

INDENTURE

Made as of April 6, 2021

Between

CHORUS AVIATION INC.

(the “**Corporation**”)

and

COMPUTERSHARE TRUST COMPANY OF CANADA

(the “**Trustee**”)

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INDENTURE

This Agreement is made as of April 6, 2021

BETWEEN:

CHORUS AVIATION INC.

a corporation existing under the laws of Canada and having its chief executive office in Dartmouth, Nova Scotia (the “**Corporation**”)

AND

COMPUTERSHARE TRUST COMPANY OF CANADA

a trust company existing under the laws of Canada and registered to carry on business in the Province of Ontario (the “**Trustee**”)

RECITALS

The Corporation wishes to create and issue the Debentures in the manner and subject to the terms and conditions of this Indenture;

FOR VALUE RECEIVED, the parties agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Indenture and in the Debentures, unless there is something in the subject matter or context inconsistent therewith, the expressions following shall have the following meanings, namely:

“**1933 Act**” means the *United States Securities Act* of 1933, as amended, and the rules and regulations promulgated thereunder;

“**5.75% Debentures**” means the 5.75% listed senior unsecured debentures of the Corporation due December 31, 2024;

“**90% Redemption Right**” has the meaning ascribed thereto in Section 2.4(9)(b);

“**90% Redemption Right Notice**” has the meaning ascribed thereto in Section 2.4(9)(d);

“**this Indenture**”, “**hereto**”, “**herein**”, “**hereby**”, “**hereunder**”, “**hereof**” and similar expressions refer to this Indenture and not to any particular Article, Section, subsection, clause, subdivision or other portion hereof and include any and every instrument supplemental or ancillary hereto;

“**Acceptance Notice**” has the meaning ascribed thereto in Section 2.4(9)(b)(iii);

“**Additional Debentures**” means Debentures of any one or more series, other than the first series of Debentures, being the Initial Debentures, issued under this Indenture;

“**Applicable Procedures**” means, with respect to any transfer or exchange of beneficial ownership interests in, or any conversion, redemption, repayment or repurchase of, a Global Debenture, the rules and procedures of the Depository as in effect from time to time, to the extent applicable;

“**Applicable Securities Legislation**” means applicable securities laws (including rules, regulations, policies and instruments) in each of the applicable provinces and territories of Canada;

“**Articles of Incorporation**” means the restated articles of incorporation of the Corporation dated February 23, 2021, as may be further amended or restated from time to time;

“**Auditors of the Corporation**” means an independent firm of chartered professional accountants duly appointed as auditors of the Corporation;

“**Base Shares**” has the meaning ascribed thereto in Section 2.4(10)(c);

“**Beneficial Holder**” means any person who holds a beneficial interest in a Global Debenture as shown on the books of the Depository or a Depository Participant;

“**Board of Directors**” means the board of directors of the Corporation or any committee thereof to the extent duly authorized, as applicable;

“**Business Day**” means any day other than a Saturday, Sunday or any other day that the Trustee in Toronto, Ontario is not generally open for business;

“**Canadian**” means a Canadian as defined in subsection 55(1) of the *Canada Transportation Act*;

“**Canadian Restricted Debentures**” means Initial Debentures issued to Canadian purchasers under the Private Offering and any Debentures required to bear the legend set forth in Section 2.6(1)(d);

“**Cash Change of Control**” means a Change of Control in which 10% or more of the consideration for the Voting Shares in the transaction or transactions constituting a Change of Control consists of (i) cash, other than cash payments for fractional Voting Shares and cash payments made in respect of dissenter’s appraisal rights, (ii) equity securities that are not traded or intended to be traded immediately following such transaction on a recognized stock exchange; (iii) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or (iv) any combination of the consideration described in the foregoing clauses (i) through (iii);

“**Cash Change of Control Conversion Period**” has the meaning ascribed thereto in Section 2.4(10)(a);

“**Cash Offer Price**” has the meaning ascribed thereto in Section 2.4(10)(b);

“Change of Control” means: (i) the acquisition by any Person, or group of Persons acting jointly or in concert (within the meaning of NI 62-104), of voting control or direction over 66 $\frac{2}{3}$ % or more of the aggregate voting rights attached to the outstanding Voting Shares; or (ii) the sale, transfer or other disposition, directly or indirectly, of all or substantially all of the assets and properties of the Corporation and its Subsidiaries, taken as a whole, but shall not include a sale, merger, reorganization, arrangement, combination or other similar transaction if the previous holders of Voting Shares hold at least 66 $\frac{2}{3}$ % of the voting control or direction in such merged, reorganized, arranged, combined or other continuing entity (and in the case of a sale of all or substantially all of the assets, in the entity which has acquired such assets) immediately following the completion of such transaction;

“Change of Control Notice” has the meaning ascribed thereto in Section 2.4(9)(a);

“Change of Control Purchase Date” has the meaning ascribed thereto in Section 2.4(9)(b)(v);

“Change of Control Purchase Offer” has the meaning ascribed thereto in Section 2.4(9)(a);

“Class A Variable Voting Shares” means the Class A Variable Voting Shares in the capital of the Corporation having the rights, privileges, restrictions and conditions set out in the Articles of Incorporation;

“Class B Voting Shares” means the Class B Voting Shares in the capital of the Corporation having the rights, privileges, restrictions and conditions set out in the Articles of Incorporation;

“Conversion Price” means initially, \$6.35, subject to adjustment from time to time in accordance with the provisions of Article 5;

“Corporation” means Chorus Aviation Inc. and includes any successor to or of the Corporation which shall have complied with the provisions of Article 11;

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

“Current Market Price” means, generally, the arithmetic average of the per share volume weighted average trading price of the Voting Shares on the TSX for the 20 consecutive trading days ending on the fifth trading day preceding the applicable date of determination. If the Shares are not listed on the TSX, reference shall be made for the purpose of the above calculation to the principal securities exchange or market on which the Shares are listed or quoted or if no such prices are available **“Current Market Price”** shall be the fair value of a Voting Share as reasonably determined by the Board of Directors;

“Date of Conversion” has the meaning ascribed thereto in Section 5.4(2);

“**Debentureholders**” or “**holders**” means the Persons for the time being entered in the register for Debentures as registered holders of Debentures or any transferees of such Persons by endorsement or delivery;

“**Debentures**” means the debentures, notes or other evidence of indebtedness of the Corporation issued and certified hereunder, or deemed to be issued and certified hereunder, including, without limitation, the Initial Debentures, and for the time being outstanding, whether in definitive or interim form;

“**Defeased Debentures**” has the meaning ascribed thereto in Section 9.6(2);

“**Depository**” means, with respect to the Debentures of any series issuable or issued in the form of one or more Global Debentures, the Person designated as depository by the Corporation pursuant to Section 3.2 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 of any series shall mean each depository with respect to the Global Debentures of such series;

“**Depository Participant**” means a broker, dealer, bank, other financial institution or other person for whom, from time to time, a Depository effects a book entry for a Global Debenture deposited with the Depository;

“**Distributed Securities**” has the meaning ascribed thereto in Section 5.5(5);

“**Dividend Amount**” has the meaning ascribed thereto in Section 5.5(2);

“**Effective Date**” has the meaning ascribed thereto in Section 2.4(10)(b);

“**Event of Default**” has the meaning ascribed thereto in Section 8.1;

“**Expiration Date**” has the meaning ascribed thereto in Section 5.5(6);

“**Expiration Time**” has the meaning ascribed thereto in Section 5.5(6);

“**Expiry Date**” has the meaning ascribed thereto in Section 2.4(9)(b)(ii);

“**Expiry Time**” has the meaning ascribed thereto in Section 2.4(9)(b)(ii);

“**Extraordinary Resolution**” has the meaning ascribed thereto in Section 13.12,

“**Freely Tradeable**” means, in respect of shares of capital of any class of any corporation, shares 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 Legislation and such issue does not constitute a distribution (other than a distribution already qualified by prospectus or similar offering document) under Applicable Securities Legislation; and (ii) can be traded by the holder thereof without any restriction under Applicable Securities Legislation, such as hold periods, except in the case of a control distribution (as defined in National Instrument 45-

102 - Resale of Securities), or a transaction or series of transactions incidental to a control distribution;

“Fully Registered Debentures” means Debentures registered as to both principal and interest;

“Global Debenture” means a Debenture that is issued to and registered in the name of the Depository, or its nominee, pursuant to Section 2.6 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;

“Government Obligations” means securities issued or guaranteed by the Government of Canada or any province thereof;

“Guarantees” means any guarantee, undertaking to assume, endorse, contingently agree to purchase, or to provide funds for the payment of, or otherwise become liable in respect of, any indebtedness, liability or obligation of any Person;

“IFRS” means International Financial Reporting Standards issued by the International Accounting Standards Board (including as further described in Section 1.16;

“Indebtedness” means (a) indebtedness of the Corporation for borrowed money; (b) obligations of the Corporation evidenced by bonds, debentures, notes or other similar instruments; (c) obligations of the Corporation arising pursuant to or in relation to bankers’ acceptances, letters of credit and letters of guarantee (including payment and reimbursement obligations in respect thereof) or indemnities issued in connection therewith; (d) obligations of the Corporation under any swap, hedging or other similar contracts or arrangements; (e) obligations of the Corporation under Guarantees, indemnities, assurances, legally binding comfort letters or other contingent obligations relating to the Indebtedness or other obligations of any other Person which would otherwise constitute Indebtedness within the meaning of this definition; (f) all indebtedness of the Corporation representing the deferred purchase price of any property including, without limitation, purchase money mortgages; (g) all capital lease obligations including, without limitation, aircraft capital lease obligations; (h) all renewals, extensions and refinancing of any of the foregoing; (i) all accrued and unpaid interest, fees and other amounts in respect of any of the foregoing; and (j) all costs and expenses incurred by or on behalf of the holder of any Indebtedness in enforcing payment or collection of any such Indebtedness, including enforcing any security interest securing the same;

“Ineligible Consideration” has the meaning ascribed thereto in Section 5.5(14);

“Initial Debentures” means the Debentures designated as **“6.00% Convertible Senior Unsecured Debentures”** and described in Section 2.4;

“Initial Debentures Maturity Date” has the meaning ascribed thereto in Section 2.4;

“Interest Account” has the meaning ascribed thereto in Section 10.1(7);

“Interest Obligation” means the obligation of the Corporation to pay interest on the Debentures, as and when the same becomes due;

“Interest Payment Date” means a date specified in a Debenture as the date on which interest on such Debenture shall become due and payable;

“Investor Rights Agreement” means the investor rights agreement dated February 4, 2019 between the Corporation and Air Canada;

“Lien” means any lien, charge, mortgage, pledge, security interest or hypothec or prior claim, and any other similar rights, in each case, in favour of any Person relating to any property or asset and any other similar lien of any kind that in substance secures payment or performance of an obligation;

“Make-Whole Premium” has the meaning ascribed thereto in Section 2.4(10)(a);

“Make-Whole Premium Shares” has the meaning ascribed thereto in Section 2.4(10)(b);

“Material Subsidiary” means any Subsidiary of the Corporation which has (a) assets equal to or greater than 10% of the Corporation’s consolidated assets; or (b) revenues equal to or greater than 10% of the Corporation’s consolidated revenues;

“Maturity Account” means an account or accounts required to be established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) for each series of Debentures issued pursuant to and in accordance with this Indenture;

“Maturity Date” means the date specified for maturity of any Debentures, including the Initial Debentures Maturity Date in respect of the Initial Debentures;

“Maturity Notice” has the meaning ascribed thereto in Section 2.4(6);

“Merger Event” has the meaning ascribed thereto in Section 5.5(4);

“NI 62-104” means National Instrument 62-104 - Take-Over Bids and Issuer Bids;

“Non-Recourse Debt” means any indebtedness, liabilities or other obligations (including purchase money obligations), and Guarantees, indemnities, endorsements (other than endorsements for collection in the ordinary course of business) or other contingent obligations in respect of obligations of another person and, in each case, incurred to finance the creation, development, construction or acquisition of real and tangible personal property (including fixtures) and any increases in or extensions, renewals or refunding of any such indebtedness, liabilities and obligations, provided that the recourse of the lender thereof or any agent, trustee, receiver or other person acting on behalf of the lender in respect of such indebtedness, liabilities and obligations or any judgment in respect thereof is limited in all circumstances to the real and tangible personal property (including fixtures) created, developed, constructed or acquired in respect of which such indebtedness, liabilities and obligations have been incurred and to any receivables, inventory, equipment, chattel paper, intangibles and other rights or collateral arising from or connected with such property (and, for certainty, shall include the shares or other ownership interests of a

Subsidiary of the Corporation which holds only such property and other rights and collateral arising from or connected therewith) and to which the lender has recourse;

“**Offer Price**” has the meaning ascribed thereto in Section 2.4(9)(a);

“**Offering**” means, together, the Private Offering and the Public Offering;

“**Offeror’s Notice**” has the meaning ascribed thereto in Section 12.3,

“**Officer’s Certificate**” means a certificate of the Corporation signed by any authorized officer or director of the Corporation, in their capacity as an officer or director of the Corporation, and not in their personal capacity;

“**Over-Allotment Option**” means the option of the underwriters under the Offering to purchase up to an additional \$7,500,000 aggregate principal amount of Initial Debentures at a price of \$1,000 per Initial Debenture;

“**Periodic Offering**” means an offering of Debentures of a series from time to time, the specific terms of which Debentures, including, without limitation, the rate or rates of interest, if any, thereon, the stated maturity or maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Corporation upon the issuance of such Debentures from time to time;

“**Person**” includes an individual, corporation, company, partnership, joint venture, association, trust, trustee, unincorporated organization or government or any agency or political subdivision thereof (and for the purposes of the definition of “**Change of Control**”, in addition to the foregoing, “**Person**” shall include any syndicate or group that would be deemed to be a “**Person**” under NI 62-104);

“**Privacy Laws**” has the meaning ascribed thereto in Section 15.19;

“**Private Offering**” means the private placement offering of C\$15,000,000 aggregate principal amount of Initial Debentures by way of subscription agreement(s) between the Corporation and the subscriber(s) thereto dated as of the date hereof;

“**Public Offering**” means the public offering through the Prospectus of \$50,000,000 aggregate principal amount of Initial Debentures (up to \$57,500,000 with the exercise of the Over-Allotment Option);

“**Prospectus**” means the short form prospectus of the Corporation dated March 29, 2021, together with any amendments thereto;

“**Purchased Voting Shares**” has the meaning ascribed thereto in Section 5.5(6);

“**Qualified Institutional Buyer**” means a “**qualified institutional buyer**” as such term is defined in Rule 144A under the 1933 Act;

“**Redemption Amount**” means, as applicable, the “**First Redemption Amount**” or the “**Second Redemption Amount**”, each with the meaning ascribed thereto in Section 2.4(4);

“**Redemption Date**” has the meaning ascribed thereto in Section 4.3;

“**Redemption Notice**” has the meaning ascribed thereto in Section 4.3;

“**Redemption Price**” means, in respect of a Debenture, the applicable Redemption Amount, in each case payable on the Redemption Date, which amount may be payable by the issuance of Freely Tradeable Voting Shares as provided for in Section 4.6;

“**Regulation S**” means Regulation S adopted by the United States Securities and Exchange Commission under the 1933 Act;

“**Relevant Date**” has the meaning ascribed thereto in Section 5.5(2);

“**Relevant Time**” has the meaning ascribed thereto in Section 5.5(2);

“**Residency Declaration**” means a declaration substantially in the form attached hereto as Schedule G or such other form as is acceptable to the Corporation or the Trustee, by which a holder of Debentures certifies whether such holder is a qualified Canadian;

“**Restricted Global Debenture**” means a Global Debenture that bears the U.S. Legend;

“**Restricted Physical Debenture**” means a definitive certificate issued in accordance with Section 3.2(2) that bears the U.S. Legend;

“**Secured Creditor**” means a holder or holders of Secured Indebtedness and includes any representative or representatives, agent or agents or trustee or trustees of any such holder or holders;

“**Secured Indebtedness**” means, at any time, Indebtedness in respect of which the Corporation has granted Liens on its property and assets;

“**Secured Indebtedness Security**” means the Liens granted by the Corporation to and in favour of a Secured Creditor which in any manner secures Secured Indebtedness;

“**Securities**” has the meaning ascribed thereto in Section 2.14;

“**Serial Meeting**” has the meaning ascribed thereto in Section 13.2(2)(a);

“**Spinoff Securities**” has the meaning ascribed thereto in Section 5.5(5);

“**Spinoff Valuation Period**” has the meaning ascribed thereto in Section 5.5(5);

“**Subsidiary**” has the meaning ascribed thereto in the *Securities Act* (Nova Scotia);

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations thereunder, as amended;

“**Time of Expiry**” means the time of expiry of certain rights with respect to the conversion of Debentures under Article 5 which is to be set forth separately in the form and terms for

each series of Debentures which by their terms are to be convertible, and has the meaning ascribed thereto in Section 2.4(11) with respect to the Initial Debentures;

“**Total Offer Price**” has the meaning ascribed thereto in Section 2.4(9)(a);

“**trading day**” means, with respect to the TSX or other market for securities, any day on which such exchange or market is open for trading or quotation;

“**Trustee**” means Computershare Trust Company of Canada, or its successor or successors for the time being as trustee hereunder;

“**TSX**” means the Toronto Stock Exchange;

“**Unclaimed Funds Return Date**” has the meaning ascribed thereto in Section 2.4(9)(g);

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

“**Unrestricted Global Debenture**” means a Global Debenture that does not bear the U.S. Legend;

