that so long as any Debenture remains outstanding, it will give notice to the Debentureholders and to the Indenture Trustee, in the manner provided in Section 13.2 and Section 13.3 respectively, of its intention to fix a record date for any event referred to in Subsections 5.3(a), 5.3(b) and 5.3(c) which may give rise to an adjustment in the Conversion Price, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as shall have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date.

5.10 Protection of Indenture Trustee

The Indenture Trustee:

- (a) shall not at any time be under any duty or responsibility to any Debentureholder to determine whether any facts exist which may require any adjustment in the Conversion Price, or with respect to the nature or extent of any such adjustment when made, or with respect to the method employed in making the same;
- (b) shall not be accountable with respect to the validity or value (or the kind or amount) of any Shares or of any other securities or property which may at any time be issued or delivered upon the conversion of any Debenture;
- (c) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Shares or Share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants of the Corporation contained in this Article; and
- (d) shall be entitled to act and rely on any adjustment calculation of the Directors or the Auditors of the Corporation.

5.11 Share Restrictions

Each Holder of a Debenture, by his acceptance thereof, acknowledges that certain provisions contained in the *Canada Transportation Act* and in the Articles of Amalgamation of the Corporation apply to the Shares and may restrict the issue (including the issue of Shares on a conversion of a Debenture or on repayment of a Debenture in Shares upon redemption or maturity), registration, transfer, ownership (registered and beneficial), voting and dividend rights of the Shares. Each Holder acknowledges that:

- (a) at no time may entities that are not Canadians within the meaning of the *Canada Transportation Act* ("Non-Canadians") be the beneficial owners of that number of

Shares of the Corporation entitling them to more than 20% of the votes attaching to all Shares;

- (b) the application of these restrictions against registered owners of Shares may be based upon the identity of the beneficial owners of such Shares;
- (c) the voting rights exercised by all Non-Canadians and their associates at any meeting of Shareholders is limited to an aggregate of 25% of the total votes cast on any resolution; and
- (d) prior to registration of a transfer of Shares (or a conversion of a Debenture) from time to time thereafter, a registered or beneficial owner or a proposed transferee of Shares may be required to submit to the Corporation a declaration indicating, among other things, the total number of Shares of the Corporation which have voting rights beneficially owned by the proposed transferee or Debentureholder, whether he is an associate of any other Shareholder and whether he is a Non-Canadian.

The Corporation shall refuse to issue Shares and register or recognize a transfer of Shares if the issuance or transfer would result in a contravention of the constraints contained in clause (a) above, and may refuse to do so if any Person fails to provide a declaration when requested. In the event of a contravention of the constraints contained in clause (a) above, the Corporation may sell Shares held by Non-Canadians.

ARTICLE 6 COVENANTS OF THE CORPORATION

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

6.1 To Pay Principal and Interest

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

6.2 To Carry On Business

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

6.3 To Pay Indenture Trustee's Remuneration

The Corporation will pay the Indenture Trustee's reasonable remuneration for services hereunder and will repay to the Indenture Trustee on demand all moneys which shall have been paid by the Indenture Trustee in and about the administration and execution of the trusts hereby

created (including reasonable compensation and disbursements of its Counsel and other advisors not regularly in its employ) with interest at the rate of 2% per month (26.82% per annum) from 30 days after the date of the invoice from the Indenture Trustee to the Corporation with respect to such expenditure until repayment, and such moneys and the interest thereon, including the Indenture Trustee's remuneration, shall be payable out of any funds coming into the possession of the Indenture Trustee in priority to any of the Debentures or interest thereon. The said remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Trust Indenture shall be in the course of administration by or under the direction of the court.

6.4 Restrictive Covenant

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

6.5 Not to Extend Time for Payment of Interest

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

6.6 To Preserve Rights

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

6.7 To Comply with Laws

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

6.8 To Comply with Covenants

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

6.9 To Maintain Property

The Corporation will maintain or cause to be maintained (to the extent that the nature of its interest permits) all of its assets in good standing.

6.10 To Advise of Material Adverse Changes

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

6.11 To Maintain Insurance

The Corporation shall maintain with financially sound and reputable insurers, insurance with respect to its properties against such liabilities, casual risks and contingencies and in such types and amounts as is customary in the case of corporations holding properties of a similar nature and similarly situated.

6.12 To Pay Liens

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

6.13 To Defend Property

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

6.14 To Maintain Stock Exchange Listings

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

6.15 Indenture Trustee May Perform Covenants

If the Corporation shall fail to perform any covenants on its part herein contained, the Indenture Trustee may in its discretion, but (subject to Section 7.2) need not, notify the Debentureholders of such failure or itself may perform any of the said covenants capable of being performed by it and if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with its own funds, or with money borrowed by or advanced to it for such purposes, but shall be under no obligation so to do and all sums so expended or advanced shall be payable by the Corporation in the manner provided in Section 5.3, but no such performance or payment shall be deemed to relieve the Corporation from any default hereunder.

6.16 To Indemnify

In addition to and without limiting any other protection hereunder or otherwise by law of the Indenture Trustee and its respective officers, trustees, directors, employees, agents, representatives, successors and assigns (collectively, "Representatives"), the Corporation indemnifies, defends and saves harmless the Indenture Trustee and its respective

Representatives from and against any and all liabilities, losses, claims, damages, penalties, fines, actions, suits, demands, levies, assessments, costs, charges, expenses and disbursements (including, without limitation, any and all legal and advisor fees and disbursements) (collectively, "Liabilities") of whatever kind or nature which may at any time be suffered by, imposed upon, incurred by or asserted against the Indenture Trustee and its Representatives, whether groundless or otherwise, howsoever arising from or out of any act, omission or error of the Indenture Trustee made in connection with its acting as Indenture Trustee hereunder. Without limiting the generality of the foregoing, the obligation to indemnify, defend and save harmless in accordance herewith shall apply in respect of Liabilities suffered by, imposed upon, incurred in any way connected with or arising from, directly or indirectly, any Environmental Laws. Notwithstanding any other provision hereof, the obligations provided for in this Section shall survive any termination of the Corporation created hereby, whether by reason of removal or resignation of the Indenture Trustee, termination or discharge of this Indenture or otherwise.

ARTICLE 7 DEFAULT

7.1 Acceleration of Maturity

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

- (a) if the Corporation makes default in payment of the principal on any Debenture when the same becomes due and payable under any provision hereof or of the Debentures;
- (b) if the Corporation makes default in payment of any interest due on any Debenture and such default continues for a period of 30 days;
- (c) if a decree or order of a court having jurisdiction in the premises is entered adjudging the Corporation a bankrupt or insolvent under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws, or issuing sequestration or process of execution against, or against all or any substantial part of the property of, the Corporation, or appointing a Receiver of, or of any substantial part of the property of the Corporation or ordering the winding-up or liquidation of its affairs;
- (d) if a resolution is passed for the winding-up or liquidation of the Corporation except in the course of carrying out or pursuant to a transaction with respect to which the conditions of Section 9.1 are duly observed and performed, or if the Corporation institutes proceedings to be adjudicated a bankrupt or insolvent, or consents to the institution of bankruptcy or insolvency proceedings against it under the *Bankruptcy and Insolvency Act* (Canada) or any other bankruptcy, insolvency or analogous laws or consents to the filing of any such petition, or if a Receiver is appointed over all or any substantial part of the property of the Corporation, or the Corporation makes a general assignment for the benefit of creditors or admits in writing its inability to pay its debts generally as they become due or takes corporate action in furtherance of any of the aforesaid purposes; or

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

then in each and every event the Indenture Trustee may in its discretion and shall upon receipt of a Debentureholders' Request, subject to the provisions of Article 3, Section 7.3 and Section 14.13 hereof, by notice in writing to the Corporation declare the principal of and interest on all Debentures then outstanding and all other moneys outstanding hereunder, to be due and payable and the same shall forthwith become immediately due and payable to the Indenture Trustee, anything therein or herein to the contrary notwithstanding, and the Corporation shall forthwith pay to the Indenture Trustee for the benefit of the Debentureholders the principal amount outstanding under, and all accrued and unpaid interest under, the Debentures, together with interest at the rate borne by the Debentures on such principal, interest and such other moneys from the date of the said declaration until payment is received by the Indenture Trustee. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any moneys so received by the Indenture Trustee shall be applied in the manner provided in Section 7.6.

7.2 Notice of Events of Default

If an Event of Default shall occur and be continuing, the Indenture Trustee shall, within 10 days after it receives written notice or where the Indenture Trustee acts as paying agent, after non-payment of interest or principal, give notice of such Event of Default to the Debentureholders in the manner provided in Section 13.2, provided that, notwithstanding the foregoing, the Indenture Trustee shall not be required to give such notice if the Indenture Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

7.3 Waiver of Default

Upon the happening of any Event of Default hereunder:

- (a) the Holders of not less than 51% of the principal amount of the Debentures then outstanding shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing to instruct the Indenture Trustee to waive any Event of Default and to cancel any declaration made by the Indenture Trustee pursuant to Section 7.1 and the Indenture Trustee shall thereupon waive the Event of Default and cancel such declaration upon such terms and conditions as shall be prescribed in such requisition; and
- (b) the Indenture Trustee, so long as it has not become bound to declare the principal of and interest on the Debentures then outstanding to be due and payable, or to obtain or enforce payment of the same, shall have power to waive

any Event of Default if, in the Indenture Trustee's opinion, the same shall have been cured or adequate satisfaction made therefor, and in such event to cancel any such declaration theretofore made by the Indenture Trustee in the exercise of its discretion, upon such terms and conditions as the Indenture Trustee may deem advisable;

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

7.4 Enforcement by the Indenture Trustee

- (a) Subject to the provisions of Section 7.3 and to the provisions of any Extraordinary Resolution, if the Corporation shall fail to pay to the Indenture Trustee, forthwith after the same shall have been declared to be due and payable under Section 7.1, the principal and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Indenture Trustee may in its discretion and shall upon receipt of a Debentureholders' Request, and upon being indemnified and funded to its satisfaction, acting reasonably, against all costs, expenses and liabilities to be incurred, proceed in its name as Indenture Trustee hereunder to obtain or enforce payment of the said principal of and interest on all the Debentures then outstanding together with any other amounts due hereunder by such proceedings authorized by this Indenture or by law or equity as the Indenture Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Indenture Trustee shall act without such request, shall by such proceedings authorized by this Indenture or by suit at law or in equity as the Indenture Trustee shall deem expedient.
- (b) The Indenture Trustee shall be entitled and empowered, either in its own name or as trustee of an express trust, or as attorney-in-fact for the Debentureholders, or in any one or more of such capacities, to file such proof of debt, amendment of proof of debt, claim, petition or other document as may be necessary or advisable in order to have the claims of the Indenture Trustee and of the Holders allowed in any insolvency, bankruptcy, liquidation or other judicial proceedings relative to the Corporation or its creditors or relative to or affecting its property. The Indenture Trustee is hereby irrevocably appointed (and the successive respective Holders by taking and holding the same shall be conclusively deemed to have so appointed the Indenture Trustee) the true and lawful attorney-in-fact of the respective Holders with authority to make and file in the respective names of the Holders or on behalf of the Holders as a class, subject to deduction from any such claims of the amounts filed by any of the Holders themselves, any proof of debt, amendment of proof of debt, claim, petition or other document in any such proceedings and to receive payment of any sums becoming distributable on account thereof, and to execute any such acts and things for and on behalf of such Holders, as may be necessary or advisable in the opinion of the Indenture Trustee, in order to have the respective claims of the Indenture Trustee and of the Holders against the Corporation or its property allowed in any such proceeding, and to receive payment of or on account of such claims; provided, however, that nothing contained in this Indenture shall be deemed to give to the Indenture Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan or reorganization or otherwise by action of any

character in such proceeding or waive or change in any way any right of the Debentureholders.

- (c) The Indenture Trustee shall have power at any time and from time to time to institute and to maintain such suits and proceedings as it may be advised shall be necessary or advisable to preserve and protect its interests and the interests of the Debentureholders.
- (d) All rights of action hereunder may be enforced by the Indenture Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relative thereto. Any such suit or proceeding instituted by the Indenture Trustee shall be brought in the name of the Indenture Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the Holders subject to the provisions of this Indenture. In any proceeding brought by the Indenture Trustee (and also any proceeding in which a declaratory judgment of a court may be sought as to the interpretation or construction of any provision of this Indenture, to which the Indenture Trustee shall be a party) the Indenture Trustee shall be held to represent all the Holders of the Debentures, and it shall not be necessary to make any Holders party to any such proceeding.

7.5 No Suits by Debentureholders

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

7.6 Application of Moneys by Indenture Trustee

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

- (a) firstly, in payment or in reimbursement of the Indenture Trustee of its compensation, costs, charges, expenses, borrowings, advances or other moneys

furnished or provided by or at the instance of the Indenture Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture with interest thereon as herein provided *pari passu* with corresponding payments in respect of any *Pari Passu* Debt;

- (b) secondly, but subject as hereinafter in this Section 7.6 provided, in payment, rateably and proportionately to the Debentureholders, *pari passu* with corresponding payments in respect of any *Pari Passu* Debt, of the principal of and accrued and unpaid interest and interest on amounts in default on the Debentures which shall then be outstanding in the priority of principal first and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal and interest as may be directed by such resolution;
- (c) thirdly, in payment of the surplus, if any, of such moneys to the Corporation or its assigns;

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

7.7 Distribution of Proceeds

Payments to Holders pursuant to Subsection 7.6(b) shall be made as follows:

- (a) at least 15 days' notice of every such payment shall be given in the manner provided in Section 13.2 specifying the time when and the place or places where the Debentures are to be presented and the amount of the payment and the application thereof as between principal and interest;
- (b) payment of any Debenture shall be made upon presentation thereof at any one of the places specified in such notice and any such Debenture thereby paid in full shall be surrendered, otherwise a memorandum for such payment shall be endorsed thereon; the Indenture Trustee may in its discretion dispense with presentation and surrender for endorsement in any special case upon such indemnity being given as it shall deem sufficient;
- (c) from and after the date of payment specified in the notice, interest shall accrue only on the amount owing on each Debenture after giving credit for the amount of the payment specified in such notice unless the Debenture with respect to which such amount is owing be duly presented on or after the date so specified and payment of such amount be not made; and
- (d) the Indenture Trustee shall not be bound to apply or make any partial or interim payment of any moneys coming into its hands if the amount so received by it is insufficient to make a distribution of at least 5% of the aggregate principal amount of the outstanding Debentures, but it may retain the money so received by it and invest or deposit the same as provided in Section 14.9 until the money

or the investments representing the same, with the income derived therefrom, together with any other moneys for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall not, however, apply to a final payment in distribution hereunder.

7.8 Remedies Cumulative

No remedy herein conferred upon or reserved to the Indenture Trustee, or upon or to the Debentureholders is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now existing or hereafter to exist by law or by statute.

7.9 Judgment Against the Corporation

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

7.10 Immunity of Shareholders and Others

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

7.11 Indenture Trustee Appointed Attorney

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

ARTICLE 8 SATISFACTION AND DISCHARGE

8.1 Cancellation and Destruction of Debentures

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

8.2 Non-Presentation of Debentures

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

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

the principal moneys or the interest, as the case may be, in trust to be paid to the Holder of such Debenture upon due presentation or surrender thereof in accordance with the provisions of this Indenture; and thereupon the principal moneys or the interest payable on or represented by each Debenture in respect whereof such moneys or Shares, if applicable, have been set aside shall be deemed to have been paid and the Holder thereof shall thereafter have no right in respect thereof except that of receiving delivery and payment of the moneys or Shares, if applicable, so set aside by the Indenture Trustee upon due presentation and surrender thereof subject always to the provisions of Section 8.3.

8.3 Repayment of Unclaimed Moneys or Shares

Subject to applicable escheat laws, any moneys or Shares, if applicable, set aside under Section 8.2 and not claimed by and paid to Holders of Debentures as provided in Section 8.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Indenture Trustee on demand and thereupon the Indenture Trustee shall be released from all further liability with respect to such moneys or Shares, if applicable, and thereafter the Holders of the Debentures in respect of which such moneys or Shares, if applicable, were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the moneys or Shares, if applicable, due thereon from the Corporation up to such time as the right to proceed against the Corporation for recovery of such moneys or Shares, if applicable has become statute barred under the laws of the Province of Manitoba or other applicable laws.

8.4 Discharge

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

been duly and effectually provided for in accordance with the provisions hereof.

ARTICLE 9 SUCCESSOR ENTITIES

9.1 Certain Requirements

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

- (a) the Successor Entity shall execute, prior to or contemporaneously with the consummation of any such transaction, an indenture supplemental hereto together with such other instruments as are satisfactory to the Indenture Trustee and in the opinion of Counsel are necessary or advisable to evidence the assumption by the Successor Entity of the due and punctual payment of all the Debentures, the interest thereon and all other moneys payable hereunder and the covenant of the Successor Entity to pay the same and its agreement to observe and perform all the covenants and obligations of the Corporation under this Trust Indenture;
- (b) such transaction shall, to the satisfaction of the Indenture Trustee and in the opinion of Counsel, be upon such terms as to preserve and not impair any of the rights or powers of the Indenture Trustee and the Debentureholders hereunder and upon terms as are in no way prejudicial to the interests of the Debentureholders;
- (c) no condition or event shall exist as to the Corporation or the Successor Entity either at the time or immediately after the consummation of any such transaction and after giving full effect thereto or immediately after the Successor Entity complying with the provisions of Subsection 9.1(a) which constitutes or would constitute, after notice or lapse of time or both, an Event of Default; and
- (d) such Successor Entity is incorporated or formed, as applicable, under the laws of Canada or one of its provinces.

9.2 Vesting of Powers in Successor

Whenever the conditions of Section 9.1 have been duly observed and performed, the Successor Entity shall possess and from time to time may exercise each and every right and power of the Corporation under this Trust Indenture in the name of the Corporation or otherwise and any act or proceeding by any provision of this Trust Indenture required to be done or performed by any directors or officers of the Corporation may be done and performed with like force and effect by the directors or officers of the Successor Entity.

ARTICLE 10 COMPULSORY ACQUISITION

10.1 Definitions

In this Article:

- (a) “Affiliate” and “Associate” shall have their respective meanings set forth in *The Securities Act* (Manitoba);
- (b) “Dissenting Debentureholder” means a Debentureholder who does not accept an Offer referred to in Section 10.2 and includes any assignee of the Debenture of a Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;
- (c) “Offer” means an offer to acquire outstanding Debentures where, as of the date of the offer to acquire, the Debentures that are subject to the offer to acquire, together with the Offeror’s Debentures, constitute in the aggregate 20% or more of the outstanding principal amount of the Debentures;
- (d) “offer to acquire” includes an acceptance of an offer to sell;
- (e) “Offeror” means a Person, or two or more Persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (f) “Offeror’s Notice” means the notice described in Section 10.3; and
- (g) “Offeror’s Debentures” means Debentures beneficially owned, or over which control or direction is exercised, on the date of an Offer by the Offeror, any Affiliate or Associate of the Offeror or any person or company acting jointly or in concert with the Offeror.

10.2 Offer for Debentures

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

- (a) within the time provided in the Offer for its acceptance or within 45 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Debentureholders representing at least 90% of the outstanding principal amount of the Debentures, other than the Offeror’s Debentures;
- (b) the Offeror is bound to take up and pay for, or has taken up and paid for the Debentures of the Debentureholders who accepted the Offer; and
- (c) the Offeror complies with Sections 10.3 and 10.5;

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

10.3 Offeror's Notice to Dissenting Debentureholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 10.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 60 days after the date of termination of the Offer and 180 day after the date of the Offer a notice (the "Offeror's Notice") to each Dissenting Debentureholder stating that:

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

10.4 Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 10.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture certificate(s) to such person as the Offeror may direct duly endorsed for transfer.

10.5 Payment of Consideration

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 10.3, the Offeror shall pay or transfer to such person as the Offeror may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 10.2.

10.6 Consideration to be held in Trust

Such Person as the Offeror may direct shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 10.5. Such persons shall deposit cash in a separate account in a Canadian chartered bank, or other body corporate, any of whose deposits are insured by the Canada Deposit Insurance Corporation, and shall place other consideration in the custody of a Canadian chartered bank or such other body corporate.

10.7 Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 10.3, the Indenture Trustee or such other Person as the Offeror may direct, if the Offeror has complied with Section 10.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the Indenture Trustee's opinion may be necessary or desirable to cause the transfer of the Debentures of the Dissenting Debentureholders to the Offeror;
- (b) send to each Dissenting Debentureholder who has complied with Section 10.4 the consideration to which such Dissenting Debentureholder is entitled under this Article; and
- (c) send to each Dissenting Debentureholder who has not complied with Section 10.4 a notice (provided by the Offeror) stating that:
 - (i) his or her Debentures have been transferred to the Offeror;
 - (ii) the Indenture Trustee or some other Person designated by the Offeror in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Indenture Trustee, or such other Person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholders Debenture certificate(s) or such other documents as the Indenture Trustee or such other Person may require in lieu thereof;

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

10.8 Communication of Offer to Corporation

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

10.9 Appointment of Indenture Trustee

If the Offeror chooses to appoint the Indenture Trustee to provide the services outlined in this Article, the Offeror and the Indenture Trustee shall enter into an agreement providing for the terms and conditions of such appointment (including without limitation remuneration, indemnification and the return of cash or other consideration that is payable to the Dissenting Debentureholders who have not complied with Section 10.4).

ARTICLE 11 SHARE INTEREST PAYMENT ELECTION

11.1 Share Interest Payment Election

- (a) Provided that the Corporation is not in default under this Indenture and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Debentures or Shares are then listed), the Corporation shall have the right, from time to time, to make a Share Interest Payment Election in respect of any interest payment obligations on the

Debentures by delivering a Share Interest Payment Election Notice to the Indenture Trustee in substantially the form set out in Schedule C hereto no later than the earlier of (i) the date required by applicable law or the rules of any stock exchange on which the Debentures or Shares are then listed, and (ii) 15 days preceding the relevant interest payment date. Any Shares issued pursuant to this Article 11 shall be Freely Tradeable Shares.