“**Unrestricted Physical Debenture**” means a definitive certificate issued in accordance with Section 3.2 that does not bear the U.S. Legend;

“**U.S. Legend**” has the meaning ascribed thereto in Section 2.14;

“**U.S. Securities Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“**Voting Share Bid Request**” means a request for bids to purchase Voting Shares (to be issued by the Corporation on the Voting Share Delivery Date) made in accordance with Section 10.1 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 Voting Shares which, together with the cash payments by the Corporation in lieu of fractional Voting Shares, if any, equal to the Voting Share Interest Payment Election Amount;

“**Voting 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 Voting Shares are issued by the Corporation and delivered to the Trustee for sale pursuant to Voting Share Purchase Agreements;

“**Voting Share Interest Payment Election**” means an election to satisfy an Interest Obligation or a portion thereof on the applicable Interest Payment Date in the manner described in the Voting Share Interest Payment Election Notice;

“**Voting Share Interest Payment Election Amount**” means the amount representing the aggregate proceeds resulting from the sale of Voting Shares on the Voting Share Delivery Date pursuant to acceptable bids obtained pursuant to the Voting Share Bid Requests,

which, together with any amount paid by the Corporation in respect of fractional Voting Shares pursuant to Section 10.1(6), is equal to the aggregate amount of the Interest Obligation or the portion thereof in respect of which the Voting Share Interest Payment Election Notice was delivered;

“Voting Share Interest Payment Election Notice” means a written notice made by the Corporation to the Trustee specifying:

- (a) the Interest Obligation to which the election relates;
- (b) the Voting Share Interest Payment Election Amount;
- (c) the investment banks, brokers or dealers through whom the Trustee shall settle the sale of Voting Shares on the Voting Share Delivery Date and the price agreed to between the Corporation and such persons; and
- (d) such other matters as the Corporation may specify;

“Voting Share Proceeds Investment” has the meaning attributed thereto in Section 10.1(7);

“Voting Share Purchase Agreement” means an agreement in customary form among the Corporation, the Trustee and the Persons making acceptable bids pursuant to a Voting Share Bid Request, which complies with all applicable laws, including the Applicable Securities Legislation and the rules and regulations of any stock exchange on which the Corporation has listed its Debentures or Voting Shares;

“Voting Share Redemption Right” has the meaning attributed thereto in Section 4.6(1);

“Voting Share Repayment Right” has the meaning attributed thereto in Section 4.10(1);

“Voting Shares” means the Class A Variable Voting Shares and/or the Class B Voting Shares, as the context may require, as such Voting Shares are constituted on the date of execution and delivery of this Indenture; provided that in the event of a change or a subdivision, redivision, reduction, combination or consolidation thereof, any reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up, or such successive changes, subdivisions, redivisions, reductions, combinations or consolidations, reclassifications, capital reorganizations, consolidations, amalgamations, arrangements, mergers, sales or conveyances or liquidations, dissolutions or windings-up, then, **“Voting Shares”** shall mean the shares or other securities or property resulting from such change, subdivision, redivision, reduction, combination or consolidation, reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance or liquidation, dissolution or winding-up;

“Withholding Taxes” has the meaning ascribed to it in Section 7.11; and

“Written Direction of the Corporation” means an instrument in writing signed by any one officer or director of the Corporation.

Section 1.2 Meaning of “Outstanding”

Every Debenture certified and delivered by the Trustee hereunder shall be deemed to be outstanding until it is cancelled, converted or redeemed or delivered to the Trustee for cancellation, conversion or redemption for monies and/or Voting Shares, as the case may be, or the payment thereof shall have been set aside under Section 9.2, provided that:

- (a) Debentures which have been partially redeemed, purchased or converted shall be deemed to be outstanding only to the extent of the unredeemed, unpurchased or unconverted part of the principal amount thereof;
- (b) when a new Debenture has been issued in substitution for a Debenture which has been lost, stolen or destroyed, 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 Indenture entitling holders of outstanding Debentures to vote, sign consents, requisitions or other instruments or take any other action under this Indenture, or to constitute a quorum of any meeting of Debentureholders, Debentures owned directly or indirectly, legally or equitably, by the Corporation shall be disregarded except that:
 - (i) for the purpose of determining whether the Trustee shall be protected in relying on any such vote, consent, requisition or other instrument or action, or on the holders of Debentures present or represented at any meeting of Debentureholders, only the Debentures which the Trustee knows are so owned shall be so disregarded; and
 - (ii) Debentures so owned which have been pledged in good faith other than to the Corporation shall not be so disregarded if the pledgee shall establish to the satisfaction of the Trustee the pledgee’s right to vote such Debentures, sign consents, requisitions or other instruments or take such other actions in his discretion free from the control of the Corporation or a Subsidiary of the Corporation.

Section 1.3 Interpretation

In this Indenture:

- (a) words importing the singular number or masculine gender shall include the plural number or the feminine or neuter genders, and vice versa;
- (b) all references to Articles and Schedules refer, unless otherwise specified, to articles of and schedules to this Indenture;
- (c) all references to Sections, subsections or clauses refer, unless otherwise specified, to Sections, subsections or clauses of this Indenture;

- (d) words and terms denoting inclusiveness (such as “**include**” or “**includes**” or “**including**”), whether or not so stated, are not limited by and do not imply limitation of their context or the words or phrases which precede or succeed them;
- (e) reference to any agreement or other instrument in writing means such agreement or other instrument in writing as amended, modified, replaced or supplemented from time to time;
- (f) unless otherwise indicated, reference to a statute shall be deemed to be a reference to such statute as amended, re-enacted or replaced from time to time; and
- (g) unless otherwise indicated, time periods within which a payment is to be made or any other action is to be taken hereunder shall be calculated by including the day on which the period commences and excluding the day on which the period ends.

Section 1.4 Headings, etc.

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

Section 1.5 Time of Essence

Time shall be of the essence of this Indenture.

Section 1.6 Monetary References

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

Section 1.7 Invalidity, etc.

Any provision hereof which is prohibited or unenforceable shall be ineffective only to the extent of such prohibition or unenforceability, without invalidating the remaining provisions hereof.

Section 1.8 Language

Each of the parties hereto hereby acknowledges that it has consented to and requested that this Indenture and all documents relating thereto, including, without limiting the generality of the foregoing, the form of Debenture attached hereto as Schedule A and the form of U.S. Purchaser Letter attached hereto as Schedule H, be drawn up in the English language only.

Section 1.9 Successors and Assigns

All covenants and agreements of the Corporation in this Indenture and the Debentures shall bind its successors and assigns, whether so expressed or not. All covenants and agreements of the Trustee in this Indenture shall bind its successors.

Section 1.10 Severability

In case any provision in this Indenture or in the Debentures shall be invalid, illegal or unenforceable, such provision shall be deemed to be severed herefrom or therefrom and the validity, legality and enforceability of the remaining provisions shall not in any way be affected, prejudiced or impaired thereby.

Section 1.11 Entire Agreement

This Indenture and all supplemental indentures and Schedules hereto and thereto, and the Debentures issued hereunder and thereunder, together constitute the entire agreement between the parties hereto with respect to the indebtedness created hereunder and thereunder and under the Debentures and supersedes as of the date hereof all prior memoranda, agreements, negotiations, discussions and term sheets, whether oral or written, with respect to the indebtedness created hereunder or thereunder and under the Debentures.

Section 1.12 Benefits of Indenture

Nothing in this Indenture or in the Debentures, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any paying agent, the holders of Debentures, the Secured Creditors, and (to the extent provided in Section 8.11) the holders of Voting Shares, any benefit or any legal or equitable right, remedy or claim under this Indenture.

Section 1.13 Applicable Law and Attornment

This Indenture, any supplemental indenture and the Debentures shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be treated in all respects as Ontario contracts, and with respect to any suit, action or proceedings relating to this Indenture, any supplemental indenture or any Debenture, the Corporation, the Trustee and each holder irrevocably submit and attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

Section 1.14 Currency of Payment

Unless otherwise indicated in a supplemental indenture with respect to any particular series of Debentures, all payments to be made under this Indenture or a supplemental indenture shall be made in Canadian dollars.

Section 1.15 Non-Business Days

Whenever any payment to be made hereunder shall be due, any period of time would begin or end, any calculation is to be made or any other action is to be taken on, or as of, or from a period ending on, a day other than a Business Day, such payment shall be made, such period of time shall begin or end, such calculation shall be made and such other action shall be taken, as the case may be, unless otherwise specifically provided herein, on or as of the next succeeding Business Day without any additional interest, cost or charge to the Corporation.

Section 1.16 Accounting Terms

Except as hereinafter provided or as otherwise indicated in this Indenture, all calculations required or permitted to be made hereunder pursuant to the terms of this Indenture shall be made in accordance with IFRS. For greater certainty, IFRS shall include any accounting standards that may from time to time be approved for general application by the Canadian Institute of Chartered Professional Accountants.

Section 1.17 Calculations

The Corporation shall be responsible for making all calculations called for hereunder including, without limitation, calculations of Current Market Price. The Corporation shall make such calculations in good faith and, absent manifest error, the Corporation's calculations shall be final and binding on holders and the Trustee. The Corporation will provide a schedule of its calculations to the Trustee and the Trustee shall be entitled to rely conclusively on the accuracy of such calculations without independent verification.

Section 1.18 Schedules

(1) The following Schedules are incorporated into and form part of this Indenture:

Schedule A - Form of Debenture
Schedule B - Form of Redemption Notice
Schedule C - Form of Maturity Notice
Schedule D - Form of Certificate of Transfer
Schedule E - Form of Certificate of Exchange
Schedule F - Voting Share Legends
Schedule G - Form of Residency Declaration
Schedule H - Form of U.S. Purchaser Letter
Schedule I – Form of Notice of Conversion

(2) In the event of any inconsistency between the provisions of any Section of this Indenture and the provisions of the Schedules which form a part hereof, the provisions of this Indenture shall prevail to the extent of the inconsistency.

ARTICLE 2 THE DEBENTURES

Section 2.1 Limit of Debentures

The aggregate principal amount of Debentures authorized to be issued under this Indenture is unlimited, but Debentures may be issued only upon and subject to the conditions and limitations herein set forth.

Section 2.2 Terms of Debentures of any Series

(1) The Debentures may be issued in one or more series. There shall be established herein or in or pursuant to one or more indentures supplemental hereto, prior to the initial issuance of Debentures of any particular series:

- (a) the designation of the Debentures of the series (which need not include the term “**Debentures**”), which shall distinguish the Debentures of the series from the Debentures of all other series;
- (b) any limit upon the aggregate principal amount of the Debentures of the series that may be certified and delivered under this Indenture (except for Debentures certified and delivered upon registration of, transfer of, amendment of, or in exchange for, or in lieu of, other Debentures of the series pursuant to Section 2.9, Section 2.10, Section 3.2, Section 3.3, Section 3.6, Article 4 and Article 5);
- (c) the date or dates on which the principal of the Debentures of the series is payable;
- (d) the rate or rates at which the Debentures of the series shall bear interest, if any, the date or dates from which such interest shall accrue, on which such interest shall be payable and on which record date, if any, shall be taken for the determination of holders to whom such interest shall be payable and/or the method or methods by which such rate or rates or date or dates shall be determined;
- (e) the place or places where the principal of and any interest on Debentures of the series shall be payable or where any Debentures of the series may be surrendered for registration of transfer or exchange;
- (f) the right, if any, of the Corporation to redeem Debentures of the series, in whole or in part, at its option and the period or periods within which, the price or prices at which and any terms and conditions upon which, Debentures of the series may be so redeemed;
- (g) the obligation, if any, of the Corporation to redeem, purchase or repay Debentures of the series pursuant to any mandatory redemption, sinking fund or analogous provisions or at the option of a holder thereof and the price or prices at which, the period or periods within which, the date or dates on which, and any terms and conditions upon which, Debentures of the series shall be redeemed, purchased or repaid, in whole or in part, pursuant to such obligations;
- (h) if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which Debentures of the series shall be issuable;
- (i) subject to the provisions of this Indenture, any trustee, Depositories, authenticating or paying agents, transfer agents or registrars or any other agents with respect to the Debentures of the series;
- (j) any other events of default or covenants with respect to the Debentures of the series;
- (k) whether and under what circumstances the Debentures of the series will be convertible into, or exchangeable for, in whole or in part, securities of any Person;
- (l) the form and terms of the Debentures of the series;

- (m) if applicable, that the Debentures of the series shall be issuable in whole or in part as one or more Global Debentures and, in such case, the Depository or Depositories for such Global Debentures in whose name the Global Debentures will be registered, and any circumstances other than or in addition to those set forth in Section 2.9 or Section 3.2 or those applicable with respect to any specific series of Debentures, as the case may be, in which any such Global Debenture may be exchanged for Fully Registered Debentures, or transferred to and registered in the name of a Person other than the Depository for such Global Debentures or a nominee thereof;
 - (n) if other than Canadian currency, the currency in which the Debentures of the series are issuable; and
 - (o) any other terms of the Debentures of the series (which terms shall not be inconsistent with the provisions of this Indenture).
- (2) All Debentures of any one series shall be substantially identical, except as may otherwise be established herein or by or pursuant to a resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto. All Debentures of any one series need not be issued at the same time and may be issued from time to time, including pursuant to a Periodic Offering, consistent with the terms of this Indenture, if so provided herein, by or pursuant to such resolution of the Board of Directors, Officer's Certificate or in an indenture supplemental hereto.

Section 2.3 Form of Debentures

Except in respect of the Initial Debentures, the form of which is provided for herein, the Debentures of each series shall be substantially in such form or forms (not inconsistent with this Indenture) as shall be established herein or by or pursuant to one or more resolutions of the Board of Directors (or to the extent established pursuant to, rather than set forth in, a resolution of the Board of Directors, in an Officer's Certificate detailing such establishment) or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform to general usage, all as may be determined by the directors or officers of the Corporation executing such Debentures on behalf of the Corporation, as conclusively evidenced by their execution of such Debentures.

Section 2.4 Form and Terms of Initial Debentures

- (1) The first series of Debentures (the "**Initial Debentures**") authorized for issue immediately is limited to an aggregate principal amount of up to \$72,500,000 (including the Over-Allotment Option) and shall be designated as "**6.00% Convertible Senior Unsecured Debentures**".

- (2) The Initial Debentures (including, for the avoidance of doubt, any issued pursuant to the Over-Allotment Option and regardless of whether they are issued after the date of closing of the Offering) shall be dated as of the date of closing of the Offering and shall mature on June 30, 2026 (the “**Initial Debentures Maturity Date**”).
- (3) The Initial Debentures shall bear interest from the date of issue at the rate of 6.00% per annum (based on a year of 360 days), payable in equal (with the exception of the first interest payment, which will include interest from and including the date of closing of the Offering as set forth below) semi-annual payments in arrears (less any tax required by law to be deducted) on June 30 and December 31 in each year, the first such payment to fall due on December 31, 2021 and the last such payment (representing interest payable from the last Interest Payment Date to, but excluding, the Initial Debentures Maturity Date) to fall due on June 30, 2026, payable after as well as before maturity and after as well as before default, with interest on amounts in default at the same rate, compounded semi-annually. For certainty, the first interest payment will include interest accrued from and including the date of closing of the Offering to, but excluding, December 31, 2021, which will be equal to \$44.00 for each \$1,000 principal amount of Initial Debentures. Any payment required to be made on any day that is not a Business Day will be made on the next succeeding Business Day. The record date for the payment of interest on the Initial Debentures will be that date which is five Business Days prior to each Interest Payment Date.
- (4) The Initial Debentures will be redeemable in accordance with the terms of Article 4, provided that the Initial Debentures will not be redeemable before June 30, 2024, except in the event of the satisfaction of certain conditions after a Change of Control has occurred as provided herein. On and after June 30, 2024 and at any time prior to June 30, 2025, the Initial Debentures may be redeemed at the option of the Corporation in whole or in part from time to time on notice as provided for in Section 4.3 at a Redemption Price equal to the principal amount of the Initial Debentures being redeemed (the “**First Redemption Amount**”) plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date, provided that the Current Market Price is at least 125% of the Conversion Price. On and after June 30, 2025 and at any time prior to the Initial Debentures Maturity Date, the Initial Debentures may be redeemed at the option of the Corporation in whole or in part from time to time on notice as provided for in Section 4.3 at a Redemption Price equal to their principal amount (the “**Second Redemption Amount**”) plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date. The Redemption Notice for the Initial Debentures shall be substantially in the form of Schedule B. In the event that a holder of Debentures exercises their right to convert Debentures in accordance with Article 5 following receipt of a Redemption Notice, such holder shall be entitled to receive accrued and unpaid interest, in addition to the applicable number of Freely Tradeable Voting Shares to be received in accordance with Article 5, for the period from and including the latest Interest Payment Date prior to, but excluding, the Date of Conversion.
- (5) The Initial Debentures will be subordinated to all existing and future senior Secured Indebtedness and other Secured Indebtedness of the Corporation, in each case only to the extent of the value of the assets securing such Secured Indebtedness. In accordance with Section 2.12, the Initial Debentures will rank *pari passu* and equally in right of payment with each other series of Debentures issued under this Indenture or under indentures

supplemental to this Indenture (regardless of their actual date or terms of issue) and, except as prescribed by law, with all other existing and future unsecured and unsubordinated Indebtedness of the Corporation, including the 5.75% Debentures. The Initial Debentures will rank senior to any other existing and future unsecured and subordinated Indebtedness of the Corporation.