- (b) Upon receipt of a Share Interest Payment Election Notice, the Indenture Trustee shall, in accordance with this Article 11 and such Share Interest Payment Election Notice, deliver Share Bid Requests to the investment banks, brokers or dealers identified by the Corporation, in its absolute discretion, in the Share Interest Payment Election Notice. In connection with the Share Interest Payment Election, the Indenture Trustee shall have the power to: (i) accept delivery of the Shares from the Corporation and process the Shares in accordance with the Share Interest Payment Election Notice, (ii) accept bids with respect to, and deliver for settlement, such Shares, each as the Corporation shall direct in its absolute discretion, through the investment banks, brokers or dealers identified by the Corporation in the Share Interest Payment Election Notice, (iii) invest the proceeds of such sales on the direction in writing of the Corporation in Government Obligations which mature prior to an applicable interest payment date and use such proceeds to pay the interest obligations in respect of which the Share Interest Payment Election was made and (iv) perform any other reasonable action necessarily incidental thereto as directed in writing by the Corporation with the Indenture Trustee's consent. The Share Interest Payment Election Notice shall direct the Indenture Trustee to deliver and receive only, and each Share Bid Request shall provide that the acceptance of any bid is conditional on the acceptance of sufficient bids to result in aggregate proceeds from such issue and sale of Shares which, together with the cash payments by the Corporation in lieu of fractional Shares, if any, equal the applicable interest obligation on the Share Delivery Date.
- (c) The Share Interest Payment Election Notice shall provide for, and all bids shall be subject to, the right of the Corporation, by delivering written notice to the Indenture Trustee at any time prior to the consummation of such delivery and sale of the Shares on the Share Delivery Date, to withdraw the Share Interest Payment Election (which shall have the effect of withdrawing each related Share Bid Request), whereupon the Corporation shall be obliged to pay in cash the interest obligation in respect of which the Share Interest Payment Election Notice has been delivered.
- (d) Any sale of Shares pursuant to this Article 11 may be made to one or more Persons whose bids are solicited, but all such sales with respect to a particular Share Interest Payment Election shall take place concurrently on the Share Delivery Date.
- (e) The amount received by a Holder of a Debenture in respect of the Interest Obligation will not be affected by whether or not the Corporation elects to satisfy an interest obligation pursuant to a Share Interest Payment Election.
- (f) The Indenture Trustee shall inform the Corporation promptly following receipt of any bid or bids for Shares solicited pursuant to the Share Bid Requests. The

Indenture Trustee shall accept such bid or bids as the Corporation (in its absolute discretion) shall direct by Written Direction of the Corporation, provided that the aggregate proceeds of all sales of Shares resulting from the acceptance of such bids (together with the amount of any cash payment by the Corporation in lieu of any fractional Shares), on the Share Delivery Date, must be equal to the related Share Interest Payment Election Amount. In connection with any bids so accepted, the Corporation, and the applicable bidders shall, not later than the Share Delivery Date, enter into Share Purchase Agreements and shall comply with all Applicable Securities Laws, including the securities rules and regulations of any stock exchange on which the Debentures or Shares are then listed. The Corporation shall pay all fees and expenses in connection with the Share Purchase Agreements including the fees and commissions charged by the investment banks, brokers and dealers and the fees of the Indenture Trustee.

- (g) Provided that (i) all conditions specified in each Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Shares to be sold thereunder against payment of the purchase price thereof, and (ii) the purchasers under each Share Purchase Agreement shall be ready, willing and able to perform thereunder, in each case on the Share Delivery Date, the Corporation shall, on the Share Delivery Date, deliver to the Indenture Trustee the Shares to be delivered for settlement and cash equal to the value of any fractional Shares and a Certificate of the Corporation to the effect that all conditions precedent to such sales, including those set forth in this Indenture and in each Share Purchase Agreement, have been satisfied. Upon such deliveries, the Indenture Trustee shall deliver such Shares for settlement on such Share Delivery Date by the delivery of the Share to such purchasers against payment to the Indenture Trustee in immediately available funds of the purchase price therefor in an aggregate amount equal to the Share Interest Payment Election Amount (less any amount attributable to any fractional Shares), whereupon the sole right of a Holder to receive such Holder's portion of the Share Interest Payment Election Amount will be to receive same from the Indenture Trustee out of the proceeds of such sales of Shares plus any amount received by the Indenture Trustee from the Corporation attributable to any fractional Shares in full satisfaction of the applicable interest obligation and the Holder will have no further recourse to the Corporation in respect of such interest obligation.
- (h) The Indenture Trustee shall, on the Share Delivery Date, use the sale proceeds of the Shares (together with any cash received from the Corporation in lieu of any fractional Shares) to purchase, on the direction of the Corporation in writing, Government Obligations which mature prior to the applicable interest payment date and which the Indenture Trustee is required to hold until maturity (the "Share Proceeds Investment") and shall, on such date, deposit the balance, if any, of such sale proceeds in an account for the Debentures. The Indenture Trustee shall hold such Share Proceeds Investment (but not income earned thereon) under its exclusive control in an irrevocable trust for the benefit of the Holders of the Debentures. At least one Business Day prior to the applicable interest payment date, the Indenture Trustee shall deposit amounts from the proceeds of the Share Proceeds Investment in the account for the Debentures to bring the balance of the account to the Share Interest Payment Election Amount. On the applicable interest payment date, the Indenture Trustee shall pay the funds held in the account to the Holders of record of the Debentures on the

interest payment date and, provided that there is no Event of Default, shall remit amounts, if any, in respect of income earned on the Share Proceeds Investment or otherwise in excess of the Share Interest Payment Election Amount to the Corporation.

- (i) Neither the making of a Share Payment Election nor the consummation of sales of Shares on a Share Delivery Date will (i) result in the Holders of the Debentures not being entitled to receive on the applicable interest payment date cash in an aggregate amount equal to the amount of interest payable on such date or (ii) entitle such Holders to receive any Shares in satisfaction of such interest owing.

ARTICLE 12 MEETINGS OF DEBENTUREHOLDERS

12.1 Right to Convene Meeting

The Indenture Trustee or the Corporation may at any time and from time to time and the Indenture Trustee shall on receipt of a written Request of the Corporation or a Debentureholders' Request and upon being indemnified and funded to its satisfaction, acting reasonably, by the Corporation or by the Debentureholders signing such request against the costs which may be incurred in connection with the calling and holding of such meeting, convene a meeting of the Debentureholders. In the event of the Indenture Trustee failing within 30 days after receipt of any such request and such indemnity to give notice convening a meeting, the Corporation or such Debentureholders, as the case may be, may convene such meeting. Every such meeting shall be held in the City of Winnipeg, Manitoba, Canada or at such other place as may be approved or determined by the Indenture Trustee.

12.2 Notice of Meetings

At least 25 days' notice of any meeting shall be given to the Debentureholders by the Corporation or the Indenture Trustee, as the case may be, in the manner provided in Section 13.2 and a copy thereof shall be sent by post to the Indenture Trustee, unless the meeting has been called by it. Such notice shall state the time when, and the place where, the meeting is to be held and shall state briefly the general nature of the business to be transacted thereat, but it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any Holder of Debentures shall not invalidate any resolution passed at any such meeting.

12.3 Chairman

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

12.4 Quorum

Subject to the provisions of Section 12.12, at any meeting of the Debentureholders a quorum shall consist of: (a) at least one Debentureholder present in person or represented by

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

12.5 Power to Adjourn

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

12.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 12.7, be decided in the first place by a majority of the votes given on a show of hands. At any such meeting, unless a poll is duly demanded as herein provided, a declaration by the chairman that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of that fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote with respect to the Debentures, if any, held by him.

12.7 Poll

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

12.8 Voting

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

present in person or by proxy, they shall vote together with respect to the Debentures of which they are joint registered Holders.

12.9 Regulations

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

- (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and for the production of the authority of any Person signing on behalf of a Debentureholder;
- (b) the deposit of instruments appointing proxies at such place as the Indenture Trustee, the Corporation or the Debentureholder convening the meeting as the case may be, may, in the notice convening the meeting direct, and the time, if any, before the holding of the meeting or any adjournment thereof by which the same shall be deposited;
- (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, or sent by facsimile before the meeting to the Corporation or to the Indenture Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting; and
- (d) generally for the calling of meetings of Debentureholders and the conduct of business thereat.

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

12.10 Persons Entitled to Attend at Meetings

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

12.11 Powers Exercisable by Extraordinary Resolution

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

- (a) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Indenture Trustee

(subject to the consent of the Indenture Trustee) against the Corporation, or against its property, whether such rights arise under this Trust Indenture, the Debentures or otherwise;

- (b) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Trust Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Indenture Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;
- (c) power to sanction any scheme for the reconstruction or reorganization of the Corporation or for the consolidation, amalgamation or merger of the Corporation with any other entity or for the sale, leasing, transfer or other disposition of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary with respect to any such transaction if the provisions of Section 9.1 shall have been complied with;
- (d) power to direct or authorize the Indenture Trustee to exercise any power, right, remedy or authority given to it by this Trust Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
- (e) power to waive and direct the Indenture Trustee to waive any default hereunder or cancel any declaration made by the Indenture Trustee pursuant to Section 7.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;
- (f) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal of or interest on the Debentures, or for the execution of any Corporation or power hereunder;
- (g) power to direct any Debentureholder who, as such, has brought any action, suit or proceeding to stay or discontinue or otherwise deal with the same upon payment, if the taking of such suit, action or proceeding shall have been permitted by Section 7.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;
- (h) power to assent to any compromise or arrangement with any creditor or creditors or any class or classes of creditors, whether secured or otherwise, and with holders of any other securities of the Corporation;
- (i) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in such Extraordinary Resolution) to exercise, and to direct the Indenture Trustee to exercise, on behalf of the Debentureholders, such of the powers of the Debentureholders as are exercisable by Extraordinary Resolution or other resolution as shall be included in the resolution appointing the committee. The Extraordinary Resolution making such appointment may provide for payment of the expenses and disbursements of and compensation to such committee. Such committee shall consist of such number of persons as shall be prescribed in the resolution appointing it and the members need not be themselves Debentureholders. Every such committee may

elect its chairman and may make regulations respecting its quorum, the calling of its meetings, the filing of vacancies occurring in its number and its procedure generally. Such regulations may provide that the committee may act at a meeting at which a quorum is present or may act by minutes signed by the number of members thereof necessary to constitute a quorum. All acts of any such committee within the authority delegated to it shall be binding upon all Debentureholders. Neither the committee nor any member thereof shall be liable for any loss arising from or in connection with any action taken or omitted to be taken by them in good faith;

- (j) power to authorize the distribution *in specie* of any Shares, shares, bonds, debentures or other securities or obligations or cash or other consideration received hereunder or the use or disposal of the whole or any part of such Shares, shares, bonds, debentures or other securities or obligations or cash or other consideration in such manner and for such purpose as may be deemed advisable and specified in such Extraordinary Resolution;
- (k) power to authorize the Indenture Trustee or any other person or persons to bid at any sale of the Corporation's properties or assets or any part thereof and to borrow the moneys required to take any deposit at said sale or pay the balance of the purchase price and to hypothecate, mortgage, pledge, charge, cede and transfer the property or assets so purchased as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien upon the property or assets so purchased for the amount so advanced and interest thereon) and to hold any property or assets so purchased (subject to any hypothec, mortgage, pledge, charge or lien to secure any moneys so borrowed or advanced) in trust for all the Holders of the Debentures outstanding at the time of such sale *pro rata* in proportion to the amounts due to them thereon respectively for principal, if any, and interest before such sale, and to sell, transfer and convey the whole or any part or parts of the property or assets so purchased for such consideration in cash or in the Shares, shares, bonds, debentures or other securities or obligations of any entity formed or to be formed, or partly in cash and partly in such securities or obligations, and upon such terms and conditions as may be determined by such Extraordinary Resolution of the Debentureholders and, subject to such terms and conditions, to dispose of such cash, Shares, bonds, debentures or other securities or obligations pursuant to the provisions of Subsection 12.11(j), and until the sale, transfer or conveyance of the whole of such property or assets so purchased to maintain and operate such part of said property and assets as has not been disposed of, and for such purposes to borrow the moneys required to make any deposit at said sale or pay the balance of the purchase price and to hypothecate, mortgage, pledge, charge, cede and transfer the property or assets so purchased, or any part thereof, as security for the repayment of the moneys so borrowed and interest thereon, or itself, himself or themselves, as the case may be, to advance such moneys (in which event it, he or they shall have a lien upon the property or assets so purchased for the amount so advanced and interest thereon), and otherwise deal with such property and assets and the proceeds of any sale, transfer or conveyance thereof as the Debentureholders may by such Extraordinary Resolution direct;

- (l) power to remove the Indenture Trustee from office and to appoint a new Indenture Trustee or Indenture Trustees, subject to the requirement to enter into a supplemental indenture with respect to any such removal;
- (m) power, notwithstanding Section 6.5, to authorize the Corporation and the Indenture Trustee to grant extensions of time for payment of interest on any of the Debentures whether or not the interest the payment with respect to which is extended, is at the time due or overdue; and
- (n) power to amend, alter or repeal any Extraordinary Resolution previously passed or sanctioned by the Debentureholders or by any committee appointed pursuant to Subsection 12.11(i).

12.12 Meaning of "Extraordinary Resolution"

- (a) The expression "Extraordinary Resolution" when used in this Trust Indenture means, subject as hereinafter in this Article provided, a resolution proposed to be passed as an Extraordinary Resolution at a meeting of Debentureholders (including an adjourned meeting) duly convened for the purpose and held in accordance with the provisions of this Article at which the Holders of more than 20% of the principal amount of the Debentures then outstanding are present in person or by proxy and passed by the favorable votes of the Holders of not less than 66 2/3% of the principal amount of Debentures represented at the meeting and voted on a poll upon such resolution.
- (b) If, at any such meeting, the Holders of more than 20% of the principal amount of the Debentures outstanding are not present in person or by proxy within 30 minutes after the time appointed for the meeting, then the meeting, if convened by or on the requisition of Debentureholders shall be dissolved; but in any other case it shall stand adjourned to such date, being not less than 21 nor more than 60 days later, and to such place and time, all as may be appointed by the chairman. Not less than 10 days' notice shall be given of the time and place of such adjourned meeting in the manner provided in Section 13.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum but it shall not be necessary to set forth the purposes for which the meeting was originally called or any other particulars. At the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum and may transact the business for which the meeting was originally convened and a resolution proposed at such adjourned meeting and passed by the requisite vote as provided in Subsection 12.12(a) shall be an Extraordinary Resolution within the meaning of this Trust Indenture, notwithstanding that the Holders of more than 20% of the principal amount of the Debentures then outstanding are not present in person or by proxy at such adjourned meeting.
- (c) Votes on an Extraordinary Resolution shall always be given on a poll and no demand for a poll on an Extraordinary Resolution shall be necessary.

12.13 Powers Cumulative

It is hereby declared and agreed that any one or more of the powers of this Trust

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

12.14 Minutes

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

12.15 Instrument in Writing

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

12.16 Binding Effect of Resolutions

Every resolution and every Extraordinary Resolution passed in accordance with the provisions of this Article at a meeting of Debentureholders shall be binding upon all the Debentureholders whether present at or absent from such meeting, and every instrument in writing signed by Debentureholders in accordance with Section 12.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the Indenture Trustee (subject to the provisions for its indemnity herein contained) shall be bound to give effect accordingly to every such resolution, Extraordinary Resolution and instrument in writing.

12.17 Evidence of Rights of Debentureholders

- (a) Any request, direction, notice, consent or other instrument which this Trust Indenture may require or permit to be signed or executed by such Debentureholders may be in any number of concurrent instruments of similar tenor and may be signed or executed by such Debentureholders in person or by attorney duly appointed in writing. Proof of the execution of any such request or other instrument or of a writing appointing any such attorney or (subject to the provisions of this Article with regard to voting at meetings of Debentureholders) of the holding by any person of Debentures shall be sufficient for any purpose of this Trust Indenture if made in the following manner, namely, the fact and date of execution by any Person of such request or other instrument or writing may be proved by the certificate of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded at the place where such certificate is

made that the Person signing such request or other instrument in writing acknowledged to him the execution thereof or by affidavit of a witness of such execution or in any other manner which the Indenture Trustee may consider adequate.

- (b) The Indenture Trustee may, nevertheless, in its discretion require further proof in cases where it deems further proof desirable or may accept such other proof as it shall consider proper.

ARTICLE 13 NOTICES

13.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective, subject to Section 13.4 if given by mail, postage prepaid, addressed to the Corporation at: Exchange Income Corporation, 1067 Sherwin Road, Winnipeg, Manitoba R3H 0T8, Attention: Chief Executive Officer, Facsimile No. (204) 982-1855 and shall be deemed to have been effectively given on the third Business Day after mailing or if sent by facsimile, when transmitted or, if such day is not a Business Day, on the first Business Day following the date of transmission. For any notices sent by facsimile the original will be subsequently delivered or mailed postage prepaid. The Corporation may from time to time notify the Indenture Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Trust Indenture.

13.2 Notice to Debentureholders

- (a) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the Holders, subject to Section 13.4, if sent by mail, postage prepaid, by letter or circular addressed to such Holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been given on the third day after mailing. In addition to the foregoing, all notices to a Debentureholder who is registered as owning 25% or more of the Debentures outstanding at the time of giving notice shall be given notice by delivery to an address in Canada designated by such Holder as a notice address. Accidental error or omission in giving notice or accidental failure to mail notice to any Debentureholder or the inability of the Corporation to give or mail any notice due to anything beyond the reasonable control of the Corporation shall not invalidate any action or proceeding founded thereon.
- (b) All notices with respect to any Debenture may be given to whichever one of the Holders thereof (if more than one) is named first in the registers hereinbefore mentioned, and any notice so given shall be sufficient notice to all Holders of and Persons interested in such Debenture.

13.3 Notice to Indenture Trustee

Except as set forth below, any notice to the Indenture Trustee under the provisions of this Trust Indenture shall be valid and effective, subject to Section 13.4, if given by mail, postage prepaid, addressed to the Indenture Trustee at its principal office in the City of Toronto, Ontario, at 11th Floor, 320 Bay Street, Toronto, Ontario, M5H 4A6, Attention: Manager

Corporate Trust, facsimile No. (416) 360-1711 and shall be deemed to have been effectively given on the third Business Day after mailing or if sent by facsimile, when transmitted or, if such day is not a Business Day, on the first Business Day following the date of transmission. The Indenture Trustee may from time to time notify the Corporation in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Trust Indenture.

The Indenture Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Indenture Trustee ("Electronic Methods") from a person purporting to be (and whom such Indenture Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Corporation, as sufficient instructions and authority of the Corporation for the Indenture Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Indenture Trustee shall have no liability for any losses, liabilities, costs or expenses incurred by it as a result of such reliance upon or compliance with such instructions or directions. The Corporation agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Indenture Trustee, including without limitation the risk of the Indenture Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Indenture Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Corporation; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

13.4 Mail Service Interruption

- (a) If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Debentureholders, the Indenture Trustee or the Corporation would be unlikely to reach its destination in the ordinary course of mail, such notice shall be valid and effective only if:
 - (i) in the case of the Indenture Trustee or the Corporation, delivered to an officer of the party to which it is addressed or if sent to such party, at the appropriate address in accordance with Section 13.1 and Section 13.3, by cable, telegram, facsimile or other means of prepaid transmitted or recorded communication; and
 - (ii) in the case of Debentureholders, if published once (A) in the national edition of The Globe & Mail; and (B) in such other place or places and manner, if any, as the Indenture Trustee may require.
- (b) Any notice given to Debentureholders by publication shall be deemed to have been given on the last day on which publication shall have been effected in all of the cities in which publication is required pursuant to Subsection 13.4(a).

ARTICLE 14
CONCERNING THE INDENTURE TRUSTEE

14.1 No Conflict of Interest

- (a) The Indenture Trustee represents to the Corporation that at the date of execution and delivery by it of this Trust Indenture there exists no material conflict of interest in the role of the Indenture Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 14.1, such a material conflict of interest exists, the validity and enforceability of this Trust Indenture, and the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists but the Indenture Trustee shall, within 90 days after ascertaining that it has a material conflict of interest, either eliminate such a material conflict of interest or resign in the manner and with the effect specified in Section 14.2.
- (b) Notwithstanding anything else contained in this Trust Indenture, the Corporation and the Holders hereby acknowledge and accept, and waive any conflict of interest, that may arise given that the Indenture Trustee is currently acting as indenture trustee under: (i) the 7 year 5.50% Convertible Unsecured Subordinated Debentures due September 30, 2019; (ii) the 7 year 5.35% Convertible Unsecured Subordinated Debentures due March 31, 2020; (iii) the 7 year 6.00% Convertible Unsecured Debentures due March 31, 2021; and (iv) the 7 year 5.25% Convertible Unsecured Subordinated Debentures due June 30, 2023.

14.2 Replacement of Indenture Trustee

- (a) The Indenture Trustee may resign its trust and be discharged from all further duties and liabilities hereunder by giving to the Corporation 90 days' notice in writing or such shorter notice as the Corporation may accept as sufficient. If at any time a material conflict of interest exists in the Indenture Trustee's role as a fiduciary hereunder the Indenture Trustee shall, within 90 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section. The validity and enforceability of this Trust Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists. In the event of the Indenture Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Indenture Trustee unless a new Indenture Trustee has already been appointed by the Debentureholders; failing such appointment by the Corporation, the retiring Indenture Trustee at the Corporation's expense or any Debentureholder may apply to a Justice of the Court of Queen's Bench of Manitoba, on such notice as such Justice may direct, for the appointment of a new Indenture Trustee; but any new Indenture Trustee so appointed by the Corporation or by the Court shall be subject to removal as herein provided by the Debentureholders. Any new Indenture Trustee appointed under any provision of this Section shall be a corporation authorized to carry on the business of a trust company in the

Province of Manitoba. On any new appointment the new Indenture Trustee shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as Indenture Trustee.

- (b) Any company into which the Indenture Trustee may be merged or with which it may be consolidated or amalgamated or any company resulting from any merger, consolidation or amalgamation to which the Indenture Trustee shall be a party, or any company to which the Indenture Trustee may transfer substantially all of its corporate trust business, shall be the successor Indenture Trustee under this Trust Indenture without the execution of any instrument or any further act other than a supplemental indenture between the successor Indenture Trustee and the Corporation. Nevertheless, upon the written request of the successor Indenture Trustee or of the Corporation, the Indenture Trustee ceasing to act shall execute and deliver an instrument assigning and transferring to such successor Indenture Trustee, upon the trusts herein expressed, all the rights, powers and trusts of the Indenture Trustee so ceasing to act, and shall duly assign, transfer and deliver all property and money held by such Indenture Trustee to the successor Indenture Trustee so appointed in its place, subject to receipt by the Indenture Trustee of any remuneration owing to the Indenture Trustee pursuant to Section 6.3. Should any deed, conveyance or instrument in writing from the Corporation be required by any new Indenture Trustee for more fully and certainly vesting in and confirming to it such estates, properties, rights, powers and trusts, then any and all such deeds, conveyances and instruments in writing shall on request of said new Indenture Trustee, be made, executed, acknowledged and delivered by the Corporation.