- (6) On redemption or maturity of the Initial Debentures, the Corporation may, at its option and subject to the provisions of Section 4.6 and Section 4.10, as applicable, and subject to regulatory approval, elect to satisfy its obligation to pay all or a portion of the aggregate principal amount of the Initial Debentures due on redemption or maturity by issuing and delivering to such holders of Initial Debentures Freely Tradeable Voting Shares pursuant to the provisions of Section 4.6 and Section 4.10, as applicable. Holders who are Canadian will receive Class B Voting Shares and holders who are not Canadian will receive Class A Variable Voting Shares. If the Corporation elects to exercise such option, it shall provide details in the Redemption Notice or deliver a maturity notice (the “**Maturity Notice**”), as applicable, to the holders of the Initial Debentures in substantially the form of Schedule C and provide the necessary details.
- (7) The Initial Debentures shall be issued in denominations of \$1,000 and integral multiples of \$1,000. Each Initial Debenture and the certificate of the Trustee endorsed thereon shall be issued in substantially the form set out in Schedule A, with such insertions, omissions, substitutions or other variations as shall be required or permitted by this Indenture, and may have imprinted or otherwise reproduced thereon such legend or legends or endorsements, not inconsistent with the provisions of this Indenture, as may be required to comply with any law or with any rules or regulations pursuant thereto or with any rules or regulations of any securities exchange or securities regulatory authority or to conform with general usage, all as may be determined by the Board of Directors executing such Initial Debenture in accordance with Section 2.7 hereof, as conclusively evidenced by their execution of an Initial Debenture. Each Initial Debenture shall additionally bear such distinguishing letters and numbers as the Trustee shall approve. Notwithstanding the foregoing, an Initial Debenture may be in such other form or forms as may, from time to time, be approved by a resolution of the Board of Directors, or as specified in an Officer’s Certificate. The Initial Debentures may be engraved, lithographed, printed, mimeographed or typewritten or partly in one form and partly in another.

The Initial Debentures shall be issued as one or more Global Debentures and the Global Debentures will be registered in the name of the Depository which, as of the date hereof, shall be CDS Clearing and Depository Services Inc. (or any nominee of the Depository) and, if applicable, be designated by a CUSIP number. The Debentures that are issued to Canadian purchasers under the Private Offering shall be designated by a separate CUSIP number. No beneficial holder will receive definitive certificates representing their interest in Debentures except as provided in this Section 2.4(7) and Section 3.2. A Global Debenture may be exchanged for Debentures in registered form that are not Global Debentures, or transferred to and registered in the name of a person other than the Depository for such Global Debentures or a nominee thereof, as provided in Section 3.2.

- (8) Upon and subject to the provisions of Article 10, the Corporation may, from time to time, subject to receipt of regulatory and stock exchange approvals and compliance with

Applicable Securities Legislation, elect to satisfy any Interest Obligation on the Initial Debentures on any Interest Payment Date (including, for greater certainty, following conversion or upon maturity or redemption) by delivering: (i) cash, (ii) Voting Shares; or (iii) a combination of (i) and (ii), to the Trustee pursuant to the Voting Share Interest Payment Election.

(9) Within 30 days following the occurrence of a Change of Control, and subject to the provisions and conditions of this Section 2.4(9), the Corporation shall be obligated to offer to purchase all of the Initial Debentures then outstanding. The terms and conditions of such obligation are set forth below:

(a) Within 30 days following the occurrence of a Change of Control, the Corporation shall deliver to the Trustee, and the Trustee shall promptly deliver to the holders of the Initial Debentures, a notice stating that there has been a Change of Control and specifying the date on which such Change of Control occurred and the circumstances or events giving rise to such Change of Control (a “**Change of Control Notice**”) together with an offer in writing (the “**Change of Control Purchase Offer**”) to purchase, on the Change of Control Purchase Date (as defined below), all (or any portion actually tendered to such offer) of the Initial Debentures then outstanding from the holders thereof made in accordance with the requirements of Applicable Securities Legislation at a price per Initial Debenture equal to 100% of the principal amount thereof (the “**Offer Price**”) plus accrued and unpaid interest on such Initial Debentures up to, but excluding, the Change of Control Purchase Date (collectively, the “**Total Offer Price**”). If such Change of Control Purchase Date is after a record date for the payment of interest on the Initial Debentures but on or prior to an Interest Payment Date, then the interest payable on such date will be paid to the holder of record of the Debentures on the relevant record date.

(b) The Change of Control Purchase Offer shall include:

(i) the Offer Price for the Initial Debentures;

(ii) the date (the “**Expiry Date**”) and time (the “**Expiry Time**”) on which the Change of Control Purchase Offer shall expire, which date and time shall not, unless otherwise required by Applicable Securities Legislation, be earlier than the close of business on the 30th day and not later than the close of business on the 60th day following the date on which the Change of Control Purchase Offer is delivered or mailed by the Corporation to the Trustee;

(iii) that the Change of Control Purchase Offer may be accepted by the Debentureholders by tendering the Initial Debentures so held by them to the Trustee at the corporate trust office or such other address specified in the notice prior to the Expiry Date and Expiry Time together with the acceptance notice in form and substance acceptable to the Trustee (the “**Acceptance Notice**”);

- (iv) that Debentureholders may accept the Change of Control Purchase Offer in respect of all or a portion (in a minimum amount of \$1,000 principal amount and multiples thereof) of their Initial Debentures; and
- (v) a date (the “**Change of Control Purchase Date**”) no later than the fifth Business Day following the Expiry Date on which the Corporation shall:
 - (A) take up and pay for all the Initial Debentures duly tendered in acceptance of the Offer to Purchase; and
 - (B) that Debentureholders will be entitled to withdraw their acceptance election if the Trustee receives, not later than the Expiry Time, a facsimile transmission or letter setting forth the name of such Debentureholder, the principal amount of Initial Debentures delivered for purchase and a statement that such Debentureholder is withdrawing his election to have such Initial Debentures purchased.

If any of the Initial Debentures are in the form of Global Debentures, then the Corporation shall modify such notice to the extent necessary to accord with the applicable procedures of the book-entry only registration system.

- (c) Initial Debentures for which holders have accepted the Change of Control Purchase Offer shall become due and payable at the Total Offer Price on the Change of Control Purchase Date, in the same manner and with the same effect as if it were the date of maturity specified in such Initial Debentures, anything therein or herein to the contrary notwithstanding. The Corporation shall deposit with the Trustee one Business Day prior to the Change of Control Payment Date, an amount of money sufficient to pay the aggregate Total Offer Price in respect of all Initial Debentures duly tendered to the Change of Control Purchase Offer (less any tax required by law to be deducted in respect of accrued and unpaid interest). On the Change of Control Purchase Date, the Corporation shall (A) accept for payment Initial Debentures or portions thereof duly tendered pursuant to the Change of Control Purchase Offer, and (B) deliver, or cause to be delivered, to the Trustee an Officer’s Certificate specifying the Initial Debentures or portions thereof accepted for payment by the Corporation. The Trustee will pay the Total Offer Price to the holders of the Initial Debentures in the respective amounts to which they are entitled in accordance with the Change of Control Purchase Offer as aforesaid.
- (d) If 90% or more of the aggregate principal amount of Initial Debentures outstanding on the date the Corporation provides the Change of Control Notice and the Change of Control Purchase Offer to holders of the Initial Debentures have been tendered for purchase pursuant to an Acceptance Notice on or prior the Expiry Date and Expiry Time, the Corporation has the right upon written notice provided to the Trustee within 10 days following the Expiry Date (the “**90% Redemption Right Notice**”), to redeem all the Initial Debentures remaining outstanding as at the Expiry Date at the Total Offer Price as at the Change of Control Purchase Date (the “**90% Redemption Right**”).

- (e) Upon receipt of the 90% Redemption Right Notice, the Trustee shall promptly provide written notice to each Debentureholder that did not previously accept the Change of Control Purchase Offer that:
- (i) the Corporation has exercised the 90% Redemption Right and is purchasing all outstanding Initial Debentures effective on the Expiry Date at the Total Offer Price, and shall include a calculation of the amount payable to such holder as payment of the Total Offer Price as at the Change of Control Purchase Date;
 - (ii) each such holder must transfer their Initial Debentures to the Trustee on the same terms as those holders that accepted the Change of Control Purchase Offer and must send their respective Initial Debentures, duly endorsed for transfer, to the Trustee within 10 days after the sending of such notice; and
 - (iii) the rights of such holder under the terms of the Initial Debentures and this Indenture shall cease to be effective as of the Expiry Date provided the Corporation has, on or before the date on which the Corporation delivers the 90% Redemption Right Notice to the Trustee, paid the Total Offer Price to, or to the order of, the Trustee and thereafter the Initial Debentures shall not be considered to be outstanding and the holder shall not have any right except to receive such holder's Total Offer Price upon surrender and delivery of such holder's Initial Debentures in accordance with the Indenture.
- (f) The Corporation shall, on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the date the Corporation delivers the 90% Redemption Right Notice, deposit with the Trustee or any paying agent to the order of the Trustee, such sums of money as may be sufficient to pay the Total Offer Price of the Initial Debentures to be purchased or redeemed by the Corporation pursuant to the 90% Redemption Right (less any tax required by law to be deducted in respect of accrued and unpaid interest), provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque or wire transfer for such amounts required under this Section 2.4(9)(f) post-dated to Expiry Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such purchase. Every such deposit shall be irrevocable. From the sums so deposited, the Trustee shall pay or cause to be paid to the holders of such Initial Debentures, the Total Offer Price to which they are entitled (less any tax required by law to be deducted in respect of accrued and unpaid interest) on the Corporation's purchase or redemption upon surrender and delivery of such holders' Initial Debentures (the **"90% Redemption Right Purchase Date"**).
- (g) In the event that one or more of such Initial Debentures being purchased in accordance with this Section 2.4(9) becomes subject to purchase in part only, upon surrender of such Initial Debentures for payment of the Total Offer Price, the Corporation shall execute and the Trustee shall certify and deliver without charge

to the holder thereof or upon the holder's order, one or more new Initial Debentures for the portion of the principal amount of the Initial Debentures not purchased.

- (h) From and after the Change of Control Purchase Date or the 90% Redemption Right Purchase Date, as applicable, if the money necessary to purchase or redeem the Initial Debentures shall have been deposited as provided in this Section 2.4(9) and affidavits or other proofs satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest on the Initial Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.
- (i) In case the holder of any Initial Debenture to be purchased or redeemed in accordance with this Section 2.4(9) shall fail on or before the Change of Control Purchase Date or the 90% Redemption Right Purchase Date to so surrender such holder's Initial Debenture or shall not within such time accept payment of the monies payable or give such receipt therefor, if any, as the Trustee may require, such monies may be set aside in trust without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum so set aside and the Debentureholder shall have no other right except to receive payment of the monies so paid and deposited upon surrender and delivery of such holder's Initial Debenture. In the event that any money required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Initial Debentures issued hereunder shall remain so deposited for a period of six years from the Change of Control Purchase Date or the 90% Redemption Right Purchase Date, as applicable, then such monies, together with any accumulated interest thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation and the Trustee shall not be responsible to Debentureholders for any amounts owing to them. Notwithstanding the foregoing, the Trustee will pay any remaining funds deposited hereunder on that date which is six years after the Change of Control Purchase Date or the 90% Redemption Right Purchase Date, as applicable (the "**Unclaimed Funds Return Date**") to the Corporation upon receipt from the Corporation of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Corporation prior to the Unclaimed Funds Return Date, the Corporation shall reimburse the Trustee for any amounts required to be paid by the Trustee to a holder of a Debenture pursuant to the Change of Control Purchase Offer after the date of such payment of the remaining funds to the Corporation but prior to the Unclaimed Funds Return Date.
- (j) Subject to the provisions above related to Initial Debentures purchased in part, all Initial Debentures redeemed and paid under this Section 2.4(9) shall forthwith be delivered to the Trustee and cancelled and no Initial Debentures shall be issued in substitution therefor.

(10) In addition to the requirements of Section 2.4(9) in respect of a Change of Control, the following provisions shall apply in respect of the occurrence of a Cash Change of Control occurring on or before the Initial Debentures Maturity Date:

- (a) During the period beginning 10 trading days prior to the Change of Control and ending 30 calendar days following the date on which the Change of Control Purchase Offer is delivered or mailed by the Corporation to the Trustee (the “**Cash Change of Control Conversion Period**”), holders of Initial Debentures will, subject to receipt of regulatory and stock exchange approvals and compliance with Applicable Securities Legislation, be entitled to convert their Initial Debentures, in whole or in part, and receive, in addition to the number of Freely Tradeable fully-paid Voting Shares they would otherwise be entitled to receive upon such conversion in accordance with the provisions and conditions of Section 2.4(11), an additional number of Freely Tradeable fully-paid Voting Shares (or cash or other property or securities in substitution therefor) per \$1,000 principal amount of Initial Debentures as set out in this Section 2.4(10) (the “**Make-Whole Premium**”).
- (b) The number of additional Voting Shares per \$1,000 principal amount of Initial Debentures constituting the Make-Whole Premium (the “**Make-Whole Premium Shares**”) will be determined by reference to the tables following subsection (c) below and is based on the date on which the Cash Change of Control becomes effective (the “**Effective Date**”) and the price paid per Voting Share in the transaction constituting the Change of Control (the “**Cash Offer Price**”), converted (if applicable) to Canadian dollars at the Bank of Canada end of day rate of exchange on the Effective Date. If holders of Voting Shares receive (or are entitled and able in all circumstances to receive) only cash in the transaction constituting the Change of Control, the Cash Offer Price shall be the cash amount paid per Voting Share, converted (if applicable) to Canadian dollars at the Bank of Canada end of day rate of exchange on the Effective Date. Otherwise, the Cash Offer Price shall be equal to the Current Market Price of the Voting Shares on the day immediately preceding the Effective Date of such transaction.
- (c) The following tables show the number of Make-Whole Premium Shares for each hypothetical Cash Offer Price and Effective Date set out below, expressed as additional Voting Shares per \$1,000 principal amount of Initial Debentures. For the avoidance of doubt, the Corporation shall not be obliged to pay the Make-Whole Premium otherwise than by issuance of the applicable number of Make-Whole Premium Shares in excess of the number of Voting Shares to which holders would otherwise have been entitled at the Conversion Price (the “**Base Shares**”) upon conversion of the Initial Debentures in accordance with the provisions and conditions of Section 2.4(11).

Effective Date	\$4.60	\$5.00	\$5.50	\$6.00	\$6.50	\$7.00
April 6, 2021	59.9110	51.9700	44.1964	38.1667	33.4046	29.5900
June 30, 2022	59.9110	46.9520	38.8127	32.6033	27.7954	24.0257
June 30, 2023	59.9110	42.5197	33.0327	26.3483	21.2785	17.4129

June 30, 2024	59.9110	42.5197	27.4455	20.0317	14.3938	10.0071
June 30, 2025	59.9110	42.5197	24.3379	10.9617	4.0000	1.0714
June 30, 2026	59.9110	42.5197	24.3379	9.1864	0	0

Effective Date	\$7.50	\$8.00	\$9.00	\$10.00	\$11.00	\$12.00
April 6, 2021	26.4880	23.9350	20.0167	17.1880	15.0691	13.4333
June 30, 2022	21.0320	18.6263	15.0689	12.6260	10.8818	9.5883
June 30, 2023	14.4507	12.1688	9.0333	7.1130	5.8918	5.0783
June 30, 2024	6.5080	3.6650	0.3522	0.0490	0.0036	0
June 30, 2025	0.2160	0.0338	0	0	0	0
June 30, 2026	0	0	0	0	0	0

- (d) The actual Cash Offer Price and Effective Date may not be set out on the tables above, in which case:
- (i) if the actual Cash Offer Price on the Effective Date is between two Cash Offer Prices on the applicable table and/or the actual Effective Date is between two Effective Dates on the applicable table, the number of Make-Whole Premium Shares will be determined by a straight-line interpolation between the Make-Whole Premium set out for the two Cash Offer Prices and/or the two Effective Dates on the applicable table based on a 365-day year, as applicable;
 - (ii) if the Cash Offer Price on the Effective Date exceeds \$12.00 per Voting Share, subject to adjustment as described below, the Make-Whole Premium and the number of Make-Whole Premium Shares to be issued will be zero; and
 - (iii) if the Cash Offer Price on the Effective Date is less than \$4.60 per Voting Share, subject to adjustment as described below, the Make-Whole Premium and the number of Make-Whole Premium Shares to be issued will be zero.
- (e) The Cash Offer Prices set out in the first row of the tables above will be adjusted as of any date on which the Conversion Price of the Initial Debentures is adjusted and the Corporation shall provide to the Trustee an Officer's Certificate containing such updated table. The adjusted Cash Offer Prices will equal the Cash Offer Prices applicable immediately prior to such adjustment multiplied by a fraction, the denominator of which is the Conversion Price immediately prior to the adjustment giving rise to the Cash Offer Price adjustment and the numerator of which is the Conversion Price as so adjusted. The number of Make-Whole Premium Shares set out in the tables above will be adjusted in the same manner as the Conversion Price

as set out under Section 5.5, other than as a result of an adjustment to the Conversion Price by adding the Make-Whole Premium as described above.