14.3 Duties of Indenture Trustee

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

14.4 Reliance upon Declarations

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

14.5 Evidence and Authority to Indenture Trustee

- (a) The Corporation shall furnish to the Indenture Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the Indenture Trustee under this Indenture or as a result of any obligation imposed under this Indenture, including without limitation, the certification and delivery of Debentures hereunder, the satisfaction and discharge of this Indenture and the taking of any other action to be taken by the Indenture Trustee at the request of or on the application of the Corporation, forthwith if and when (i) such evidence is required

by any other Section of this Indenture to be furnished by the Indenture Trustee in accordance with the terms of this Section 14.5, or (ii) the Indenture Trustee, in the exercise of its rights and duties under this Indenture, gives the Corporation written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

- (b) Such evidence shall consist of:
 - (i) a Certificate of the Corporation stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
 - (ii) in the case of a condition precedent compliance with which is, by the terms of this Indenture, made subject to review or examination by a solicitor, an opinion of Counsel that such condition precedent has been complied with in accordance with the terms of this Indenture; and
 - (iii) in the case of any such condition precedent compliance with which is subject to review or examination by auditors or accountants, an opinion or report of the Auditors of the Corporation whom the Indenture Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.
- (c) Whenever such evidence relates to a matter other than the certification and delivery of Debentures and the satisfaction and discharge of this Indenture and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, engineer or appraiser or any other Person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of the Corporation it shall be in the form of a statutory declaration. Such evidence shall be, so far as appropriate in accordance with the immediately preceding paragraph of this Section.
- (d) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in this Indenture shall include:
 - (i) a statement by the Person giving the evidence that he has read and is familiar with those provisions of this Indenture relating to the condition precedent in question, (ii) a brief statement of the nature and scope of the examination or investigation upon which the statements or opinions contained in such evidence are based, (iii) a statement that in the belief of the Person giving such evidence, he has made such examination or investigation as is necessary to enable him to make the statements or give the opinions contained or expressed therein, (iv) a statement whether in the opinion of such Person the conditions precedent in question have been complied with or satisfied; and (v) a statement that no default or Event of Default has occurred or will occur by reason of the action taken.
- (e) The Corporation shall furnish to the Indenture Trustee annually, and at any other reasonable time if the Indenture Trustee so requires, its certificate that the Corporation has complied with all covenants, conditions and other requirements contained in this Indenture, the non-compliance with which would, with the giving of notice or the lapse of time, or both, or otherwise, constitute an Event of

Default, or if such is not the case, specifying the covenant, condition or other requirement which has not been complied with and giving particulars of such non-compliance. The Corporation shall, whenever the Indenture Trustee so requires, furnish the Indenture Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Indenture Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

14.6 Certificate of the Corporation as Evidence

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

14.7 Experts, Advisors and Agents

The Indenture Trustee may:

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

14.8 Indenture Trustee May Deal in Debentures

Subject to Section 14.3, the Indenture Trustee may, in its personal or other capacity, buy, sell, lend upon and deal in the Debentures and generally contract and enter into financial transactions with the Corporation or otherwise without being liable to account for any profits made thereby.

14.9 Investment of Moneys Held by Indenture Trustee

- (a) Unless herein otherwise expressly provided, any of the funds held by the Indenture Trustee may be deposited in a trust account in the name of the Indenture Trustee (which may be held with the Indenture Trustee or an affiliate of the Indenture Trustee), which account shall be non-interest bearing. Upon the

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

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

- (b) Unless and until the Indenture Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Indenture Trustee shall pay over to the Corporation all interest received by the Indenture Trustee with respect to any investments or deposits made pursuant to the provisions of this Section.

14.10 Indenture Trustee Not Ordinarily Bound

Except as provided in Section 7.2 and as otherwise specifically provided herein, the Indenture Trustee shall not, subject to Section 14.3, be bound to give notice to any Person of the execution hereof, nor to do, observe or perform or see to the observance or performance by the Corporation of any of the obligations herein imposed upon the Corporation or of the covenants on the part of the Corporation herein contained, nor in any way to supervise or interfere with the conduct of the Corporation's business, unless the Indenture Trustee shall have been required to do so by a Debentureholders' Request or by an Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 12, and then only after it shall have been indemnified and funded to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

14.11 Indenture Trustee Not Required To Give Security

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

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

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

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

- (a) The obligation of the Indenture Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Indenture Trustee and of the Debentureholders hereunder shall be conditional upon the Debentureholders furnishing, when required by notice in writing by the Indenture Trustee, sufficient funds to commence or continue such act, action or proceeding and an indemnity reasonably satisfactory to the Indenture Trustee to protect and hold harmless the Indenture Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.
- (b) None of the provisions contained in this Indenture shall require the Indenture Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers unless indemnified as aforesaid.
- (c) The Indenture Trustee may, before commencing or at any time during the continuance of any such act, action or proceeding, require the Debentureholders at whose instance it is acting to deposit with the Indenture Trustee the Debentures held by them and the Indenture Trustee shall issue receipts for such Debentures to such Debentureholders.
- (d) The Indenture Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required to do so under the terms hereof; nor shall the Indenture Trustee be required to take notice of any default hereunder, unless and until notified in writing of such default, which notice shall distinctly specify the default desired to be brought to the attention of the Indenture Trustee and in the absence of any such notice the Indenture Trustee may for all purposes of this Indenture conclusively assume that no default has been made in the observance or performance of any of the representation, warranties, covenants, agreements or conditions contained herein. Any such notice shall in no way limit any discretion herein given the Indenture Trustee to determine whether or not the Indenture Trustee shall take action with respect to any default.

14.14 Foreign Tax Compliance

In order to comply with applicable tax laws (inclusive of any current and future laws, rules, regulations, intergovernmental agreements and interpretations thereof promulgated by competent authorities) related to the Debentures and/or any matters contemplated by this Trust Indenture that are in effect from time to time (in this Section, "Applicable Foreign Law") that a

foreign financial institution, issuer, trustee, paying agent or other party is or has agreed to be subject to, the Corporation agrees:

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

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

14.15 Authority to Carry on Business

The Indenture Trustee represents to the Corporation that at the date of execution and delivery by it of this Indenture it is authorized to carry on the business of a trust company in the Province of Manitoba but if, notwithstanding the provisions of this Section 14.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Trust Indenture and the Debentures shall not be affected in any manner whatsoever by reason only of such event but the Indenture Trustee shall, within 30 days after ceasing to be authorized to carry on the business of a trust company in the Province of Manitoba either become so authorized or resign in the manner and with the effect specified in Section 14.2.

14.16 Acceptance of Trust

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

14.17 Trust Indenture Legislation

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

14.18 Additional Rights of Indenture Trustee

- (a) The Indenture Trustee shall retain the right not to act and shall not be held liable for refusing to act unless it received clear and reasonable documentation which complies with the terms of this Indenture. Such documentation must not require

the exercise of any discretion or independent judgment, except as otherwise provided herein.

- (b) The Indenture Trustee shall be entitled to rely, and act upon, on any direction, order, instruction, notice or other communication provided to it hereunder which is sent to it by facsimile transmission or electronic delivery.
- (c) The Corporation shall provide to the Indenture Trustee an incumbency certificate setting out the names and sample signatures of persons authorized to give instructions to the Indenture Trustee hereunder. The Indenture Trustee shall be entitled to rely on such certificate until a revised certificate is provided to it hereunder. The Indenture Trustee shall be entitled to refuse to act upon any instructions given by a party which are signed by any person other than a person described in the incumbency certificate provided to it pursuant to this Section.
- (d) The Indenture Trustee shall not be liable for any consequential, punitive or special damages or lost profits suffered by the Corporation.
- (e) The Indenture Trustee shall not be liable for errors in judgment made in good faith unless negligent in ascertaining pertinent facts.
- (f) The Indenture Trustee shall not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility hereunder by reason of any occurrence beyond the control of the Indenture Trustee (including but not limited to any act or provision of any present or future law or regulation or governmental authority, any act of God or war).

ARTICLE 15 FURTHER PROVISIONS CONCERNING THE INDENTURE TRUSTEE

15.1 Responsibility of Indenture Trustee

- (a) At all times while any Debentures are outstanding, the Indenture Trustee shall have the following responsibilities hereunder:
 - (i) to keep the Corporation's Debenture ledgers, registers and branch registers of transfers and unissued Debenture certificates and, subject to such general and particular instructions as may from time to time be given to it by or under the authority of the Board of Directors of the Corporation (which shall be in the form of a Written Direction of the Corporation), the Indenture Trustee shall:
 - (A) record the particulars of all transfers of Debentures upon the appropriate register of transfers or branch register(s) of transfers;
 - (B) issue Debenture certificates to the Debentureholders entitled thereto, representing Debentures held by or transferred to them, respectively;

- (C) maintain the registers of Holders and make such entries from time to time in the registers as may be necessary in order that the account of each Debentureholder may be properly and accurately maintained;
 - (D) furnish to the Corporation, at the Corporation's expense, upon its request, true and complete copies of such registers of Holders as it has in its possession or control for the purposes of carrying out the duties and obligations imposed on the Indenture Trustee by this Trust Indenture; and
 - (E) furnish to the Corporation, but at the Corporation's expense, at all times such statements, lists, entries, information and material concerning transfers and other matters herein prepared and undertaken by it, including all documents, papers, information and material as it may have and the Corporation may require;
 - (ii) forthwith upon receipt of sufficient moneys from the Corporation, to forward cheques representing payments of interest upon the Debentures to the Holders thereof in accordance with the provisions of Section 2.8 hereof;
 - (iii) to forward certificates for Shares received from the Company or its transfer agent and, if required, issue new Debentures, upon conversion of Debentures pursuant to the provisions of Article 5 hereof;
 - (iv) upon receipt of sufficient moneys or Shares, as applicable, upon the stated or accelerated maturity of the Debentures, to make all payments of principal or interest on the Debentures to the Holders thereof as provided in this Indenture;
 - (v) promptly as and when due to make such recordings and filings as may be required to satisfy any statutory or regulatory duty imposed upon the Indenture Trustee; and
 - (vi) to carry out any and all other obligations and responsibilities expressly imposed upon the Indenture Trustee pursuant to the provisions of this Indenture.
- (b) All Debentures shall be effectively and interchangeably transferable on the appropriate principal register of transfers or on any appropriate branch register of transfers, regardless of where or when the certificates therefor shall have been issued, and entry of the transfer of any Debentures in the appropriate register of transfers or in any one appropriate branch register of transfers shall for all purposes be a complete and valid transfer.
 - (c) The Indenture Trustee may use its own judgment in the performance of its duties as agent for the Corporation, but at any time it may apply to the Board of Directors of the Corporation or an officer of the Corporation or to such Counsel as the Corporation may from time to time determine, at the expense of the

Corporation, for instructions or advice, and the Corporation will fully protect and hold the Indenture Trustee harmless from all liability for any action taken, or not taken, by the Indenture Trustee in accordance with or pursuant to such, instructions or advice that may be given to it.

- (d) The transfer of any Debentures in respect of a certificate presented to the Indenture Trustee may be refused by it until it is satisfied that such certificate is valid, that the endorsement thereon is genuine and that the transfer requested is legally authorized. The Indenture Trustee shall not incur any liability by refusing in good faith to effect any transfer which, in its judgment, is improper or unauthorized.
- (e) The Indenture Trustee agrees to faithfully carry out and perform its duties hereunder and, on termination hereof and upon payment by the Corporation to the Indenture Trustee of all monies owing to the Indenture Trustee hereunder, to deliver over to the Corporation the registers and branch registers maintained by it and any documents connected therewith or with the Corporation transacted hereunder, and a receipt signed by an officer of the Corporation shall be a valid discharge of the Indenture Trustee.

ARTICLE 16 SUPPLEMENTAL INDENTURES

16.1 Supplemental Indentures

- (a) From time to time the Indenture Trustee, and when authorized by a resolution of the Directors of the Corporation, may, and they shall when required by this Trust Indenture, execute, acknowledge and deliver by their proper officers, deeds or indentures supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:
 - (i) setting forth the adjustments in the application of the provisions of Article 5 hereof;
 - (ii) adding to the provisions hereof such additional covenants and enforcement provisions as, in the opinion of Counsel, are necessary or advisable in the premises, provided that the same are not in the opinion of the Indenture Trustee, relying on Counsel, prejudicial to the interest of the Holders;
 - (iii) giving effect to any Extraordinary Resolution passed as provided in Article 12 hereof;
 - (iv) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder or for the purpose of obtaining a listing or quotation of the Debentures on any stock exchange, provided that such provisions are not, in the opinion of the Indenture Trustee, relying on Counsel, prejudicial to the interests of the Holders;

- (v) adding to or altering the provisions hereof in respect of the ownership and transfer of Debentures, making provision for the exchange of Debentures, and making any modification in the form of the Debentures which does not affect the substance thereof;
- (vi) modifying any of the provisions of this Indenture or relieving the Corporation from any of the obligations, conditions or restrictions herein contained, provided that no such modification or relief shall be or becomes operative or effective if, in the opinion of the Indenture Trustee, relying on Counsel, such modification or relief impairs any of the rights of the Holders or of the Indenture Trustee, and provided that the Indenture Trustee may in its uncontrolled discretion decline to enter into any such supplemental indenture which in its opinion may not afford adequate protection to the Indenture Trustee when the same shall become operative; and
- (vii) for any other purpose not inconsistent with the terms of this Indenture, including the correction or rectification of any ambiguities, defective provisions, errors or omissions herein, provided that in the opinion of the Indenture Trustee acting on the advice of Counsel, the rights of the indenture Trustee and of the Holders are in no way prejudiced thereby.

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ARTICLE 17
EXECUTION AND EFFECTIVE DATE

17.1 Execution

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

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

EXCHANGE INCOME CORPORATION

Per: "Michael Pyle"

BNY TRUST COMPANY OF CANADA

Per: "Teresa Wyszomierski"

SCHEDULE A

FORM OF DEBENTURE

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

(Form of Debenture)

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

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

EXCHANGE INCOME CORPORATION

(existing under the laws of Canada)

5 Year 5.25% Convertible Unsecured Subordinated Debentures
(the "Debenture(s)")

CUSIP No. 301283AJ6

ISIN No. CA301283AJ68

Certificate Number: ●

\$●

Exchange Income Corporation (herein referred to as the "Corporation"), for value received, hereby promises to pay to the registered holder (the "Holder"), CDS & Co., on December 31, 2022, or on such earlier date as the principal amount hereof may become payable in accordance with the conditions herein set out and with the provisions of the Trust Indenture hereinafter mentioned, on presentation and surrender of this Debenture, the sum of

\$●

in lawful money of Canada, at the office of the Indenture Trustee in Toronto, Ontario or any paying agent, and to pay interest thereon from and including the date hereof at the Interest Rate, payable after as well as before maturity and after as well as before default and judgment until paid in full, with interest on amounts in default at the same rate, on each interest payment date. Payments of interest shall be made semi-annually in equal amounts on the interest payment dates. Any adjustments to the principal amount of this Debenture, whether due to conversions of Debentures into Shares, or otherwise, may be set forth and recorded in the table at Exhibit A hereto. For greater certainty, the first interest payment on this Debenture which is

payable on June 30, 2018 will be in the amount of \$27.61644 per \$1,000 principal amount of this Debenture.

As interest becomes due on this Debenture on June 30 and December 31 in each year with the initial payment occurring on June 30, 2018, (except interest payable at maturity which may be paid upon presentation and surrender of such Debentures for payment at the office of the Indenture Trustee in Toronto, Ontario or any paying agent), the Corporation shall cause to be sent by prepaid first class mail a cheque for such interest (less any tax required by law to be withheld therefrom) payable to the order of the Holder (as appearing on the registers maintained by the Indenture Trustee at the close of business on the last Business Day of the month preceding the month of the applicable interest payment date) and addressed to it at its last address appearing on the register, unless the Holder otherwise directs. In the case of joint Holders, the cheque shall be payable to or issued to the order of all such joint Holders and addressed to them at the last address appearing on the register, unless such other joint Holders otherwise direct. If more than one address appears on the register in respect of such joint Holders, the cheque shall be mailed to the first address so appearing. In the event of non-receipt of any cheque for interest by the Holder, the Corporation will cause to be issued a replacement cheque for like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction, acting reasonably.

This Debenture is one of the Debentures in lawful money of Canada issued under a Trust Indenture (herein referred to as the "Trust Indenture") dated as of December 20, 2017, between the Corporation and BNY Trust Company of Canada, as Indenture Trustee. The aggregate principal amount of Debentures which may be authorized and issued under the Trust Indenture is \$100,000,000. Reference is made hereby to the Trust Indenture and any instruments supplemental thereto for a statement and description of the terms and conditions upon which this Debenture is issued and the rights and remedies of the Holders of the Debentures, the Corporation and the Indenture Trustee with respect thereto, all with the same effect as if the provisions of the Trust Indenture and of any instruments supplemental thereto were herein set forth, to all of which provisions the registered Holder of this Debenture, by acceptance hereof assents. In the event of any inconsistency between the provisions of this Debenture and the provisions of the Trust Indenture, the provisions of the Trust Indenture shall prevail.

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

All Debentures issued under the Trust Indenture rank equally and rateably without priority or preference. The indebtedness evidenced by this Debenture, and by all other Debentures now or hereafter certified and delivered under the Trust Indenture, is a direct unsecured obligation of the Corporation, and is subordinated in right of payment, to the extent and in the manner provided in the Trust Indenture, to the prior payment in full of all Senior Indebtedness, whether outstanding at the date of the Trust Indenture or thereafter created, incurred, assumed or guaranteed.

Upon and subject to the provisions and conditions of the Trust Indenture, each Holder of Debentures has the right, at their option, at any time prior to the close of business of the Indenture Trustee on or before maturity of the Debentures, to convert in whole or in part such Debenture into Shares at the Conversion Price then in effect (initially \$51.50 per Share). In

order to convert, a Holder must complete the Conversion Form and Declaration Respecting Beneficial Ownership of Shares attached hereto and surrender such Debenture to the Indenture Trustee at its principal office in the City of Toronto, Ontario.

The Corporation may, on notice as provided in the Trust Indenture, at its option (subject to any applicable regulatory approval), elect to satisfy the obligation to repay the principal amount of this Debenture on the Maturity Date or on redemption by the issue of that number of Shares obtained by dividing the principal amount of this Debenture by 95% of the Current Market Price on the Maturity Date or the date fixed for redemption, as the case may be.

The Debentures will not be redeemable on or before December 31, 2020. After December 31, 2020, but prior to December 31, 2021, the Debentures will be redeemable at a price equal to the principal amount thereof plus accrued and unpaid interest (subject to withholding of any tax required by law to be withheld on such interest), at the Corporation's sole option on not more than 60 days' and not less than 30 days' prior notice, provided that the Current Market Price on the date on which notice of redemption is given is not less than 125% of the Conversion Price. On and after December 31, 2021, but prior to the Maturity Date, the Debentures will be redeemable at a price equal to the principal amount thereof, plus accrued and unpaid interest (subject to any tax required by law to be withheld on such interest), at the Corporation's sole option on not more than 60 days' and not less than 30 days' prior notice.

Upon the occurrence of a Change of Control of the Corporation involving the acquisition of voting control or direction over 66-2/3% or more of the outstanding Shares and securities convertible into or carrying the right to acquire Shares by any person or group of persons acting jointly or in concert, the Corporation will be required to make an offer to repurchase all of the Debentures at a price equal to 100% of the principal amount of the Debentures, plus accrued and unpaid interest thereon. If 90% or more of the aggregate principal amount of Debentures outstanding on the date that the Corporation gives notice of a Change of Control to the Indenture Trustee have been tendered for purchase pursuant to the Change of Control Offer, the Corporation shall have the right to redeem all the remaining Debentures at the same price plus accrued and unpaid interest. The Trust Indenture makes provision for the adjustment of the Conversion Price in the events therein specified, including without limitation, in the event of a Cash Change of Control.

If an Offer for the Debentures is made and 90% of the principal amount of all the Debentures (other than Debentures held at the date of the takeover bid by or on behalf of the Offeror, Associates or Affiliates of the Offeror or anyone acting jointly or in concert with the Offeror) are taken up and paid for by the Offeror, the Offeror will be entitled to acquire the Debentures of those Holders who did not accept the offer on the same terms as the Offeror acquired the first 90% of the principal amount of the Debentures.

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

The Debenture may only be transferred upon compliance with the conditions prescribed in the

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

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

Each Holder of a Debenture, by his acceptance thereof, acknowledges that certain provisions contained in the *Canada Transportation Act* and the Articles of Amalgamation of the Corporation apply to the Shares and may restrict the issue (including the issue of Shares on a conversion of a Debenture or on repayment of a Debenture in Shares upon redemption or maturity), registration, transfer, ownership (registered and beneficial), voting and dividend rights of the Shares. Each Holder acknowledges that:

- (a) at no time may persons or other entities that are not Canadians within the meaning of the *Canada Transportation Act* ("Non-Canadians") be the beneficial owners of that number of Shares of the Corporation entitling them to more than 20% of the votes attaching to all Shares;
- (b) the application of these restrictions against registered owners of Shares may be based upon the identity of the beneficial owners of such Shares;
- (c) the voting rights exercised by all Non-Canadians and their associates at any meeting of Shareholders is limited to an aggregate of 25% of the total votes cast on any resolution; and
- (d) prior to registration of a transfer of Shares (or a conversion of a Debenture) from time to time thereafter, a registered or beneficial owner or a proposed transferee of Shares may be required to submit to the Corporation a declaration indicating, among other things, the total number of Shares of the Corporation which have voting rights beneficially owned by the proposed transferee or Debentureholder, whether he is an associate of any other Shareholder and whether he is a Non-Canadian.

The Corporation shall refuse to issue Shares and register or recognize a transfer of Shares if the issuance or transfer would result in a contravention of the constraints contained in clause (a) above, and may refuse to do so if any Person fails to provide a declaration when requested. In the event of a contravention of the constraints contained in clause (a) above, the Corporation may sell Shares held by Non-Canadians.

This Debenture shall not become obligatory for any purpose until it shall have been certified by the Indenture Trustee for the time being under the Trust Indenture.

Unless otherwise defined, all initially capitalized terms used herein shall have the meaning

ascribed to such terms in the Trust Indenture. To the extent that the terms and conditions stated in this Debenture conflict with the terms and conditions of the Trust Indenture, the latter shall prevail.

In witness whereof Exchange Income Corporation has caused this Debenture to be signed by its duly authorized officer effective as of the 20th day of December, 2017.

Exchange Income Corporation

Per: _____

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

INDENTURE TRUSTEE'S CERTIFICATE

This Debenture is one of the 5 Year 5.25% Convertible Unsecured Subordinated Debentures referred to in the Trust Indenture within mentioned.

**BNY Trust Company of Canada,
Indenture Trustee**

By: _____
(Authorized Signature)

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

REGISTRATION PANEL

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

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

(Form of Transfer Panel)

TRANSFER FORM

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

Dated: _____

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

Social Insurance Number of Transferee, if applicable: _____

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

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

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

(Form of Conversion Panel)

CONVERSION FORM

CUSIP No. 301283AJ6

ISIN No. CA301283AJ68

The undersigned, being the registered holder of this 5 Year 5.25% Convertible Unsecured Subordinated Debentures, hereby irrevocably elects to convert

\$ _____

principal amount of the attached Debenture and hereby delivers such Debenture to the principal office of the Indenture Trustee in the City of Toronto, Ontario.

Date: _____

Signature of Holder: _____

(Attach completed Declaration Respecting Beneficial Ownership of Shares)

[illegible]

SUMMARY OF RESTRICTIONS ON OWNERSHIP AND VOTING OF SHARES

The *Canada Transportation Act*, as amended, and articles of Exchange Income Corporation (the "Corporation"), as may be amended from time to time (collectively, the "Reference Instruments") contain restrictions on ownership, transfer and, in certain circumstances, voting of common shares of the Corporation ("Shares"). There is a restriction against any person or group of *Associated* persons that are *non-Canadians*, *Holding*, *Beneficially Owning* or *Controlling* more than 20% of the Shares of the Corporation, and a provision limiting, on a pro rata basis, the voting rights exercised by all *non-Canadians* and their *Associates* at any meeting of shareholders to 25% of the total votes cast on any resolution. In addition, the Reference Instruments require that the Corporation sell Shares held by non-Canadians in the event that non-Canadians own greater than 20% of the issued and outstanding Shares of the Corporation.