- (f) Notwithstanding the foregoing, if the Date of Conversion of any Initial Debentures occurs during the period beginning on the 10th trading day on the principal exchange on which the Voting Shares are then listed prior to the Effective Date and ending at the close of business on the Effective Date, the holders of such Initial Debentures shall, on conversion of their Initial Debentures, be entitled to receive the relevant number of Make-Whole Premium Shares (as may be adjusted pursuant to Section 5.5) only on the Business Day immediately following the Effective 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 at the then-applicable Conversion Price.
 - (g) The Make-Whole Premium Shares shall be deemed to have been issued upon conversion of Initial Debentures on the Business Day immediately following the Effective Date. Section 5.5 shall apply to such conversion and, for greater certainty, the former holders of Initial Debentures in respect of which the Make-Whole Premium Shares are issuable shall be entitled to receive and shall accept, in lieu of the Make-Whole Premium 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 Premium Shares on the Effective Date.
 - (h) Except as otherwise provided in this Section 2.4(10), all other provisions of this Indenture applicable to a conversion of Initial Debentures shall apply to a conversion of Initial Debentures during the Cash Change of Control Conversion Period.
 - (i) The Trustee shall be entitled to rely on calculations of the Corporation with regards to any calculations pursuant to this Section 2.4(10).
- (11)
- (a) Upon and subject to the provisions and conditions of Article 5 and Section 3.7, the holder of each Initial Debenture shall have the right at such holder's option, at any time prior to the close of business on the earliest of (i) the Business Day immediately preceding the Initial Debentures Maturity Date; (ii) if a Redemption Notice is given to the holders of Initial Debentures in accordance with Section 2.4(4) and Section 4.3, on the Business Day immediately preceding the Redemption Date specified in the Redemption Notice; or (iii) if subject to repurchase pursuant to a Change of Control, on the Business Day immediately preceding the Change of Control Purchase Date, subject to the satisfaction of the conditions set out in this Indenture, (the earlier of which will be the "**Time of Expiry**" for the purposes of Article 5 in respect of the Initial Debentures), to convert any part, being \$1,000 or an integral multiple thereof, of the principal amount of an Initial Debenture into

such number of Freely Tradeable Voting Shares as is equal to the quotient (rounded to the nearest fourth decimal place) that is obtained by dividing (x) such part of such principal amount being so converted by (y) the Conversion Price in effect on the Date of Conversion. To the extent a redemption is a redemption in part only of the Initial Debentures, such right to convert, if not exercised prior to the applicable Time of Expiry, shall survive as to any Initial Debentures not redeemed or converted and be applicable to the next succeeding Time of Expiry. Notwithstanding the foregoing, no Initial Debentures may be converted on an Interest Payment Date or during the five Business Days preceding each Interest Payment Date.

- (b) For the avoidance of doubt, the Conversion Price in effect on the date hereof for each Freely Tradeable Voting Share to be issued upon the conversion of Initial Debentures shall be \$6.35, such that 157.4803 Class A Variable Voting Shares or 157.4803 Class B Voting Shares, as applicable, would be issued for each \$1,000 principal amount of Initial Debentures so converted on the date hereof. Except as provided below, no adjustment in the number of Voting Shares to be issued upon conversion will be made for dividends or distributions on Voting Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Voting Shares in accordance with Article 5, or for interest accrued on Initial Debentures surrendered. No fractional Voting Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion. The Conversion Price applicable to, and the Voting Shares, securities or other property receivable on the conversion of, the Initial Debentures is subject to adjustment pursuant to the provisions of Section 2.4(10) and Section 5.5. Holders converting their Initial Debentures will receive, in addition to the applicable number of Freely Tradeable Voting Shares, accrued and unpaid interest (less any Withholding Tax required by law to be deducted) in respect of the Initial Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date or the issue date if no such Interest Payment Date has yet to occur. For clarity, payment of such interest, whether in cash or by delivery of Freely Tradeable Voting Shares pursuant to the exercise of the Voting Share Interest Payment Election, may, at the option of the Corporation, be paid on the next regularly scheduled Interest Payment Date following the Date of Conversion.
- (c) The Conversion Price will not be adjusted for accrued interest.
- (d) Notwithstanding any other provisions of this Indenture, if an Initial Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the Person or Persons entitled to receive Freely Tradeable Voting Shares in respect of the Initial Debenture so surrendered for conversion shall not become the holder or holders of record of such Freely Tradeable Voting Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Initial Debentures at the close of business on the relevant record date.

- (e) An Initial Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Purchase Offer pursuant to the provisions of Section 2.4(9) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture.
- (12) The Corporation in issuing the Initial Debentures may use “CUSIP” numbers (if then generally in use) to designate the Initial Debentures, including Canadian Restricted Debentures, and, if so, the Trustee shall use “CUSIP” numbers in notices as a convenience to holders of the Initial Debentures; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Initial Debentures or as contained in any notice and that reliance may be placed only on the other identification numbers printed on the Initial Debentures, and any such notice shall not be affected by any defect in or omission of such numbers. The Corporation will promptly notify the Trustee of any change in the “CUSIP” numbers.

Section 2.5 Certification and Delivery of Additional Debentures

The Corporation may from time to time request the Trustee to certify and deliver Additional Debentures of any series by delivering to the Trustee the documents referred to below in this Section 2.5 whereupon the Trustee shall certify such Debentures and cause the same to be delivered in accordance with the Written Direction of the Corporation referred to below or pursuant to such procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation. The maturity date, issue date, interest rate (if any) and any other terms of the Debentures of such series shall be set forth in or determined by or pursuant to such Written Direction of the Corporation and procedures. In certifying such Debentures, the Trustee shall be entitled to receive and shall be fully protected in relying upon, unless and until such documents have been superseded or revoked:

- (a) an Officer’s Certificate and/or executed supplemental indenture by or pursuant to which the form and terms of such Additional Debentures were established;
- (b) a Written Direction of the Corporation requesting certification and delivery of such Additional Debentures and setting forth delivery instructions, provided that, with respect to Debentures of a series subject to a Periodic Offering:
 - (i) such Written Direction of the Corporation may be delivered by the Corporation to the Trustee prior to the delivery to the Trustee of such Additional Debentures of such series for certification and delivery;
 - (ii) the Trustee shall certify and deliver Additional Debentures of such series for original issue from time to time, in an aggregate principal amount not exceeding the aggregate principal amount, if any, established for such series, pursuant to a Written Direction of the Corporation or pursuant to procedures acceptable to the Trustee as may be specified from time to time by a Written Direction of the Corporation;
 - (iii) the maturity date or dates, issue date or dates, interest rate or rates (if any) and any other terms of Additional Debentures of such series shall be

determined by an executed supplemental indenture or by Written Direction of the Corporation or pursuant to such procedures; and

- (iv) if provided for in such procedures, such Written Direction of the Corporation may authorize certification and delivery pursuant to oral or electronic instructions from the Corporation which oral or electronic instructions shall be promptly confirmed in writing;
- (c) an opinion of Counsel, in form and substance satisfactory to the Trustee, acting reasonably, to the effect that all requirements imposed by this Indenture and by law in connection with the proposed issue of Additional Debentures have been complied with, subject to the delivery of certain documents or instruments specified in such opinion; and
- (d) an Officer's Certificate (which Officer's Certificate shall be in such form that satisfies all applicable laws) certifying that the Corporation is not in default under this Indenture, that the terms and conditions for the certification and delivery of Additional Debentures (including those set forth in Section 15.5), have been complied with subject to the delivery of any documents or instruments specified in such Officer's Certificate and that no Event of Default exists or will exist upon such certification and delivery.

Section 2.6 Issue of Global Debentures

- (1) The Corporation may specify that the Debentures of a series are to be issued in whole or in part 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 Trustee at the time of issue of such Debentures, and in such event the Corporation shall execute and the Trustee shall certify and deliver one or more Global Debentures that shall:
 - (a) represent an aggregate amount equal to the principal amount of the outstanding Debentures of such series to be represented by one or more Global Debentures;
 - (b) be delivered by the Trustee to such Depository or pursuant to such Depository's instructions; and
 - (c) bear a legend substantially to the following effect:
 - (i) **“This Debenture is a Global Debenture within the meaning of the Indenture herein referred to and is registered in the name of a Depository or a nominee thereof. This Debenture may not be transferred to or exchanged for Debentures registered in the name of any person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Debenture authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu**

of, this Debenture shall be a Global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.

(ii) **Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to Chorus Aviation Inc. (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 a violation of its rights for another person to hold, transfer or deal with this certificate.”**

(d) In the case of Canadian Restricted Debentures, bear the legend set forth above in Section 2.6(c)(ii) along with the legend in substantially the following form subject to modification as required by the Depository:

(i) **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY FROM THE DATE OF THE SECURITY]."**

(2) 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 where the Depository has its principal offices.

Section 2.7 Execution of Debentures

All Debentures shall be signed (either manually or by facsimile or other electronic signature) by any one authorized director or officer of the Corporation holding office at the time of signing. A facsimile or electronic signature upon a Debenture shall for all purposes of this Indenture be deemed to be the signature of the person whose signature it purports to be. Notwithstanding that any person whose signature, either manual or in facsimile or electronic form, appears on a Debenture as a director or officer may no longer hold such office at the date of the Debenture or at the date of the certification and delivery thereof, such Debenture shall be valid and binding upon the Corporation and entitled to the benefits of this Indenture.

Section 2.8 Certification

(1) No Debenture shall be issued or, if issued, shall be obligatory or shall entitle the holder to the benefits of this Indenture, until it has been manually certified by or on behalf of the Trustee substantially in the form set out in this Indenture, in the relevant supplemental indenture, or in some other form approved by the Trustee. Such certification on any

Debenture shall be conclusive evidence that such Debenture is duly issued, is a valid obligation of the Corporation and the holder is entitled to the benefits hereof.

- (2) The certificate of the Trustee signed on the Debentures, or interim Debentures hereinafter mentioned, shall not be construed as a representation or warranty by the Trustee as to the validity of this Indenture or of the Debentures or interim Debentures or as to the issuance of the Debentures or interim Debentures and the Trustee shall in no respect be liable or answerable for the use made of the Debentures or interim Debentures or any of them or the proceeds thereof. The certificate of the Trustee on the Debentures or interim Debentures shall, however, be a representation and warranty by the Trustee that the Debentures or interim Debentures have been duly certified by or on behalf of the Trustee pursuant to the provisions of this Indenture.

Section 2.9 Interim Debentures or Certificates

Pending the delivery of definitive Debentures of any series to the Trustee, the Corporation may issue and the Trustee certify in lieu thereof interim Debentures in such forms and in such denominations and signed in such manner as provided herein, entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; or the Corporation may execute and the Trustee certify a temporary Debenture for the whole principal amount of Debentures of the series then authorized to be issued hereunder and deliver the same to the Trustee and thereupon the Trustee may issue its own interim certificates in such form and in such amounts, not exceeding in the aggregate the principal amount of the temporary Debenture so delivered to it, as the Corporation and the Trustee may approve entitling the holders thereof to definitive Debentures of the series when the same are ready for delivery; and, when so issued and certified, such interim or temporary Debentures or interim certificates shall, for all purposes but without duplication, rank in respect of this Indenture equally with Debentures duly issued hereunder and, pending the exchange thereof for definitive Debentures, the holders of the interim or temporary Debentures or interim certificates shall be deemed without duplication to be Debentureholders and entitled to the benefit of this Indenture to the same extent and in the same manner as though the said exchange had actually been made. Forthwith after the Corporation shall have delivered the definitive Debentures to the Trustee, the Trustee shall cancel such temporary Debentures, if any, and shall call in for exchange all interim Debentures or certificates that shall have been issued and forthwith after such exchange shall cancel the same. No charge shall be made by the Corporation or the Trustee to the holders of such interim or temporary Debentures or interim certificates for the exchange thereof. All interest paid upon interim or temporary Debentures or interim certificates shall be noted thereon as a condition precedent to such payment unless paid by cheque to the registered holders thereof.

Section 2.10 Mutilation, Loss, Theft or Destruction

In case any of the Debentures issued hereunder shall become mutilated or be lost, stolen or destroyed, the Corporation, in its discretion, may issue, and thereupon the 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 Trustee and shall be entitled to the benefits of this Indenture and rank equally in accordance with its terms with all other Debentures issued or to be issued hereunder. In case of loss, theft or destruction, the applicant for a substituted

Debenture shall furnish to the Corporation and to the Trustee such evidence of the loss, theft or destruction of the Debenture as shall be satisfactory to them in their discretion and shall also furnish an indemnity and surety bond satisfactory to them in their discretion. The applicant shall pay all reasonable expenses incidental to the issuance of any substituted Debenture.

Section 2.11 Concerning Interest

- (1) All Debentures issued hereunder, whether originally or upon exchange or in substitution for previously issued Debentures which are interest bearing, shall bear interest (i) from and including their issue date, or (ii) from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on the outstanding Debentures of that series, whichever shall be the later, or, in respect of Debentures subject to a Periodic Offering, from and including their issue date or from and including the last Interest Payment Date to which interest shall have been paid or made available for payment on such Debentures, in all cases, to and excluding the next Interest Payment Date.
- (2) Subject to Section 2.4(3) and Section 2.11(3), unless otherwise specifically provided in the terms of the Debentures of any series, interest shall be computed on the basis of a 360 day year comprised of twelve 30 day months. With respect to any series of Debentures, whenever interest is computed on the basis of a year (the “**deemed year**”) which contains fewer days than the actual number of days in the calendar year of calculation, such rate of interest shall be expressed as a yearly rate for purposes of the *Interest Act* (Canada) by multiplying such rate of interest by the actual number of days in the calendar year of calculation and dividing it by the number of days in the deemed year.
- (3) For the purposes solely of disclosure under the *Interest Act* (Canada), whenever interest to be paid on any series of the Debentures is to be calculated on the basis of a year of 360 days consisting of twelve 30-day months, the yearly rate of interest to which the rate used in such calculation is equivalent during any particular period is the rate so used multiplied by a fraction of which:
 - (a) the numerator is the product of:
 - (i) the actual number of days in the calendar year in which such period ends, and
 - (ii) the sum of (A) the product of (x) 30 and (y) the number of complete months elapsed in the relevant period and (B) the number of days elapsed in any incomplete month in the relevant period, and
 - (b) the denominator is the product of (i) 360 and (ii) the actual number of days in the relevant period.

Section 2.12 Ranking of Debentures

The Debentures will be direct senior unsecured obligations of the Corporation. Each Debenture of the same series of Debentures will rank *pari passu* with each other Debenture of the same series (regardless of their actual date or terms of issue) and, subject to statutory preferred

exceptions, will rank *pari passu* to all other present and future unsecured and unsubordinated Indebtedness of the Corporation, including the 5.75% Debentures, but will be subordinate to all existing and future senior Secured Indebtedness and other Secured Indebtedness of the Corporation, in each case only to the extent of the value of the assets securing such Secured Indebtedness, or other Indebtedness that ranks senior to the Debentures by operation of law. The Debentures will rank senior to any other existing and future unsecured and subordinated Indebtedness of the Corporation.

Section 2.13 Payments of Amounts Due on Maturity

Except as may otherwise be provided herein or in any supplemental indenture in respect of any series of Debentures and subject to Section 4.10, payments of amounts due upon maturity of the Debentures will be made in the following manner. The Corporation will establish and maintain with the Trustee a Maturity Account for each series of Debentures. Each such Maturity Account shall be maintained by and be subject to the control of the Trustee for the purposes of this Indenture. On or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to each Maturity Date for Debentures outstanding from time to time under this Indenture, the Corporation will deliver to the Trustee a certified cheque or wire transfer for deposit in the applicable Maturity Account in an amount sufficient to pay the cash amount payable in respect of such Debentures (including the principal amount together with any accrued and unpaid interest thereon less any tax required by law to be deducted), provided the Corporation may elect to satisfy this requirement by providing the Trustee with a cheque for such amounts required under this Section 2.13 post-dated to the applicable Maturity Date. The Trustee, on behalf of the Corporation, will pay to each holder entitled to receive payment the principal amount of and premium (if any) and accrued and unpaid interest on the Debenture, upon surrender of the Debenture at any branch of the Trustee designated for such purpose from time to time by the Corporation and the Trustee. The delivery of such funds to the Trustee for deposit to the applicable Maturity Account will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of funds relates to the extent of the amount delivered (plus the amount of any tax deducted as aforesaid) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the money so delivered or made available the amount to which it is entitled.

Section 2.14 U.S. Legend

- (1) The Debentures and Voting Shares issuable in respect thereof have not been and will not be registered under the 1933 Act or any state securities laws. To the extent that Initial Debentures are offered and sold in the United States to Qualified Institutional Buyers in reliance on an exemption from registration under the 1933 Act, such Initial Debentures and all Voting Shares issuable in respect thereof (collectively, the “**Securities**”), shall be “**restricted securities**” within the meaning assigned to that term in Rule 144(a)(3) under the 1933 Act. Subject to Section 2.14(3), such Securities, as well as all securities issued in exchange for or in substitution of the Securities, shall be issued under a separate, restricted CUSIP number and, until such time as the same is no longer required under applicable requirements of the 1933 Act or state securities laws, shall bear the following legend (the “**U.S. Legend**”):

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CHORUS AVIATION INC. (THE “CORPORATION”), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND (C) IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR (ii) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (C)(i) OR (D) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE [TRANSFER AGENT][TRUSTEE] TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

provided that if Debentures or Voting Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with Canadian local laws and regulations, and provided that the Corporation is a “**foreign issuer**” within the meaning of Regulation S at the time of issuance of the Debentures or Voting Shares, as applicable, such Securities may be transferred to an unrestricted CUSIP or the U.S. Legend may be removed by providing a declaration to the Trustee substantially as set forth in Schedule D (or as the Corporation or the Trustee may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation and the Trustee, to the effect that the transfer is being made in compliance with Rule 904 of Regulation S; and provided further that, if any Debentures or Voting Shares are being sold in accordance with Rule 144 under the 1933 Act, if available, the Debentures or Voting Shares, as applicable, may be transferred into an unrestricted CUSIP or the U.S. Legend may be removed by delivery to the Trustee of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Trustee and the Corporation, that the Debentures or Voting Shares no longer require a restricted CUSIP or the U.S. Legend is no longer required under applicable requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

- (2) The parties hereto hereby acknowledge and agree that the Securities may not be reoffered, or resold, pledged or otherwise transferred except: (i) to the Corporation; (ii) outside the United States in accordance with Regulation S and in compliance with applicable local laws and regulations; (iii) in compliance with the exemption from registration under the 1933 Act provided by (A) Rule 144 under the 1933 Act, or (B) Rule 144A under the 1933 Act, if applicable, and, in each case, in accordance with applicable state securities laws; or (iv) in a transaction that does not require registration under the 1933 Act or any applicable state securities laws.
- (3) Notwithstanding Section 2.14(1), to the extent that a Qualified Institutional Buyer acquiring Initial Debentures pursuant to the Offering has duly executed and delivered a U.S. Purchaser Letter substantially as set forth in Schedule H, such Initial Debentures shall be included in the Unrestricted Global Debenture, and any Voting Shares issued to such Qualified Institutional Buyer in respect of such Initial Debentures shall neither be required to be issued under a restricted CUSIP nor bear a U.S. Legend.
- (4) Prior to the issuance of the Debentures, the Corporation shall notify the Trustee, in writing, concerning which Debentures are to be included in the Restricted Global Debenture which shall bear the U.S. Legend. The Trustee will thereafter maintain a list of all registered holders from time to time of such legended Debentures or such beneficial interests which are included in the Restricted Global Debenture.

Section 2.15 Payment of Interest

The following provisions shall apply to Debentures, except as otherwise provided in Section 2.4(3) or specified in a resolution of the Board of Directors, an Officer's Certificate or a supplemental indenture relating to a particular series of Additional Debentures:

- (a) As interest becomes due on each Debenture (except, subject to certain exceptions set forth herein including in Section 2.4(3), on conversion or at maturity or redemption, when interest may at the option of the Corporation be paid upon surrender of such Debenture), the Corporation, either directly or through the Trustee or any agent of the Trustee, shall send or forward by prepaid ordinary mail, electronic transfer of funds or such other means as may be agreed to by the Trustee, payment of such interest (less any tax required to be withheld therefrom) to the order of the registered holder of such Debenture appearing on the registers maintained by the Trustee at the close of business on the record date prior to the applicable Interest Payment Date and addressed to the holder at the holder's last address appearing on the register, unless such holder otherwise directs. If payment is made by cheque, such cheque shall be forwarded at least three days prior to each date on which interest becomes due and if payment is made by other means (such as electronic transfer of funds, provided the Trustee must receive confirmation of receipt of funds prior to being able to wire funds to holders), such payment shall be made in a manner whereby the holder receives credit for such payment on the date such interest on such Debenture becomes due. The mailing of such cheque or the making of such payment by other means shall, to the extent of the sum represented thereby, plus the amount of any tax withheld as aforesaid, satisfy and discharge all liability for interest on such Debenture, unless in the case of payment by cheque,

such cheque is not paid at par on presentation. In the event of non-receipt of any cheque for or other payment of interest by the person to whom it is so sent as aforesaid, the Corporation will issue to such person a replacement cheque or other payment for a like amount upon being furnished with such evidence of non-receipt as it shall reasonably require and upon being indemnified to its satisfaction. Notwithstanding the foregoing, if the Corporation is prevented by circumstances beyond its control (including, without limitation, any interruption in mail service) from making payment of any interest due on each Debenture in the manner provided above, the Corporation may make payment of such interest or make such interest available for payment in any other manner acceptable to the Trustee with the same effect as though payment had been made in the manner provided above.

- (b) All payments of interest on the Global Debenture shall be made by electronic funds transfer, wire transfer or certified cheque made payable (i) to the Depository or its nominee on the day interest is payable for subsequent payment to Beneficial Holders of the applicable Global Debenture, unless the Corporation and the Depository otherwise agree or (ii) if the Corporation wishes to have the Trustee act as interest paying agent, to the Trustee by no later than the Business Day prior to the day interest is payable for subsequent payment to Beneficial Holders of the applicable Global Debenture. None of the Corporation, the Trustee or any agent of the 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.

ARTICLE 3

REGISTRATION, TRANSFER, EXCHANGE AND OWNERSHIP

Section 3.1 Fully Registered Debentures

- (1) With respect to each series of Debentures issuable as Fully Registered Debentures, the Corporation shall cause to be kept by and at the principal office of the Trustee in Toronto, Ontario and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as may be specified in the Debentures of such series or as the Corporation may designate with the approval of the 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 Trustee or other registrar unless a new Debenture shall be issued upon such transfer.
- (2) No transfer of a Fully Registered Debenture shall be valid unless made on such register referred to in Section 3.1(1) 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 executed in a manner satisfactory to the Trustee or other registrar upon surrender of the Debentures together with a duly executed form of transfer acceptable to the Trustee and upon compliance with such other reasonable requirements as the Trustee

or other registrar may prescribe, or unless the name of the transferee shall have been noted on the Debenture by the Trustee or other registrar.

Section 3.2 Global Debentures

- (1) With respect to each series of Debentures issuable in whole or in part as one or more Global Debentures, including the Canadian Restricted Debentures, if any, the Corporation shall cause to be kept by and at the principal offices of the Trustee in Toronto, Ontario and by the Trustee or such other registrar as the Corporation, with the approval of the Trustee, may appoint at such other place or places, if any, as the Corporation may designate with the approval of the Trustee, a register in which shall be entered the name and address of the holder of each such Global 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 of such series are at any time not Global Debentures, the provisions of Section 3.1 shall also apply with respect to registrations and transfers of such Debentures.
- (2) Notwithstanding any other provision of this Indenture, a Global Debenture may not be transferred by the registered holder thereof and, accordingly, no definitive certificates shall be issued to Beneficial Holders except in the following circumstances or as otherwise specified in a resolution of the Trustee, a resolution of the Board of Directors, Officer's Certificate or supplemental indenture relating to a particular series of Additional Debentures:
 - (a) Global Debentures 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;
 - (b) Global Debentures may be transferred at any time after the Depository for such Global Debentures (i) has notified the Trustee, or the Corporation has notified the Trustee, that it is unwilling or unable to continue as Depository for such Global Debentures, or (ii) ceases to be eligible to be a Depository under Section 2.6(2), provided that at the time of such transfer the Corporation has not appointed a successor Depository for such Global Debentures;
 - (c) Global Debentures 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 Debentures and has communicated such determination to the Trustee in writing;
 - (d) Global Debentures may be transferred at any time after the Trustee has determined that an Event of Default has occurred and is continuing with respect to the Debentures of the series issued as a Global Debenture, provided that Beneficial Holders representing, in the aggregate, not less than 25% of the aggregate principal amount of the Debentures of such series advise the Depository in writing, through the Depository Participants, that the continuation of the book-entry only registration system for such series of Debentures is no longer in their best interest

and also provided that at the time of such transfer the Trustee has not waived the Event of Default pursuant to Section 7.3;

- (e) Global Debentures may be transferred if required by applicable law; or
 - (f) Global Debentures may be transferred if the book-entry only registration system ceases to exist.
- (3) With respect to the Global Debentures, unless and until definitive certificates have been issued to Beneficial Holders pursuant to Section 3.2(2):
- (a) the Corporation and the Trustee may deal with the Depository for all purposes (including paying interest on the Debentures) as the sole holder of such series of Debentures and the authorized representative of the Beneficial Holders;
 - (b) the rights of the Beneficial Holders shall be exercised only through the Depository and shall be limited to those established by law and agreements between such Beneficial Holders and the Depository or the Depository Participants;
 - (c) the Depository will make book-entry transfers among the Depository Participants; and
 - (d) whenever this Indenture requires or permits actions to be taken based upon instruction or directions of Debentureholders evidencing a specified percentage of the outstanding Debentures, the Depository shall be deemed to be counted in that percentage only to the extent that it has received instructions to such effect from the Beneficial Holders or the Depository Participant, and has delivered such instructions to the Trustee.
- (4) Whenever a notice or other communication is required to be provided to Debentureholders, unless and until definitive certificate(s) have been issued to Beneficial Holders pursuant to this Section 3.2, the Trustee shall provide all such notices and communications to the Depository and the Depository shall deliver such notices and communications to such Beneficial Holders in accordance with Applicable Securities Legislation. Upon the termination of the book-entry only registration system on the occurrence of one of the conditions specified in Section 3.2(2) with respect to a series of Debentures issued hereunder, the Trustee shall notify all applicable Depository Participants and Beneficial Holders, through the Depository, of the availability of definitive Debenture certificates. Upon surrender by the Depository of the certificate(s) representing the Global Debentures and receipt of new registration instructions from the Depository, the Trustee shall deliver the definitive Debenture certificates for such Debentures to the holders thereof in accordance with the new registration instructions and thereafter, the registration and transfer of such Debentures will be governed by Section 3.1 and the remaining Sections of this Article 3, provided that any definitive Debenture certificates issued or exchanged for a Restricted Global Debenture shall bear the U.S. Legend.

(5) Notwithstanding any other provisions of this Indenture or the Debentures, transfers and exchanges of Debentures and beneficial interests in Global Debentures shall be made in accordance with this Section 3.2(5).

(a) **Transfer of Beneficial Interests in the Same Global Debenture.** Except as may be required by the Trustee or the Depository, no written orders or instructions shall be required to be delivered to the Trustee to effect a transfer of a beneficial interest in a Global Debenture to Persons who take delivery thereof in the form of a beneficial interest in the same Global Debenture, except that any transfer from a Restricted Global Debenture, other than transfers made in compliance with the exemption from registration provided by Rule 144A under the 1933 Act or transfers accompanied by a declaration to the Trustee substantially as set forth in paragraph 2 of Schedule D, shall require an opinion of counsel in form reasonably acceptable to the Corporation to the effect that such transfer or exchange is in compliance with the 1933 Act and all applicable state securities laws.

(b) **Transfer and Exchange of Beneficial Interests in a Restricted Global Debenture for Beneficial Interests in an Unrestricted Global Debenture.** A beneficial interest in a Restricted Global Debenture may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Debenture or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Debenture if the Trustee receives the following:

- (i) if the holder of such beneficial interest in a Restricted Global Debenture proposes to exchange such beneficial interest for a beneficial interest in an Unrestricted Global Debenture, a certificate from such holder in the form of Schedule E, including the certifications in item (1)(a) thereof; or
- (ii) if the holder of such beneficial interest in a Restricted Global Debenture proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Debenture, a certificate from such holder in the form of Schedule D, including the certifications in items (2) or (3) thereof;

and, in each such case set forth in this Section 3.2(5)(b), if requested by the Corporation or the Trustee, an opinion of counsel in form reasonably acceptable to the Corporation to the effect that such transfer or exchange is in compliance with the 1933 Act and all applicable state securities laws.

(c) **Transfer of Restricted Physical Debenture for Restricted Physical Debenture.** A Restricted Physical Debenture may be transferred to a Person who takes delivery thereof in the form of a Restricted Physical Debenture if the Trustee receives a certificate to the effect set forth in Schedule D, including the certifications in item (1) thereof.

(d) **Transfer and Exchange of Restricted Physical Debentures for Unrestricted Physical Debentures.** A Restricted Physical Debenture may be exchanged by the holder thereof for an Unrestricted Physical Debenture or transferred to a Person

who takes delivery thereof in the form of an Unrestricted Physical Debenture if the Trustee receives the following:

- (i) if the holder of such Restricted Physical Debenture proposes to exchange such Debenture for an Unrestricted Physical Debenture, a certificate from such holder in the form of Schedule E, including the certifications in item (1)(b) thereof; or
- (ii) if the holder of such Restricted Physical Debenture proposes to transfer such Debenture to a Person who shall take delivery thereof in the form of an Unrestricted Physical Debenture, a certificate from such holder in the form of Schedule D, including the certifications in item (2) or (3) thereof;

and, in each such case set forth in this Section 3.2(5)(d), if requested by the Corporation or the Trustee, an opinion of counsel in form reasonably acceptable to the Corporation to the effect that such transfer or exchange is in compliance with the 1933 Act and all applicable state securities laws.

Section 3.3 Transferee Entitled to Registration

The transferee of a Debenture shall be entitled, after the appropriate form of transfer is lodged with the Trustee or other registrar and upon compliance with all other conditions in relation thereto required by this Indenture or by law, to be entered on the register as the owner of such Debenture free from all equities or rights of set-off or counterclaim between the Corporation and the transferor or any previous holder of such Debenture, save in respect of equities of which the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

Section 3.4 No Notice of Trusts

Neither the Corporation nor the Trustee nor any registrar shall be bound to take notice of or see to the execution of any trust (other than that created by this Indenture) whether express, implied or constructive, in respect of any Debenture, and may transfer the same on the direction of the person registered as the holder thereof, whether named as trustee or otherwise, as though that person were the beneficial owner thereof.

Section 3.5 Registers Open for Inspection

The registers referred to in Section 3.1 and Section 3.2 shall at all reasonable times be open for inspection by the Corporation, the Trustee or any Debentureholder. Every registrar, including the Trustee, shall from time to time when requested so to do by the Corporation, in writing, furnish the Corporation with a list of names and addresses of holders of registered Debentures entered on the register kept by them and showing the principal amount and serial numbers of the Debentures held by each such holder, provided the Trustee shall be entitled to charge a reasonable fee to provide such a list.

Section 3.6 Exchanges of Debentures

- (1) Subject to Section 3.2 and Section 3.7, Debentures in any authorized form or denomination, other than Global Debentures, may be exchanged for Debentures in any other authorized

form or denomination, of the same series and date of maturity, bearing the same interest rate and of the same aggregate principal amount as the Debentures so exchanged.

- (2) In respect of exchanges of Debentures permitted by Section 3.6(1), Debentures of any series may be exchanged only at the principal offices of the Trustee in the city of Toronto, Ontario or at such other place or places, if any, as may be specified in the Debentures of such series and at such other place or places as may from time to time be designated by the Corporation with the approval of the Trustee. Any Debentures tendered for exchange shall be surrendered to the Trustee. The Corporation shall execute and the Trustee shall certify all Debentures necessary to carry out exchanges as aforesaid. All Debentures surrendered for exchange shall be cancelled.
- (3) Debentures issued in exchange for Debentures which at the time of such issue have been selected or called for redemption at a later date shall be deemed to have been selected or called for redemption in the same manner and shall have noted thereon a statement to that effect.

Section 3.7 Closing of Registers

- (1) Neither the Corporation nor the Trustee nor any registrar shall be required to:
 - (a) make transfers or exchanges of any Fully Registered Debentures or convert any Debentures on any Interest Payment Date for such Debentures or during the five preceding Business Days;
 - (b) make transfers or exchanges of, or convert any Debentures on the day of any selection by the Trustee of Debentures to be redeemed or during the 15 preceding Business Days; or
 - (c) make exchanges of any Debentures which will have been selected or called for redemption, as the register for the applicable series of Debentures shall be closed in respect of such actions on such dates.
- (2) Subject to any restriction herein provided, the Corporation with the approval of the Trustee may at any time close any register for any series of Debentures, other than those kept at the principal offices of the Trustee in Toronto, Ontario, and transfer the registration of any Debentures registered thereon to another register (which may be an existing register) and thereafter such Debentures shall be deemed to be registered on such other register. Notice of such transfer shall be given to the holders of such Debentures.

Section 3.8 Charges for Registration, Transfer and Exchange

For each Debenture exchanged, registered, transferred or discharged from registration, the Trustee or other registrar, except as otherwise herein provided, may make a reasonable charge for its services and in addition may charge a reasonable sum for each new Debenture issued (such amounts to be agreed upon from time to time by the Trustee and the Corporation), and payment of such charges and reimbursement of the Trustee or other registrar for any stamp taxes or governmental or other charges required to be paid shall be made by the party requesting such

exchange, registration, transfer or discharge from registration as a condition precedent thereto. Notwithstanding the foregoing provisions, no charge shall be made to a Debentureholder hereunder:

- (a) for any exchange, registration, transfer or discharge from registration of any Debenture applied for within a period of two months from the date of the first delivery of Debentures of that series or, with respect to Debentures subject to a Periodic Offering, within a period of two months from the date of delivery of any such Debenture;
- (b) for any exchange of any interim or temporary Debenture or interim certificate that has been issued under Section 2.9 for a definitive Debenture;
- (c) for any exchange of a Global Debenture as contemplated in Section 3.2; or
- (d) for any exchange of any Debenture resulting from a partial redemption under Section 4.2.

Section 3.9 Ownership of Debentures

- (1) Unless otherwise required by law, the person in whose name any registered Debenture is registered shall for all purposes of this Indenture be and be deemed to be the owner thereof and payment of or on account of the principal of and premium, if any, on such Debenture and interest thereon shall be made to such registered holder.
- (2) The registered holder for the time being of any registered Debenture shall be entitled to the principal, premium, if any, and/or interest evidenced by such instruments, respectively, 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 the receipt of any such registered holder for any such principal, premium or interest shall be a good discharge to the Trustee, any registrar and to the Corporation for the same and none shall be bound to inquire into the title of any such registered holder.
- (3) Where Debentures are registered in more than one name, the principal, premium, if any, and interest from time to time payable in respect thereof may be paid to the order of all such holders, failing written instructions from them to the contrary, and the receipt of any one of such holders therefor shall be a valid discharge, to the Trustee, any registrar and to the Corporation.
- (4) In the case of the death of one or more joint holders of any Debenture the principal, premium, if any, and interest from time to time payable thereon may be paid to the order of the survivor or survivors of such registered holders and the receipt of any such survivor or survivors therefor shall be a valid discharge to the Trustee and any registrar and to the Corporation.