SUMMARY OF DEFINITIONS

"*Associates*" means persons who are associates of another person with respect to the *Holding* of Shares. A person is an *Associate* of another person if:

- (i) one is a corporation of which the other is an officer or director;
- (ii) one is a corporation that is *Controlled* by the other person or by a group of persons of which the other is a member;
- (iii) one is a partnership of which the other is a partner;
- (iv) one is a trust of which the other is a trustee;
- (v) both are corporations that are *Controlled* by the same person;
- (vi) both are members of a voting trust or parties to an arrangement that relates to Shares; or
- (vii) both are at the same time *Associates*, within the meaning of any of (i) to (vi) above, of the same person;

provided that:

if a *Canadian* who is an *Associate* of a *non-Canadian* submits to the board of directors of the Corporation a statutory declaration stating that no Shares of the Corporation are *Held*, directly or indirectly, for a *non-Canadian*, that *Canadian* and *non-Canadian* are not *Associates* provided that the statutory declaration is not false; and

two corporations are not *Associates* pursuant to (vii) above by reason only that each is an *Associate* of the same person pursuant to (i) above;

"*Beneficial Ownership*" includes ownership of Shares through a trustee, legal representative, agent or other intermediary, and the terms "*Beneficial Owner*" and "*Beneficially Owning*" have a corresponding meaning;

"*Canadian*" means a Canadian citizen or a permanent resident within the meaning of subsection 2(1) of the *Immigration and Refugee Protection Act*, a government in Canada or an agent of such a government or a corporation or other entity that is incorporated or formed under the laws of Canada or a province, that is controlled in fact by Canadians and of which at least seventy-five per cent, or such lesser percentage as the Governor in Council may by regulation specify, of the voting interests are owned and controlled by Canadians.

"*Control*" means control in any manner that results in control in fact, whether directly through the ownership of securities or indirectly through a trust, an agreement, the ownership of any body corporate or otherwise, and "*Controlled*" has a corresponding meaning;

"*Hold*" includes *Beneficial Ownership* or *Control* and "*Held*" has a corresponding meaning; and

"non-Canadian" means a person who is not a *Canadian*.

The foregoing summary of restrictions on ownership and voting of Shares and summary of definitions are summaries only and are qualified in their entirety by the complete text of such restrictions and the complete Definitions contained in the Reference Instruments.

EXCHANGE INCOME CORPORATION
(the "Corporation")

DECLARATION RESPECTING BENEFICIAL OWNERSHIP OF SHARES
(TO BE COMPLETED BY THE PROPOSED REGISTERED OWNER OR AGENT)

- (a) A separate declaration is to be completed for each acquisition and/or transfer of common shares ("Shares") of the Corporation, except for any transfer into the name of a Canadian or U.S. depository or its nominee.
- (b) If the declarant is not also the *Beneficial Owner* of the Shares, the declarant must make reasonable inquiries of the *Beneficial Owner(s)* to confirm that the statements made in the declaration as they pertain to the *Beneficial Owner* are true.
- (c) If the declarant is a corporation, partnership, association, trust or other organization, this declaration must be signed by a responsible officer or partner thereof or other duly authorized representative.
- (d) Notwithstanding the completion and delivery to the Corporation of this declaration by the proposed registered owner or agent, such registered owner of the Shares shall, if required by the Corporation, cooperate with the Corporation in obtaining the name and address of each *Beneficial Owner* of such Shares and a separate declaration in form satisfactory to the Corporation, from and in respect of each *Beneficial Owner* of such Shares.

Exchange Income Corporation
BNY Trust Company of Canada

In response to a request made by the Corporation to facilitate compliance with the restrictions on issue, transfer and ownership of, and exercise of voting rights attaching to, the Shares pursuant to the *Canada Transportation Act*, as amended, and articles of the Corporation, as may be amended from time to time, (the said Act and articles of the Corporation as may be amended from time to time being herein collectively referred to as the "Reference Instruments"), such restrictions being summarized on the reverse side hereof, and in connection with the registration of _____ Shares to be registered as follows:

Name of Registered Owner: _____

Address of Registered Owner: _____

The undersigned hereby declares that, within the meaning of the definitions contained in the Reference Instruments, which definitions are summarized above, as at the date hereof:

1. the undersigned is ☐ the *Beneficial Owner*
☐ agent or nominee for the *Beneficial Owner*
2. The *Beneficial Owner* is ☐ *Canadian*
☐ not *Canadian*
3. Total number of *Beneficial Owners* _____
How many of the *Beneficial Owners* are not *Canadian* _____
How many shares are held for non-Canadians _____

DATED _____ Name of Declarant (please print) _____

Address of Declarant (please print) _____

SCHEDULE B

FORM OF ACCEPTANCE OF CHANGE OF CONTROL OFFER

(Pursuant to Section 4.12(c) of the Trust Indenture)

NOTICE OF ACCEPTANCE OF CHANGE OF CONTROL OFFER

TO: EXCHANGE INCOME CORPORATION

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

The undersigned registered holder of 5 Year 5.25% Convertible Unsecured Subordinated Debentures bearing Certificate No. _____ irrevocably accepts the offer by the Corporation to purchase such Debentures (or \$_____ principal amount thereof) on the Change of Control Payment Date in accordance with the terms of the Trust Indenture referred to in such Debentures at a price of \$1,000 for each \$1,000 principal amount of Debentures plus all accrued and unpaid interest thereon to, but excluding, the Change of Control Payment Date (collectively, the "Change of Control Payment") and tenders herewith the Debentures in respect of which the Change of Control is being accepted,

Dated: _____

(Signature of Registered Holder)

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

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

BNY Trust Company of Canada
11th Floor, 320 Bay Street
Toronto, Ontario
M5H 4A6
Attn: Operations Department
Fax: (416) 360-1711

The interest upon the principal amount of Debentures purchased by the Corporation shall cease to be payable from and after the Change of Control Date unless payment of the Change of Control Payment shall not be made on presentation for surrender of such Debentures at the above mentioned corporate trust office on or after the Change of Control Payment Date or prior to the setting aside of the Change of Control Payment pursuant to the Trust Indenture dated December 20, 2017 between the Corporation and BNY Trust Company of Canada, as indenture trustee.

SCHEDULE C

FORM OF SHARE INTEREST PAYMENT ELECTION

(Payment of Interest Obligation in Shares)

SHARE INTEREST PAYMENT ELECTION

TO: BNY TRUST COMPANY OF CANADA

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

Notice is hereby given pursuant to Article 11 of the trust indenture (the "Trust Indenture") dated December 20, 2017, between the Corporation and BNY Trust Company of Canada, as indenture trustee (the "Indenture Trustee"), that the Corporation hereby elects to pay its interest obligation on the 5 Year 5.25% Convertible Unsecured Subordinated Debentures of the undersigned for the period commencing on _____ and ending on _____, which is due and payable on _____, in Shares

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

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

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

DATED:

EXCHANGE INCOME CORPORATION

(Authorized Signatory)

(Authorized Signatory)

SCHEDULE D

SUBORDINATION AND POSTPONEMENT AGREEMENT **\$100,000,000 TRUST INDENTURE**

THIS AGREEMENT made as of this 20th day of December, 2017.

BETWEEN:

EXCHANGE INCOME CORPORATION, a corporation
established under the laws of Canada,
(the "Corporation"),

- and -

THE TORONTO-DOMINION BANK, in its capacity as security
agent for the Participating Lenders (as defined herein) to secure
all present and future indebtedness, obligations and liabilities of
certain borrowers and certain guarantors (including the
Corporation) existing from time to time to the Participating
Lenders, whether direct indebtedness to any Participating Lender
or indebtedness under any present or future guarantee or similar
obligation given to any Participating Lender,
(the "Bank"),

- and -

BNY TRUST COMPANY OF CANADA, as trustee
(the "Trustee").

WHEREAS the Trustee is the trustee for each of the holders (collectively,
the "Holders" and each a "Holder") of 5 year 5.25% Convertible Unsecured
Debentures (collectively, the "Debentures") of the Corporation issued under a trust
indenture made as of December 20, 2017 between the Corporation and the Trustee,
as trustee, as amended, modified, supplemented or restated from time to time (the
"Trust Indenture");

AND WHEREAS pursuant to the terms of a Seventh Amended and Restated
Loan Agreement dated March 3, 2017, as amended, revised, restated and/or replaced from time
to time and at any time (the "Credit Agreement") or otherwise, the Corporation is directly
indebted to the Participating Lenders as a Borrower (as such term is defined in the Credit
Agreement) and has guaranteed the indebtedness of various direct and indirect subsidiaries to
the Participating Lenders and may further guarantee the indebtedness of its subsidiaries to the
Participating Lenders, and the Corporation is or may be indebted to the Participating Lenders for
certain other obligations, all as more particularly described in the Credit Agreement (collectively,
the "Indebtedness");

AND WHEREAS Section 3.6 of the Trust Indenture provides that the
indebtedness evidenced by the Debentures is subordinate and restricted in right of payment to
the prior payment in full of all Senior Indebtedness (as defined in the Trust Indenture);

AND WHEREAS Section 3.7 of the Trust Indenture provides for the authorization of, and direction to, the Trustee by each Holder to enter into, *inter alia*, this Agreement;

AND WHEREAS the foregoing recitals and statements of fact are made by the parties hereto, other than the Trustee;

NOW THEREFORE, for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the parties, as evidenced by the execution of this Agreement) the parties hereby agree as follows:

1. **Senior Indebtedness Confirmed.** The parties agree and confirm that, for the purposes of the Trust Indenture: (a) the Indebtedness constitutes "Senior Indebtedness" under the Trust Indenture; and (b) this Agreement constitutes the only "Subordination Agreement" under the Trust Indenture.

2. **Subordination.** The Corporation covenants and agrees, and the Trustee, for and on behalf of each Holder, hereby confirms and acknowledges that the payment of the principal amount of and interest on the Debentures is hereby expressly subordinated and restricted in right of payment to the prior payment in full of all Indebtedness, to the extent set out herein, and that the rights of the Holders are otherwise restricted as set out herein.

3. **Payment of Debentures Permitted.**

- (a) Nothing contained in this Agreement or in the Debentures shall prevent the Corporation at any time from making payments of the principal of or interest on the Debentures except as provided for in Section 4 or during the pendency of any insolvency or winding-up as referred to in Section 6.
- (b) Subject to Section 4(a), until written notice shall be given to the Trustee by or on behalf the Corporation or the Bank of the occurrence of any default with respect to the Indebtedness or of the existence of any other facts which would result in any payment with respect to the Debentures being in contravention of the provisions of this Agreement, the Trustee shall be entitled to assume that no such default has occurred and that no such facts exist. Subject to Section 4(a), nothing in this Agreement shall prevent the Trustee, prior to receipt of such notice, from applying any moneys received by it pursuant to the Trust Indenture, to the purposes for which the same were received, notwithstanding the occurrence or continuance of a default with respect to, or the existence of such facts with respect to, the Indebtedness.