ARTICLE 4
REDEMPTION AND PURCHASE OF DEBENTURES

Section 4.1 Applicability of Article

- (1) Subject to regulatory approval, Section 2.4(4), Section 2.4(6) and Section 4.6, the Corporation shall have the right at its option to redeem, either in whole at any time or in part from time to time before maturity, either by payment of money, by issuance of Freely Tradeable Voting Shares as provided in Section 4.6 or any combination thereof, any Debentures issued hereunder of any series which by their terms are made so redeemable (subject, however, to any applicable restriction on the redemption of Debentures of such series) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and as shall have been expressed in this Indenture, in the Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, or in the case of Additional Debentures issued pursuant to a Periodic Offering, in the Written Direction of the Corporation requesting the certification and delivery thereof.

- (2) Subject to regulatory approval, Section 2.4(6) and Section 4.10, the Corporation shall also have the right at its option to repay, either in whole or in part, on maturity, either by payment of money in accordance with Section 2.13, by issuance of Freely Tradeable Voting Shares as provided in Section 4.10 or any combination thereof, any Debentures issued hereunder of any series which by their terms are made so repayable on maturity (subject however, to any applicable restriction on the repayment of the principal amount of the Debentures of such series) at such rate or rates of premium, if any, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debenture and shall have been expressed in this Indenture, in the Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof, or in the case of Additional Debentures issued pursuant to a Periodic Offering, in the Written Direction of the Corporation requesting the certification and delivery thereof.

Section 4.2 Partial Redemption

If less than all the Debentures of any series for the time being outstanding are at any time to be redeemed, or if a portion of the Debentures being redeemed are being redeemed for cash and a portion of such Debentures are being redeemed by the payment of Freely Tradeable Voting Shares pursuant to Section 4.6, the Debentures to be so redeemed shall be selected by the Trustee on a pro rata basis to the nearest multiple of \$1,000 in accordance with the principal amount of the Debentures registered in the name of each holder or in such other manner as the Trustee deems equitable, subject to the approval of the TSX (or such other exchange on which the Corporation has listed the Debentures), as may be required from time to time. Unless otherwise specifically provided in the terms of any series of Debentures, no Debenture shall be redeemed in part unless the principal amount redeemed is \$1,000 or a multiple thereof. For this purpose, the Trustee may make, and from time to time vary, regulations with respect to the manner in which such Debentures may be drawn for redemption and regulations so made shall be valid and binding upon all holders of such Debentures notwithstanding that as a result thereof one or more of such Debentures may become subject to redemption in part only or for cash only. In the event that one or more of such

Debentures becomes subject to redemption in part only, upon surrender of any such Debentures for payment of the Redemption Price, the Corporation shall execute and the Trustee shall certify and deliver without charge to the holder thereof or upon the holder's order one or more new Debentures for the unredeemed part of the principal amount of the Debenture or Debentures so surrendered or, with respect to a Global Debenture, the Depository shall make notations on the Global Debenture of the principal amount thereof so redeemed. Unless the context otherwise requires, the terms "**Debenture**" or "**Debentures**" as used in this Article 4 shall be deemed to mean or include any part of the principal amount of any Debenture which in accordance with the foregoing provisions has become subject to redemption.

Section 4.3 Notice of Redemption

- (1) Notice of redemption (the "**Redemption Notice**") of any series of Debentures shall be given to the holders of the Debentures to be so redeemed not more than 60 days nor less than 40 days prior to the date fixed for redemption (the "**Redemption Date**") in the manner provided in Section 14.2. Every such notice shall specify the aggregate principal amount of Debentures called for redemption, the Redemption Date, the Redemption Price and the places of payment and shall state that interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date. In addition, unless all the outstanding Debentures are to be redeemed, the Redemption Notice shall specify:
 - (a) the distinguishing letters and numbers of the registered Debentures which are to be redeemed (or of such portion thereof as are registered in the name of such Debentureholder);
 - (b) in the case of a published notice, the distinguishing letters and numbers of the Debentures which are to be redeemed or, if such Debentures are selected by terminal digit or other similar system, such particulars as may be sufficient to identify the Debentures so selected;
 - (c) in the case of a Global Debenture, that the redemption will take place in such manner as may be agreed upon by the Depository, the Trustee and the Corporation; and
 - (d) in all cases, the principal amounts of such Debentures or, if any such Debenture is to be redeemed in part only, the principal amount of such part.
- (2) In the event that all Debentures to be redeemed are registered Debentures, publication shall not be required.

Section 4.4 Debentures Due on Redemption Dates

Notice having been given as aforesaid, all the Debentures so called for redemption 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, and from and after such Redemption Date, if the monies necessary to redeem, or the Voting Shares

to be issued to redeem, such Debentures shall have been deposited as provided in Section 4.5 and affidavits or other proof satisfactory to the Trustee as to the publication and/or mailing of such notices shall have been lodged with it, interest upon the Debentures shall cease. If any question shall arise as to whether any notice has been given as above provided and such deposit made, such question shall be decided by the Trustee whose decision shall be final and binding upon all parties in interest.

Section 4.5 Deposit of Redemption Monies or Voting Shares

Redemption of Debentures shall be provided for by the Corporation depositing with the Trustee or any paying agent to the order of the Trustee, on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the Redemption Date specified in such notice, such sums of money, or certificates representing such Voting Shares (if applicable), or both as the case may be, as may be sufficient to pay the Redemption Price of the Debentures so called for redemption, provided the Corporation may elect to satisfy this requirement by providing the Trustee with a certified cheque or wire transfer for such amounts required under this Section 4.5 post-dated to the Redemption Date. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with such redemption. Every such deposit shall be irrevocable. From the sums so deposited, or certificates so deposited, or both, the 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 principal, premium (if any) and interest (if any) to which they are respectively entitled on redemption.

Section 4.6 Right to Pay Redemption Price in Voting Shares

- (1) Subject to the receipt of any required regulatory approvals and the other provisions of this Section 4.6, the Corporation may, at its option and upon delivery of a Redemption Notice to the holders of the Debentures to be so redeemed not more than 60 days nor less than 40 days prior to the Redemption Date, in exchange for or in lieu of paying the Redemption Price in money, elect to satisfy its obligation to pay all or any portion of the Redemption Price by issuing and delivering to holders on the Redemption Date that number of Freely Tradeable Voting Shares obtained by dividing the Redemption Price (or applicable portion thereof to be satisfied by the issuance and delivery of Freely Tradeable Voting Shares) by 95% of the Current Market Price (which will be calculated based on the 20 consecutive trading days ending on the fifth trading day preceding the Redemption Date) (the “**Voting Share Redemption Right**”).
- (2) The Corporation shall exercise the Voting Share Redemption Right by so specifying in the Redemption Notice and shall also specify the aggregate principal amount of Debentures in respect of which it is exercising the Voting Share Redemption Right on the Redemption Date.
- (3) Prior to the issuance of Voting Shares pursuant to Section 4.6(1), the Trustee will provide the holders of Debentures with a Residency Declaration in substantially the form of Schedule G and instructions with respect to its completion and transmission to the Trustee. Each holder of Debentures who is a Canadian is entitled to receive Class B Voting Shares upon the delivery to the Trustee of a duly completed Residency Declaration to the effect

that such holder is a Canadian. Each holder of Debentures who is not a Canadian is entitled to receive Class A Variable Voting Shares upon the delivery to the Trustee of a duly completed Residency Declaration to the effect that such holder is not a Canadian. Notwithstanding any other provision of this Indenture, in the case of Global Debentures, Residency Declarations may be delivered in accordance with the Applicable Procedures. Holders of Debentures will not be issued Voting Shares until a Residency Declaration in a form acceptable to the Corporation is delivered.

- (4) The Corporation's right to exercise the Voting Share Redemption Right shall be conditional upon the following conditions being met on the Business Day preceding the Redemption Date:
- (a) the issuance of the Voting Shares on the exercise of the Voting Share Redemption Right shall be made in accordance with Applicable Securities Legislation and such Voting Shares shall be issued as Freely Tradeable Voting Shares;
 - (b) such additional Freely Tradeable Voting Shares shall be approved for listing on each stock exchange on which the Corporation has listed the Voting Shares, the TSX or a national securities exchange or quoted in an inter-dealer quotation system of any registered national securities association;
 - (c) the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Voting Shares occurs;
 - (d) no Event of Default shall have occurred and be continuing;
 - (e) the Trustee shall have received an Officer's Certificate stating that conditions (a), (b), (c) and (d) above have been satisfied and setting forth the number of Voting Shares to be delivered for each \$1,000 principal amount of Debentures and the Current Market Price; and
 - (f) the Trustee shall have received an opinion of Counsel to the effect that such Voting Shares have been duly authorized and, when issued and delivered pursuant to the terms of this Indenture in payment of the Redemption Price, will be validly issued as fully paid and non-assessable, that conditions (a) and (b) above have been satisfied and that, relying exclusively on certificates of good standing issued by the relevant securities authorities, condition (c) above is satisfied, except that the opinion in respect of condition (c) need not be expressed with respect to those provinces or territories where certificates are not issued.

If the foregoing conditions are not satisfied prior to the close of business on the Business Day preceding the Redemption Date, the Corporation shall pay the Redemption Price entirely in cash in accordance with Section 4.5 unless the Debentureholder waives the conditions which are not satisfied. The Corporation may not change the form of components or percentage of consideration to be paid for the Debentures once it has given the notice required to be given to Debentureholders hereunder, except as described in the preceding sentence. When the Corporation determines the actual number of Voting Shares

to be issued pursuant to the Corporation's exercise of its Voting Share Redemption Right, it will issue a press release on a national newswire disclosing the Current Market Price and such actual number of Voting Shares.

- (5) In the event that the Corporation duly exercises its Voting Share Redemption Right, upon presentation and surrender of the Debentures for payment on the Redemption Date, at any place where a register is maintained pursuant to Article 3 or any other place specified in the Redemption Notice, the Corporation shall on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the Redemption Date make the delivery to the Trustee for delivery to and on account of the holders, of certificates representing the Freely Tradeable Voting Shares (if applicable) to which such holders are entitled. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Voting Share Redemption Right. Every such deposit shall be irrevocable. From the certificates so deposited in addition to amounts payable by the Trustee pursuant to Section 4.5, the Trustee shall pay or cause to be paid, to the holders of such Debentures, upon surrender of such Debentures, the Redemption Price, together with accrued and unpaid interest thereon to which they are respectively entitled on redemption and deliver to such holders the Voting Shares to which such holders are entitled. The delivery of such certificates to the Trustee will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of certificates relates to the extent of the amount delivered (plus the amount of any Voting Shares sold to pay applicable taxes in accordance with this Section 4.6) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the certificates so delivered, the certificate(s) to which it is entitled.
- (6) No fractional Freely Tradeable Voting Shares shall be delivered upon the exercise of the Voting Share Redemption Right but, in lieu thereof, the Corporation shall pay to the Trustee for the account of the holders, at the time contemplated in Section 4.6(4), the cash equivalent thereof determined on the basis of the Current Market Price on the Redemption Date (less any tax required to be deducted, if any).
- (7) A holder shall be treated as the shareholder of record of the Freely Tradeable Voting Shares issued on due exercise by the Corporation of its Voting Share Redemption Right effective immediately after the close of business on the Redemption Date, and shall be entitled to all substitutions therefor, all income earned thereon or accretions thereto and all dividends or distributions (including distributions and dividends in kind) thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.
- (8) The Corporation shall at all times reserve and keep available out of its authorized Voting Shares (if the number thereof is or becomes limited), solely for the purpose of issue and delivery upon the exercise of the Corporation's Voting Share Redemption Right as provided herein, and shall issue to Debentureholders to whom Freely Tradeable Voting Shares will be issued pursuant to the exercise of the Voting Share Redemption Right, such number of Freely Tradeable Voting Shares as shall be issuable in such event. All Freely Tradeable Voting Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.

- (9) The Corporation shall comply with all Applicable Securities Legislation regulating the issue and delivery of Freely Tradeable Voting Shares upon exercise of the Voting Share Redemption Right and shall cause to be listed and posted for trading such Freely Tradeable Voting Shares on each stock exchange on which the Corporation has listed the Voting Shares.
- (10) The Corporation shall from time to time promptly pay, or make provision satisfactory to the Trustee for the payment of, all taxes and charges which may be imposed by the laws of Canada or any province or territory thereof (except income tax, withholding tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Freely Tradeable Voting Shares to holders upon exercise of the Voting Share Redemption Right pursuant to the terms of the Debentures and of this Indenture.
- (11) If the Corporation elects to satisfy its obligation to pay all or any portion of the Redemption Price by issuing Freely Tradeable Voting Shares in accordance with this Section 4.6 and if the Redemption Price (or any portion thereof) to which a holder is entitled is subject to withholding taxes and the amount of the cash payment of the Redemption Price, if any, is insufficient to satisfy such withholding taxes, the Trustee, on the Written Direction of the Corporation but for the account of the holder, shall settle sales, through the investment banks, brokers or dealers selected by the Corporation, out of the Freely Tradeable Voting Shares issued by the Corporation for this purpose, such number of Freely Tradeable Voting Shares that together with the cash payment of the Redemption Price, if any, is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same on behalf of the Corporation to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.
- (12) Each certificate or beneficial interest in a global security under a restricted CUSIP representing Freely Tradeable Voting Shares issued in payment of the Redemption Price of Debentures bearing the U.S. Legend, as well as all certificates or beneficial interests in a global security under a restricted CUSIP, issued in exchange for or in substitution of the foregoing securities, shall bear the U.S. Legend; provided that if such Freely Tradeable Voting Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations, and provided that the Corporation is a “foreign issuer” within the meaning of Regulation S at the time of issuance of such Freely Tradeable Voting Shares, the U.S. Legend may be removed, or such Freely Tradeable Voting Shares may be transferred from the restricted CUSIP, by providing a declaration to the Trustee, as registrar and transfer agent for the Voting Shares, substantially as set forth in Schedule D hereto (or as the Corporation or the Trustee may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or the Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation and the Trustee, to the effect that the transfer is being made in compliance with Rule 904 of Regulation S; and provided further that, if any such Freely Tradeable Voting Shares are being sold in accordance with Rule 144 under the 1933 Act, the U.S. Legend may be removed, or such Freely Tradeable Voting Shares may be transferred from the global security issued under a restricted CUSIP, by delivery to the Trustee, as registrar and transfer agent for the Voting Shares, of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Trustee and the Corporation, that the U.S.

Legend is no longer required under applicable requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

Section 4.7 Failure to Surrender Debentures Called for Redemption

In case the holder of any Debenture so called for redemption shall fail on or before the Redemption Date to so surrender such holder's Debenture, or shall not within such time accept payment of the redemption monies payable, or take delivery of such Voting Shares issuable in respect thereof, or give such receipt therefor, if any, as the Trustee may require, such redemption monies may be set aside in trust, or such certificates may be held in trust without interest, either in the deposit department of the Trustee or in a chartered bank, and such setting aside shall for all purposes be deemed a payment to the Debentureholder of the sum or Voting Shares so set aside and, to that extent, the Debenture shall thereafter not be considered as outstanding hereunder and the Debentureholder shall have no other right except to receive payment out of the monies so paid and deposited, or take delivery of the certificates so deposited, or both, upon surrender and delivery of such holder's Debenture of the Redemption Price, as the case may be, of such Debenture. In the event that any money or certificates required to be deposited hereunder with the Trustee or any depository or paying agent on account of principal, premium, if any, or interest, if any, on Debentures issued hereunder shall remain so deposited for a period of six years from the Redemption Date, then such monies or certificates, together with any accumulated interest thereon or any distribution paid thereon, shall at the end of such period be paid over or delivered over by the Trustee or such depository or paying agent to the Corporation on its demand, and thereupon the Trustee shall not be responsible to Debentureholders for any amounts owing to them and subject to applicable law, thereafter the holder of a Debenture in respect of which such money was so repaid to the Corporation shall have no rights in respect thereof except to obtain payment of the money or Voting Shares due from the Corporation, subject to any limitation period provided by the laws of Ontario. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of six years after the Redemption Date to the Corporation upon receipt from the Corporation, of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Corporation prior to the expiry of six years after the Redemption Date, the Corporation shall reimburse the Trustee for any amounts required to be paid by the Trustee to a holder of a Debenture pursuant to the redemption after the date of such payment of the remaining funds to the Corporation but prior to six years after the redemption.

Section 4.8 Cancellation of Debentures Redeemed

Subject to the provisions of Section 4.2 and Section 4.9 as to Debentures redeemed or purchased in part, all Debentures redeemed and paid under this Article 4 shall forthwith be delivered to the Trustee and cancelled and no Debentures shall be issued in substitution for those redeemed.

Section 4.9 Purchase of Debentures by the Corporation

- (1) Unless otherwise specifically provided with respect to a particular series 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. All Debentures so purchased will be delivered to the Trustee and shall be cancelled and no Debentures shall be issued in substitution therefor.

- (2) If, upon an invitation for tenders, more Debentures are tendered at the same lowest price than the Corporation is prepared to accept, the Debentures to be purchased by the Corporation shall be selected by the Trustee on a pro rata basis or in such other manner as consented to by the TSX (or such other exchange on which the Debentures are then listed which the Trustee considers appropriate), from the Debentures tendered by each tendering Debentureholder who tendered at such lowest price. For this purpose the Trustee may make, and from time to time amend, regulations with respect to the manner in which Debentures may be so selected, and regulations so made shall be valid and binding upon all Debentureholders, notwithstanding the fact that as a result thereof one or more of such Debentures become subject to purchase in part only. The holder of a Debenture of which a part only is purchased, upon surrender of such Debenture for payment, shall be entitled to receive, without expense to such holder, one or more new Debentures for the unpurchased part so surrendered, and the Trustee shall certify and deliver such new Debenture or Debentures upon receipt of the Debenture so surrendered or, with respect to a Global Debenture, the Depository shall make notations on the Global Debenture of the principal amount thereof so purchased.