4. **No Payment to Holders.**

- (a) Without the prior written consent of the Bank, no payment of principal, by purchase of Debentures, redemption or otherwise, shall be made by the Corporation or received by the Holders on account of, or in respect of the Debentures.
- (b) Upon the maturity of any Indebtedness by lapse of time, acceleration or

otherwise, then, unless and until such Indebtedness shall have been paid in full or shall first have been duly provided for, no payment, by purchase of Debentures, redemption or otherwise, shall be made by the Corporation or received by the Holders on account of, or in respect of, the Debentures whether as principal or interest or otherwise.

- (c) If a default with respect to any Indebtedness occurs in accordance with the terms of such Indebtedness and is continuing, or if a default would occur as a result of any payment described below, then, unless and until such default shall have been cured or waived or shall have ceased to exist, no payment, by purchase of Debentures, redemption or otherwise, shall be made by the Corporation or received by the Holders on account of, or in respect of, the Debentures whether as principal or interest or otherwise.
- (d) In the event that, notwithstanding the provisions of this Section 4, the Corporation makes any payment on account of, or in respect of, the Debentures, whether as principal or interest or otherwise, in contravention of the terms of this Agreement, or without the Bank's prior written consent as contemplated in Section 4(a), or after the maturity of any Indebtedness contemplated by Section 4(b), or after the happening of a default with respect to any Indebtedness contemplated by Section 4(c), then, unless and until the Trustee and the Corporation shall have received written notice from the Bank that it consents to such payment of principal, such default shall have been cured or waived or shall have ceased to exist or such Indebtedness shall have been paid in full, as the case may be, such payments by the Corporation shall be deemed to have been received in trust by the Trustee and the Holders for the benefit of the Bank and such payments shall be paid over to the Bank or its representative or to the Trustee under any indenture under which any instruments evidencing any of such Indebtedness may have been issued, as their respective interests may appear, for application to the payment in full in accordance with its terms, of such Indebtedness remaining unpaid.
- (e) The fact that any payment which is required to be made pursuant to the Trust Indenture or Debenture is prohibited by this Section 4 shall not prevent the failure to make such payment from being an Event of Default (as defined in the Trust Indenture) under the Trust Indenture.
- (f) The Corporation shall not grant to the Holders, or the Trustee, and the Trustee and the Holders shall not be entitled to receive, any mortgage, charge, hypothec, assignment, pledge or other security interest against any of the property, assets or undertaking of the Corporation or any subsidiaries, without the prior written consent of the Bank.
- (g) Upon the occurrence of any Event of Default under the Trust Indenture or any default with respect to any Indebtedness, neither the Trustee nor any Holder shall be entitled to take or commence or authorize to be taken or commenced any action, suit, remedy or proceeding, whether judicial or extra judicial, against the Corporation or any subsidiary or any of their property, assets or undertaking

to collect or enforce payment of the principal or interest on the Debentures or any other amounts owing under the Trust Indenture or to enforce the performance of any other covenant or obligation of the Corporation under the Trust Indenture or the Debentures, including any action or proceeding for the payment of the Debentures, the appointment of a liquidator or receiver or receiver manager or trustee in bankruptcy of the Corporation or any of its property, assets or undertaking or for the winding-up of the Corporation, unless and until the Indebtedness has been paid in full; provided, however, that the foregoing shall in no way prohibit, restrict or prevent the Trustee from taking such action as may be necessary to preserve the claims of the Trustee and/or the Holders under the Debentures and the Trust Indenture in any bankruptcy, reorganization or insolvency proceeding, including, without limitation, the filing of proofs of claim in any bankruptcy, reorganization or insolvency proceedings commenced by or against the Corporation and exercising its rights including to vote, as an unsecured creditor in connection with or under any bankruptcy, reorganization or insolvency proceedings commenced by or against the Corporation.

5. **Intent of this Agreement.** The provisions of this Agreement are, and are intended, solely for the purpose of defining the relative rights of the Holders and the Trustee, on the one hand, and the Bank, on the other hand. Nothing contained in this Agreement is intended to or shall impair, as between the Corporation, its creditors (other than the Bank and the Participating Lenders) and the Holders, the obligation of the Corporation, which is unconditional and absolute, to pay to the Holders the principal of and interest on their respective Debentures as and when the same shall become due and payable in accordance with their terms, or to affect the relative rights of the Holders and creditors of the Corporation (other than the Bank and the Participating Lenders), nor, except as expressly stated herein, shall anything herein prevent the Trustee or a Holder from exercising all remedies otherwise permitted by applicable law upon default under the Trust Indenture, subject always to the rights, if any, under this Agreement, of the Bank upon the exercise of any such remedy.

6. **Distribution on Insolvency or Winding-up.** In the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relative to the Corporation, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Corporation, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Corporation:

- (a) the Bank shall be entitled to receive payment of the Indebtedness in full (including interest accruing after the commencement of any such proceeding at the rate specified in the Credit Agreement, whether or not such interest is an allowable claim in any such proceeding) before the Holders shall be entitled to receive any payment on account of, or in respect of the Debentures (whether as principal or interest or otherwise);
- (b) any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, to which any of the Holders, or the Trustee would be entitled except for the provisions of this Agreement shall be paid by the person making such payment or distribution, whether the liquidator, agent or other agent or a trustee in bankruptcy or a receiver or otherwise, directly

to the Bank or its representative to the extent necessary to pay in full all Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution to the Bank in respect thereof;

- (c) in the event that, notwithstanding the foregoing, any payment or distribution of assets of the Corporation of any kind or character, whether in cash, property or securities, shall be received by the Trustee or any of the Holders before all Indebtedness is paid in full, such payment or distribution shall be held in trust for the benefit of, and shall be paid over to the Bank or its representative for application to the payment of all Indebtedness remaining unpaid until all such Indebtedness shall have been paid in full after giving effect to any concurrent payment or distribution to the Bank.

Upon any payment or distribution of assets of the Corporation referred to in this Agreement, the Trustee and the Holders shall be entitled to call for and rely upon a certificate, addressed to the Trustee or to the Holders, of the Bank or its representative confirming the amount or amounts paid or distributed thereon and all other facts pertinent to this Agreement.

7. Subordination Not to be Impaired.

- (a) The provisions of this Agreement shall apply in all events and circumstances and notwithstanding any insolvency, bankruptcy, liquidation, reorganization, arrangement, composition, winding-up, dissolution or similar proceeding, or proceeding having similar effect, involving or affecting the Corporation.
- (b) No right of the Bank to enforce the subordination provided for in this Agreement shall at any time be prejudiced or impaired by any act or failure to act on the part of the Corporation or by any act or failure to act, in good faith, by the Bank, or by any non-compliance by the Corporation with the terms, provisions and covenants of this Agreement, regardless of any knowledge thereof which the Bank may have or be otherwise charged with.
- (c) The Bank may, at any time and from time to time, without any consent of, or notice to, the Trustee or the Holders and without impairing or releasing the obligations of the Trustee and the Holders under this Agreement, (i) change the manner, place or terms of payment or change or extend the time of payment of, or renew or alter, the Indebtedness (including any change in the rate of interest), or amend in any manner any of the documents or instruments relating to the Indebtedness, (ii) sell, exchange, release, perfect, not perfect, alter, renew or otherwise deal with any security granted by the Corporation, any guarantor or any other person as security for the Indebtedness, (iii) release any person liable in any manner under, or in respect of, any of the documents or instruments relating to the Indebtedness, (iv) exercise or refrain from exercising any rights against the Corporation, any guarantor of the Indebtedness, or any other person, or (v) apply any sums from time to time received to the Indebtedness.
- (d) The Trustee and the Holders will not:

- (i) assert in any action, suit or proceeding whatsoever the invalidity, unenforceability or ineffectiveness of this Agreement or any of the documents or instruments relating to any Indebtedness; or
- (ii) participate in or co-operate with any other party to pursue any such action, suit or proceeding,

it being understood and agreed that, regardless of the validity, effectiveness or enforceability of any such document or instrument relating to any Indebtedness, as between the Trustee, the Holders and the Bank, the Bank shall have first and prior rights of payment as contemplated in this Agreement.

8. **Obligations Created by Agreement.** Each of the Corporation and the Trustee, for and on behalf of itself and each Holder, agrees, that:

- (a) the provisions of this Agreement are an inducement and consideration to the Bank and the Participating Lenders to give or continue credit to the Borrowers (as such term is defined in the Credit Agreement) or others or to acquire Indebtedness;
- (b) the Bank may accept the benefit of this Agreement on the terms and conditions set forth in this Agreement by giving or continuing, and/or the Participating Lenders giving or continuing, credit to the Borrowers or others or by acquiring Indebtedness, in each case without notice to the Trustee or any Holder and without establishing actual reliance on this Agreement; and
- (c) each obligation created by this Agreement is created for the benefit of the Bank and the Participating Lenders and is hereby declared to be created in trust for the Bank and the Participating Lenders by the Corporation, the Trustee and each Holder and shall be binding on the Corporation, the Trustee and each Holder.

9. **No Set-Off.** The Corporation and the Trustee, as applicable, for and on behalf of itself and each Holder, agrees that it shall have no rights of set-off or counterclaim with respect to the principal of and interest on the Debentures at any time including, when any payment of, or in respect of, such amounts to the Trustee or any of the Holders is prohibited by this Agreement or is otherwise required to be paid to the Bank or its representative.

10. **Interpretation.** Unless otherwise provided herein, any capitalized terms which are not defined herein shall have the meaning set forth in the Trust Indenture. Where used herein, the term "Participating Lenders" means The Toronto-Dominion Bank, other lenders from time to time by agreement, and any successor or assignee from time to time of the interests of such parties.

11. **Notices.** Any notices required or permitted to be given under this Agreement shall be deemed to be sufficiently given if delivered personally or if sent by email, facsimile transmission or if mailed by registered mail, postage prepaid, addressed to the parties at the following email addresses, facsimile numbers or addresses:

to the Corporation:

Exchange Income Corporation
1067 Sherwin Road
Winnipeg, MB R3H 0T8
Attn: President
Facsimile No. (204) 982-1855

to the Bank:

The Toronto-Dominion Bank
TD Bank Tower
66 Wellington Street West, 9th Floor
Toronto, ON M5K 1A2
Attention: Vice President, Loan Syndications-Agency
Email: andi.zeneli@tdsecurities.com

to the Trustee:

BNY Trust Company of Canada
11th Floor, 320 Bay Street
Toronto, Ontario
M5H 4A6
Attn: Manager: Corporate Trust
Fax: (416) 360-1711

and when delivered personally or sent by email or facsimile transmission shall be deemed to have been received on the same day as delivered or sent and when mailed shall be deemed to have been received on the third business day following its mailing. In the event of a mail strike or other postal disruption, a notice shall be delivered to the party to whom it is addressed at the aforesaid address and shall be deemed to have been received on the day of such delivery. Any party may change its address to another address by giving ten (10) days prior written notice of any such change.

12. **No Amendments.** The Corporation and the Trustee, as applicable, for and on behalf of itself and each Holder, agrees not to make any changes to this Agreement or to any provisions of the Trust Indenture which relate, in any way, to the subject matter of this Agreement (including, without limitation, the defined terms contained in the Trust Indenture), without the consent of the Bank or its representative.

13. **Enurement.** This Agreement shall enure to the benefit of the Bank and its successors and assigns and be binding upon the Corporation and the Trustee and their respective successors and assigns.

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF the parties have executed this Agreement on the date first above written.

EXCHANGE INCOME CORPORATION

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**THE TORONTO-DOMINION BANK, as
security agent for the Participating
Lenders**

Per: _____

Name:

Title:

Per: _____

Name:

Title:

**BNY TRUST COMPANY OF CANADA, for
and on behalf of itself and each applicable
Holder**

Per: _____

Name:

Title:

Per: _____

Name:

Title:

***[Signature Page to the Subordination and Postponement Agreement \$100,000,000 Trust
Indenture]***