Section 4.10 Right to Repay Principal Amount in Voting Shares

- (1) Subject to the receipt of any required regulatory approvals and the other provisions of this Section 4.10, the Corporation may, at its option and upon delivery of a Maturity Notice to the holders of the Debentures to be so repaid not more than 60 days nor less than 40 days prior to the Maturity Date, in exchange for or in lieu of repaying the Debentures in money, elect to satisfy its obligation to repay all or any portion of the principal amount of the Debentures outstanding by issuing and delivering to holders on the Maturity Date of such Debentures that number of Freely Tradeable Voting Shares obtained by dividing the principal amount of the Debentures (or applicable portion thereof to be satisfied by the issuance and delivery of Freely Tradeable Voting Shares) by 95% of the Current Market Price (which will be calculated based on the 20 consecutive trading days ending on the fifth trading day preceding the Maturity Date) (the “**Voting Share Repayment Right**”).
- (2) The Corporation shall exercise the Voting Share Repayment Right by so specifying in the Maturity Notice and which shall also specify the aggregate principal amount of Debentures in respect of which it is exercising the Voting Share Repayment Right on the Maturity Date.
- (3) Prior to the issuance of Voting Shares pursuant to Section 4.10(1), the Trustee will provide the holders of Debentures with a Residency Declaration in substantially the form of Schedule G and instructions with respect to its completion and transmission to the Trustee. Each holder of Debentures who is a Canadian is entitled to receive Class B Voting Shares upon the delivery to the Trustee of a duly completed Residency Declaration to the effect that such holder is a Canadian. Each holder of Debentures who is not a Canadian is entitled to receive Class A Variable Voting Shares upon the delivery to the Trustee of a duly

completed Residency Declaration to the effect that such holder is not a Canadian. Notwithstanding any other provision of this Indenture, in the case of Global Debentures, Residency Declarations may be delivered in accordance with the Applicable Procedures. Holders of Debentures will not be issued Voting Shares until a Residency Declaration in a form acceptable to the Corporation is delivered.

- (4) The Corporation's right to exercise the Voting Share Repayment Right shall be conditional upon the following conditions being met on the Business Day preceding the Maturity Date:
- (a) the issuance of the Voting Shares on the exercise of the Voting Share Repayment Right shall be made in accordance with Applicable Securities Legislation and such Voting Shares shall be issued as Freely Tradeable Voting Shares;
 - (b) such additional Freely Tradeable Voting Shares shall be approved for listing on each stock exchange on which the Corporation has listed the Voting Shares, the TSX or a national securities exchange or quoted in an inter-dealer quotation system of any registered national securities association;
 - (c) the Corporation shall be a reporting issuer in good standing under Applicable Securities Legislation where the distribution of such Freely Tradeable Voting Shares occurs;
 - (d) no Event of Default shall have occurred and be continuing;
 - (e) the Trustee shall have received an Officer's Certificate stating that conditions (a), (b), (c) and (d) above have been satisfied and setting forth the number of Voting Shares to be delivered for each \$1,000 principal amount of Debentures and the Current Market Price on the Maturity Date; and
 - (f) the Trustee shall have received an opinion of Counsel to the effect that such Voting 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 (a) and (b) above have been satisfied and that, relying exclusively on certificates of good standing issued by the relevant securities authorities, condition (c) above is satisfied, except that the opinion in respect of condition (c) need not be expressed with respect to those provinces or territories 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 entirely in cash in accordance with Section 2.13, unless the Debentureholder waives the conditions which are not satisfied. The Corporation may not change the form of components or percentages of consideration to be paid for the Debentures once it has given the notice required to be given to Debentureholders hereunder, except as described in the preceding sentence. When the Corporation determines the actual number of Voting Shares to be issued pursuant to the Corporation's exercise of its Voting Share Repayment Right, it will issue a press release on a national newswire disclosing the Current Market Price and such actual number of Voting Shares.

- (5) In the event that the Corporation duly exercises its Voting 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 3 or any other place specified in the Maturity Notice, the Corporation shall on or before 11:00 a.m. (Toronto time) on the Business Day immediately prior to the Maturity Date make the delivery to the Trustee for delivery to and on account of the holders, of certificates representing the Freely Tradeable Voting Shares to which such holders are entitled. The Corporation shall also deposit with the Trustee a sum of money sufficient to pay any charges or expenses which may be incurred by the Trustee in connection with the Voting Share Repayment Right. Every such deposit shall be irrevocable. From the certificates so deposited in addition to amounts payable by the Trustee pursuant to Section 2.13, the Trustee shall pay or cause to be paid, to the holders of such Debentures, upon surrender of such Debentures, the principal amount of and premium (if any) on the Debentures, together with accrued and unpaid interest thereon to which they are respectively entitled on maturity and deliver to such holders the Voting Shares to which such holders are entitled. The delivery of such certificates to the Trustee will satisfy and discharge the liability of the Corporation for the Debentures to which the delivery of certificates relates to the extent of the amount delivered (plus the amount of any Voting Shares sold to pay applicable taxes in accordance with this Section 4.10) and such Debentures will thereafter to that extent not be considered as outstanding under this Indenture and such holder will have no other right in regard thereto other than to receive out of the certificates so delivered, the certificate(s) to which it is entitled.
- (6) No fractional Freely Tradeable Voting Shares shall be delivered upon the exercise of the Voting Share Repayment Right but, in lieu thereof, the Corporation shall pay to the Trustee for the account of the holders, at the time contemplated in Section 4.10(4), the cash equivalent thereof determined on the basis of the Current Market Price on the Maturity Date (less any tax required to be deducted, if any).
- (7) A holder shall be treated as the shareholder of record of the Freely Tradeable Voting Shares issued on due exercise by the Corporation of its Voting 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 distributions and dividends in kind) thereon and arising thereafter, and in the event that the Trustee receives the same, it shall hold the same in trust for the benefit of such holder.
- (8) The Corporation shall at all times reserve and keep available out of its authorized Voting Shares (if the number thereof is or becomes limited) solely for the purpose of issue and delivery upon the exercise of the Corporation's Voting Share Repayment Right as provided herein, and shall issue to Debentureholders to whom Freely Tradeable Voting Shares will be issued pursuant to exercise of the Voting Share Repayment Right, such number of Freely Tradeable Voting Shares as shall be issuable in such event. All Freely Tradeable Voting Shares which shall be so issuable shall be duly and validly issued as fully paid and non-assessable.
- (9) The Corporation shall comply with all Applicable Securities Legislation regulating the issue and delivery of Freely Tradeable Voting Shares upon exercise of the Voting Share Repayment Right and shall cause to be listed and posted for trading such Freely Tradeable

Voting Shares on each stock exchange on which the Corporation has listed the Voting Shares.

- (10) The Corporation shall from time to time promptly pay, or make provision satisfactory to the Trustee for the payment of, all taxes and charges which may be imposed by the laws of Canada or any province or territory thereof (except income tax, withholding tax or security transfer tax, if any) which shall be payable with respect to the issuance or delivery of Freely Tradeable Voting Shares to holders upon exercise of the Voting Share Repayment Right pursuant to the terms of the Debentures and of this Indenture.
- (11) If the Corporation elects to satisfy its obligation to pay all or any portion of the principal amount of Debentures due on maturity by issuing Freely Tradeable Voting Shares in accordance with this Section 4.10 and if the amount (or any portion thereof) to which a holder is entitled is subject to withholding taxes and the amount of the cash payment of the amount due on maturity, if any, is insufficient to satisfy such withholding taxes, the Trustee, on the Written Direction of the Corporation but for the account of the holder, shall settle sales, through the investment banks, brokers or dealers selected by the Corporation, out of the Freely Tradeable Voting Shares issued by the Corporation for this purpose, such number of Freely Tradeable Voting Shares that, together with the cash component of the amount due on maturity is sufficient to yield net proceeds (after payment of all costs) to cover the amount of taxes required to be withheld, and shall remit same on behalf of the Corporation to the proper tax authorities within the period of time prescribed for this purpose under applicable laws.
- (12) Each certificate or beneficial interest in a global security under a restricted CUSIP representing Freely Tradeable Voting Shares issued in payment of the Debentures bearing the U.S. Legend, as well as all certificates or beneficial interests in a global security under a restricted CUSIP, issued in exchange for or in substitution of the foregoing securities, shall bear the U.S. Legend; provided that if such Freely Tradeable Voting Shares are being sold in compliance with the requirements of Rule 904 of Regulation S and in compliance with local laws and regulations, and provided that the Corporation is a “**foreign issuer**” within the meaning of Regulation S at the time of issuance of such Freely Tradeable Voting Shares, the U.S. Legend may be removed, or such Freely Tradeable Voting Shares may be transferred from the restricted CUSIP, by providing a declaration to the Trustee, as registrar and transfer agent for the Voting Shares, substantially as set forth in Schedule D hereto (or as the Corporation or the Trustee may prescribe from time to time), together with any other evidence reasonably requested by the Corporation or the Trustee, which evidence may include an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Corporation and the Trustee, to the effect that the transfer is being made in compliance with Rule 904 of Regulation S; and provided further that, if any such Freely Tradeable Voting Shares are being sold in accordance with Rule 144 under the 1933 Act, the U.S. Legend may be removed, or such Freely Tradeable Voting Shares may be transferred from the global security issued under a restricted CUSIP, by delivery to the Trustee, as registrar and transfer agent for the Voting Shares, of an opinion of counsel of recognized standing, in form and substance reasonably satisfactory to the Trustee and the Corporation, that the U.S. Legend is no longer required under applicable requirements of the 1933 Act or applicable state securities laws. Provided that the Trustee obtains

confirmation from the Corporation that such counsel is satisfactory to it, it shall be entitled to rely on such opinion of counsel without further inquiry.

ARTICLE 5 CONVERSION OF DEBENTURES

Section 5.1 Applicability of Article

- (1) Any Debentures issued hereunder of any series which by their terms are convertible (subject, however, to any applicable restriction of the conversion of Debentures of such series) will be convertible into Freely Tradeable Voting Shares or other securities of the Corporation, at such conversion rate or rates, and on such date or dates and in accordance with such other provisions as shall have been determined at the time of issue of such Debentures and shall have been expressed in this Indenture (including Section 2.4(10), Section 2.4(11) and Section 3.7 hereof), in such Debentures, in an Officer's Certificate, or in a supplemental indenture authorizing or providing for the issue thereof.
- (2) Such right of conversion shall extend only to the maximum number of whole Voting 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. Fractional interests in Freely Tradeable Voting Shares shall be adjusted for in the manner provided in Section 5.6.

Section 5.2 Notice of Expiry of Conversion Privilege

Notice of the expiry of the conversion privileges of the Debentures shall be given by or on behalf of the Corporation, not more than 60 days and not less than 30 days prior to the date fixed for the Time of Expiry, in the manner provided in Section 14.2.

Section 5.3 Revival of Right to Convert

If the redemption of any Debenture called for redemption by the Corporation is not made or the payment of the purchase price of any Debenture which has been tendered in acceptance of an offer by the Corporation to purchase Debentures for cancellation is not made, in the case of a redemption upon due surrender of such Debenture or in the case of a purchase on the date on which such purchase is required to be made, as the case may be, then, provided the Time of Expiry has not passed, the right to convert such Debentures shall revive and continue as if such Debenture had not been called for redemption or tendered in acceptance of the Corporation's offer, respectively.

Section 5.4 Manner of Exercise of Right to Convert

- (1) The holder of a Debenture desiring to convert such Debenture in whole or in part into Freely Tradeable Voting Shares shall surrender such Debenture to the Trustee at its principal office in the City of Toronto, Ontario together with the conversion notice in the form of Schedule I and a Residency Declaration in the form of Schedule G or any other written notice in a form satisfactory to the Trustee, each 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

Trustee, exercising his right to convert such Debenture in accordance with the provisions of this Article; provided that with respect to a Global Debenture, the obligation to surrender a Debenture to the Trustee shall be satisfied if the Trustee makes notation on the Global Debenture of the principal amount thereof so converted and the Trustee is provided with all other documentation which it may request in accordance with the Applicable Procedures. Thereupon such Debentureholder or, subject to payment of all applicable stamp or security transfer taxes or other similar governmental charges and compliance with all reasonable requirements of the Trustee, his nominee(s) or assignee(s) shall be entitled to be entered in the books of the Corporation as at the Date of Conversion (or such later date as is specified in Section 5.4(2)) as the holder of the number of Freely Tradeable Voting Shares into which such Debenture is convertible in accordance with the provisions of this Article and, as soon as practicable thereafter, the Corporation shall deliver to such Debentureholder or, subject as aforesaid, his nominee(s) or assignee(s), a certificate or certificates for such Freely Tradeable Voting Shares, and make or cause to be made any payment of interest to which such holder is entitled in accordance with Section 5.4(5). Where the Depository is the registered holder of the Debenture, the Trustee shall accept delivery of and act upon a Depository letter of instruction in place of a conversion notice signed by the registered holder, containing all pertinent conversion information and accompanied by a panel for Debenture principal markdown by the Trustee, or such other documentation submitted by the Depository which the Trustee may deem satisfactory to effect the conversion being requested.

- (2) 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 when the register of the Trustee is open and in accordance with the provisions of this Article or, in the case of a Global Debenture which the Trustee received notice of and all necessary documentation in respect of the exercise of the conversion rights and, in the case of a Debenture so surrendered by mail or other means of transmission, on the date on which it is received by the Trustee at its offices specified in Section 5.4(1); provided that if a Debenture is surrendered for conversion on a day on which the register of Voting Shares is closed, the Person or Persons entitled to receive Freely Tradeable Voting Shares shall become the holder or holders of record of such Freely Tradeable Voting Shares as at the date on which such registers are next reopened.
- (3) Any part, being \$1,000 or an integral multiple thereof, of a Debenture in a denomination in excess of \$1,000 may be converted as provided in this Article and all references in this Indenture to conversion of Debentures shall be deemed to include conversion of such parts.
- (4) The holder of any Debenture of which only a part is converted shall, upon the exercise of his right of conversion surrender such Debenture to the Trustee in accordance with Section 5.4(1), and the Trustee shall cancel the same and shall without charge 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 or, with respect to a Global Debenture, the Depository shall make notations on the Global Debentures of the principal amount thereof so converted.
- (5) The holder of a Debenture surrendered for conversion in accordance with this Section 5.4 shall be entitled (subject to any applicable restriction on the right to receive interest on

conversion of Debentures of any series) to receive accrued and unpaid interest in respect thereof, in cash, up to but excluding the Date of Conversion and the Freely Tradeable Voting Shares issued upon such conversion shall rank only in respect of distributions or 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 Freely Tradeable Voting Shares pursuant to Section 5.4(2), from which applicable date they will for all purposes be and be deemed to be issued and outstanding as fully paid and non-assessable Voting Shares.

- (6) Notwithstanding any other provision of this Indenture, the certificates representing the Voting Shares issued upon any conversion of any Initial Debentures issued under the Private Offering, if issued prior to the date which is four months and one day after the issue of the Initial Debentures, will bear the following legend substantially in the following form with the necessary information inserted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT DATE THAT IS FOUR MONTHS AND ONE DAY FROM THE DATE OF THE SECURITY]."

and such Voting Shares shall not be Freely Tradeable until the expiration of any applicable restriction under Applicable Securities Legislation, such as hold periods.

Section 5.5 Adjustment of Conversion Price

Subject to the requirements of the TSX (or such other exchange on which the Debentures are then listed), the Conversion Price in effect at any date shall be subject to adjustment from time to time as set forth below.

- (1) If and whenever at any time prior to the Time of Expiry the Corporation shall
- (a) subdivide or redivide the outstanding Voting Shares into a greater number of shares,
 - (b) reduce, combine or consolidate the outstanding Voting Shares into a smaller number of shares, or
 - (c) issue Voting Shares to all the holders of the outstanding Voting Shares by way of a dividend or distribution or otherwise (other than the issue of Voting Shares to holders of Voting Shares who have elected to receive dividends or distributions in the form of Voting Shares in lieu of cash dividends or cash distributions paid in the ordinary course on the Voting Shares),

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 Voting Shares by way of a dividend or distribution, as the case may be, shall in the case of any of the events referred to in (a) and (c) above be decreased in proportion to the number of outstanding Voting Shares resulting from such subdivision, redivision or dividend, or shall, in the case of any of the events referred to in (b) above, be increased in proportion to the number of outstanding Voting Shares resulting from such reduction, combination or

consolidation. Such adjustment shall be made successively whenever any event referred to in this Section 5.5(1) shall occur. Any such issue of Voting Shares by way of a dividend or distribution shall be deemed to have been made on the record date for the dividend or distribution for the purpose of calculating the number of outstanding Voting Shares under subsections (3) and (4) of this Section 5.5.

- (2) If and whenever at any time (the “**Relevant Time**” and, the date on which the Relevant Time occurs, the “**Relevant Date**”) prior to the Time of Expiry the Corporation shall fix a record date for the payment of a cash dividend or distribution (the “**Dividend Amount**”) to all the holders of the outstanding Voting Shares, the Conversion Price shall be adjusted immediately after such record date so that it shall be equal to the price determined by multiplying the Conversion Price in effect on such record date by a fraction, of which the denominator shall be the Current Market Price on such record date and of which the numerator shall be (the Current Market Price on such record date minus the Dividend Amount . Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such cash dividend or distribution is not paid, the Conversion Price shall be re-adjusted to the Conversion Price which would then be in effect if such record date had not been fixed.
- (3) If and whenever at any time prior to the Time of Expiry the Corporation shall fix a record date for the issuance of options, rights or warrants to all the holders of the outstanding Voting Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Voting Shares (or securities convertible into Voting Shares) at a price per share (or having a conversion or exchange price per share) less than 95% of the Current Market Price 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, of which the numerator shall be the total number of Voting Shares outstanding on such record date plus a number of Voting Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Voting Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible securities so offered) by such Current Market Price, and of which the denominator shall be the total number of Voting Shares outstanding on such record date plus the total number of additional Voting Shares offered for subscription or purchase (or into which the convertible securities so offered are convertible). Such adjustment shall be made successively whenever such a record date is fixed. To the extent that any such options, rights or warrants are not so issued or any such options, rights or warrants are not exercised prior to the expiration thereof, the Conversion Price shall be re-adjusted 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 Voting Shares (or securities convertible into Voting Shares) actually issued upon the exercise of such options, rights or warrants were included in such fraction, as the case may be.
- (4) If and whenever at any time prior to the Time of Expiry, there is (i) a reclassification of the Voting Shares or a capital reorganization of the Corporation other than as described in Section 5.5(1), (ii) a consolidation, amalgamation, statutory arrangement, binding share exchange, merger of the Corporation with or into any other Person or other entity or acquisition of the Corporation or other combination pursuant to which the Voting Shares

are converted into or acquired for cash, securities or other property; or (iii) a sale or conveyance of the property or assets of the Corporation as an entirety or substantially as an entirety to any other Person (other than a direct or indirect wholly-owned Subsidiary of the Corporation) or other entity or a liquidation, dissolution or winding-up of the Corporation (any such event described in any of the foregoing subclauses (i) through (iii), a “**Merger Event**”), any holder of a Debenture who has not exercised its right of conversion prior to the effective date of such Merger Event, upon the exercise of such right thereafter, shall be entitled to receive and shall accept, in lieu of the number of Voting Shares then sought to be acquired by it, such amount of cash or the number of shares or other securities or property of the Corporation or of the Person or other entity resulting from such Merger Event, that such holder of a Debenture would have been entitled to receive on such Merger Event, if, on the record date or the effective date thereof, as the case may be, the holder had been the registered holder of the number of Voting Shares sought to be acquired by it and to which it was entitled to acquire upon the exercise of the conversion right, subject to Section 5.5(13). If determined appropriate by the Board of Directors, to give effect to or to evidence the provisions of this Section 5.5(4), the Corporation, its successor, or such purchasing Person or other entity, as the case may be, shall, prior to or contemporaneously with any such Merger Event, enter into an indenture which shall provide, to the extent possible, for the application of the provisions set forth in this Indenture with respect to the rights and interests thereafter of the holder of Debentures to the end that the provisions set forth in this Indenture shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any cash, shares or other securities or property to which a holder of Debentures is entitled on the exercise of its acquisition rights thereafter. Any indenture entered into between the Corporation and the Trustee pursuant to the provisions of this Section 5.5(4) shall be a supplemental indenture entered into pursuant to the provisions of Article 16. Any indenture entered into between the Corporation, any successor to the Corporation or such purchasing Person or other entity and the Trustee shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this Section 5.5(4) and which shall apply to successive Merger Events. For greater certainty, nothing in this Section 5.5(4) shall affect or reduce the requirement for any Person to make a Change of Control Purchase Offer or to pay the Make Whole Premium in accordance with Section 2.4, and notice of any transaction to which this Section 5.5(4) applies shall be given in accordance with Section 5.10.

The Corporation shall not become a party to any Merger Event unless its terms are consistent with this Section 5.5(4).

- (5) If the Corporation shall make a distribution to all the holders of the outstanding Voting Shares of shares in the capital of the Corporation, other than Voting Shares, or evidences of indebtedness or other assets of the Corporation, including securities (but excluding (x) any issuance of rights or warrants for which an adjustment was made pursuant to Section 5.5(3) and (y) any dividend or distribution paid exclusively in cash for which an adjustment was made pursuant to Section 5.5(2) (the “**Distributed Securities**”), then in each such case (unless the Corporation distributes such Distributed Securities to the holders of Debentures on such dividend or distribution date (as if each holder had converted such Debenture into Voting Shares immediately preceding the record date with respect to such distribution))

the Conversion Price in effect immediately preceding the ex-distribution date fixed for the dividend or distribution shall be adjusted so that the same shall equal the price determined by multiplying the Conversion Price in effect immediately preceding such ex-distribution date by a fraction of which the denominator shall be the Current Market Price immediately prior to the ex-distribution date and of which the numerator shall be the Current Market Price for the first five trading days that occur immediately post the ex-distribution date. Such adjustment shall be made successively whenever any such distribution is made and shall become effective five Business Days immediately after the ex-distribution date. In the event that such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price that would then be in effect if such dividend or distribution had not been declared.

Notwithstanding the foregoing, if the securities distributed by the Corporation to all holders of its Voting Shares consist of capital stock of, or similar equity interests in, a Subsidiary or other business of the Corporation (the “**Spinoff Securities**”), the Conversion Price shall be adjusted, unless the Corporation makes an equivalent distribution to the holders of Debentures, so that the same shall be equal to the price determined by multiplying the Conversion Price in effect on the record date fixed for the determination of shareholders entitled to receive such distribution by a fraction, the denominator of which shall be the sum of (A) the weighted average trading price of one Voting Share over the 20 consecutive trading day period (the “**Spinoff Valuation Period**”) commencing on and including the fifth trading day after the date on which ex-dividend trading commences for such distribution on the TSX (or such other exchange on which the Voting Shares are then listed) and (B) the product of (i) the weighted average trading price (calculated in substantially the same way as the Current Market Price is calculated for the Voting Shares) over the Spinoff Valuation Period of the Spinoff Securities or, if no such prices are available, the fair market value of the Spinoff Securities as reasonably determined by the Board of Directors (which determination shall, absent manifest error, be conclusive and shall be evidenced by an Officer’s Certificate delivered to the Trustee) multiplied by (ii) the number of Spinoff Securities distributed in respect of one Voting Share and the numerator of which shall be the weighted average trading price of one Voting Share over the Spinoff Valuation Period, such adjustment to become effective immediately preceding the opening of business on the 25th trading day after the date on which ex-dividend trading commences; provided, however, that the Corporation may in lieu of the foregoing adjustment elect to make adequate provision so that each holder of Debentures shall have the right to receive upon conversion thereof the amount of such Spinoff Securities that such holder of Debentures would have received if such Debentures had been converted on the record date with respect to such distribution.

- (6) If any issuer bid made by the Corporation or any of its Subsidiaries for all or any portion of Voting Shares shall require the payment to all the holders of the outstanding Voting Shares of consideration per Voting Share having a fair market value (determined as provided below) that exceeds the Current Market Price on the last date (the “**Expiration Date**”) on which tenders could have been made pursuant to such issuer bid (as it may be amended) (the last time at which such tenders could have been made on the Expiration Date is hereinafter sometimes called the “**Expiration Time**”), the Conversion Price shall be adjusted so that the same shall equal the rate determined by multiplying the Conversion

Price in effect immediately preceding the close of business on the Expiration Date by a fraction of which (i) the denominator shall be the sum of (A) the fair market value of the aggregate consideration (the fair market value as determined by the Board of Directors, whose determination shall, absent manifest error, be conclusive evidence of such fair market value and which shall be evidenced by an Officer's Certificate delivered to the Trustee) payable to shareholders based on the acceptance (up to any maximum specified in the terms of the issuer bid) of all Voting Shares validly tendered and not withdrawn as of the Expiration Time (the Voting Shares deemed so accepted, up to any such maximum, being referred to as the "**Purchased Voting Shares**") and (B) the product of the number of Voting Shares outstanding (less any Purchased Voting Shares and excluding any Voting Shares held in the treasury of the Corporation) at the Expiration Time and the Current Market Price on the Expiration Date and (ii) the numerator of which shall be the product of the number of Voting Shares outstanding (including Purchased Voting Shares but excluding any Voting Shares held in the treasury of the Corporation) at the Expiration Time multiplied by the Current Market Price on the Expiration Date, such increase to become effective immediately preceding the opening of business on the day following the Expiration Date. In the event that the Corporation is obligated to purchase Voting Shares pursuant to any such issuer bid, but the Corporation is permanently prevented by applicable law from effecting any or all such purchases or any or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would have been in effect based upon the number of Voting Shares actually purchased, if any. If the application of this clause (6) of Section 5.5 to any issuer bid would result in a decrease in the Conversion Price, no adjustment shall be made for such issuer bid under this clause (6).

For purposes of this Section 5.5(6), the term "**issuer bid**" shall mean an issuer bid under Applicable Securities Legislation or a take-over bid under Applicable Securities Legislation by a Subsidiary of the Corporation for the Voting Shares and all references to "**purchases**" of Voting Shares in issuer bids (and all similar references) shall mean and include the purchase of Voting Shares in issuer bids and all references to "**tendered Voting Shares**" (and all similar references) shall mean and include Voting Shares tendered in issuer bids.

- (7) In any case in which this Section 5.5 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 record date and before the occurrence of such event the additional Voting 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 Voting Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Voting Shares declared in favour of holders of record of Voting Shares on and after the Date of Conversion or such later date as such holder would, but for the provisions of this Section 5.5(7), have become the holder of record of such additional Voting Shares pursuant to Section 5.4(2).
- (8) The adjustments provided for in this Section 5.5 are cumulative and shall apply to successive subdivisions, redivisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this

Section, provided that, notwithstanding any other provision of 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 Section 5.5(8) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

- (9) For the purpose of calculating the number of Voting Shares outstanding, Voting Shares owned by or for the benefit of the Corporation shall not be counted.
- (10) In the event of any question arising with respect to the adjustments provided in this Section 5.5, such question shall be conclusively determined by a firm of nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation); such accountants shall have access to all necessary records of the Corporation and such determination shall be binding upon the Corporation, the Trustee, and the Debentureholders, absent manifest error.
- (11) In case the Corporation shall take any action affecting the Voting Shares other than an action described in this Section 5.5, which, in the opinion of the Board of Directors, would materially affect the rights of Debentureholders, the Conversion Price shall be adjusted in such manner and at such time, by action of the Board of Directors, subject to the prior written consent of the TSX (or such other exchange on which the Debentures are then listed), as the Board of Directors, in their sole discretion, may determine to be equitable in the circumstances. Failure of the directors to make such an adjustment shall be conclusive evidence that they have determined that it is equitable to make no adjustment in the circumstances.
- (12) Subject to the prior written consent of the TSX (or such other exchange on which the Debentures are then listed) no adjustment in the Conversion Price shall be made in respect of any event described in Section 5.5(1), Section 5.5(2), Section 5.5(3), Section 5.5(5) or Section 5.5(6) (other than the events described in Section 5.5(1)(a) or Section 5.5(1)(b)) if the holders of the Debentures are entitled to participate in such event on the same terms mutatis mutandis as if they had converted their Debentures immediately prior to the effective date or record date, as the case may be, of such event.
- (13) Except as stated above in this Section 5.5, no adjustment will be made in the Conversion Price for any Debentures as a result of the issuance of Voting Shares at less than the Current Market Price on the date of issuance or the then applicable Conversion Price.
- (14) Notwithstanding any of the foregoing in this Section 5.5, if a holder of a Debenture would otherwise be entitled to receive, upon conversion of the Debenture, any property (including cash) or securities that would not constitute “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act as it applied immediately before January 1, 2008 (“**Ineligible Consideration**”), such holder of a Debenture shall not be entitled to receive such Ineligible Consideration and 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 to such holder “prescribed securities” for the purposes of clause 212(1)(b)(vii)(E) of the Tax Act 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.

Section 5.6 No Requirement to Issue Fractional Voting Shares

The Corporation shall not be required to issue fractional Voting 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 Voting 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 Voting 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 representing such fractional interest, make a cash payment to the holder of such Debenture of an amount equal to the fractional interest which would have been issuable multiplied by the Current Market Price.

Section 5.7 Corporation to Reserve Voting Shares

The Corporation covenants to the Trustee that it will at all times reserve and keep available out of its authorized Voting Shares (if the number thereof is or becomes limited), solely for the purpose of issue upon conversion of Debentures as in this Article provided, and conditionally allot to Debentureholders who may exercise their conversion rights hereunder, such number of Voting Shares as shall then be issuable upon the conversion of all outstanding Debentures. The Corporation covenants to the Trustee that all Voting Shares which shall be so issuable shall be duly and validly issued as fully-paid and non-assessable.

Section 5.8 Cancellation of Converted Debentures

Subject to the provisions of Section 5.4 as to Debentures converted in part, all Debentures converted in whole or in part under the provisions of this Article shall be forthwith delivered to and cancelled by the Trustee and no Debenture shall be issued in substitution for those converted.

Section 5.9 Certificate as to Adjustment

The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 5.5, deliver an Officer's Certificate to the 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, and the Trustee shall be entitled to act and rely upon such Officer's Certificate, which certificate and the amount of the adjustment specified therein, if required by the Trustee, shall be verified by an opinion, advice or determination of a firm of nationally recognized chartered accountants appointed by the Corporation and acceptable to the Trustee (who may be the Auditors of the Corporation) and shall be conclusive and binding on all parties in interest. Until such Officer's Certificate is received by the Trustee, the Trustee may act and be protected in acting on the presumption that no adjustment has been made or is required. When so approved, the Corporation shall, except in respect of any subdivision, redivision, reduction, combination or consolidation of the Voting Shares, forthwith give notice to the Debentureholders in the manner provided in Section 14.2 specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting Conversion Price.

Section 5.10 Notice of Special Matters

- (1) The Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to Debentureholders in the manner provided in Section 14.2, of its intention to fix a record date for any event referred to in Section 5.5(1), Section 5.5(2), Section 5.5(3) and Section 5.5(5) (other than the subdivision, redivision, reduction, combination or consolidation of its Voting Shares) 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.
- (2) In addition, the Corporation covenants with the Trustee that so long as any Debenture remains outstanding, it will give notice to the Trustee, and to the Debentureholders in the manner provided in Section 14.2, at least 30 days prior to the effective date of any transaction referred to in Section 5.5(4) stating the consideration into which the Debentures will be convertible after the effective date of such transaction.

Section 5.11 Protection of Trustee

The Trustee:

- (1) 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;
- (2) shall not be accountable with respect to the validity or value (or the kind or amount) of any Voting Shares or of any shares or other securities or property which may at any time be issued or delivered upon the conversion of any Debenture; and
- (3) shall not be responsible for any failure of the Corporation to make any cash payment or to issue, transfer or deliver Voting Shares or share certificates upon the surrender of any Debenture for the purpose of conversion, or to comply with any of the covenants contained in this Article.

ARTICLE 6 INTERCREDITOR AGREEMENT

Section 6.1 Acknowledgment and Authorization

- (1) The Corporation acknowledges that the Trustee, on behalf of the Debentureholders, has agreed to enter into an intercreditor agreement (the “**Intercreditor Agreement**”) in substantially the form set out in Schedule I, with the administrative agent to and on behalf of the Corporation's lender(s) (in such capacity, the “**Administrative Agent**”) pursuant to credit facilities made available under a second amended and restated credit agreement

dated June 28, 2019 among the Corporation, the Administrative Agent and certain lenders from time to time who are parties thereto, as amended by the amending agreement no. 1 dated as of September 20, 2019, the amending agreement no. 2 dated as of November 18, 2019, the amending agreement no. 3 dated as of April 28, 2020, the amending agreement no. 4 dated as of September 30, 2020, the amending agreement no. 5 dated as of March 1, 2021 and the amending agreement no. 6 dated as of March 16, 2021 (as further amended, restated, supplemented, modified or replaced from time to time, the “**Credit Agreement**”).

(2) The Debentureholders:

- (a) consent and agree to the intercreditor arrangements provided in Article 2 of the Intercreditor Agreement; and
- (b) authorize the Trustee, on behalf of the Debentureholders, to enter into the Intercreditor Agreement and any subsequent amendment, restatement, assignment or replacement of the Intercreditor Agreement in accordance with the terms contained in the Intercreditor Agreement, including, for greater certainty, any replacement intercreditor agreement on substantially similar terms upon a refinancing or replacement of the Credit Agreement, and to perform its obligations thereunder and the Debentureholders acknowledge and agree to the terms thereof.

ARTICLE 7 COVENANTS OF THE CORPORATION

The Corporation hereby covenants and agrees with the Trustee for the benefit of the Trustee and the Debentureholders, that so long as any Debentures remain outstanding:

Section 7.1 To Pay Principal, Premium (if any) and Interest

The Corporation will duly and punctually pay or cause to be paid to every Debentureholder the principal of, premium (if any) and interest accrued on the Debentures of which it is the holder on the dates, at the places and in the manner mentioned herein and in the Debentures.

Section 7.2 Restrictions on Certain Actions

Other than any Voting Share issuance pursuant to the pre-emptive right in respect of Voting Share issuances granted by the Corporation in favour of Air Canada or its assignee pursuant to the Air Canada Investor Rights Agreement, the Corporation shall not, directly or indirectly (through a Subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Class A Variable Voting Shares and/or Class B Voting Shares, dividend or other distribution on the Class A Variable Voting Shares and/or Class B Voting 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 part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the Voting Share Redemption Right or Voting Share Repayment Right, or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Voting Share Redemption Right or Voting Share Repayment Right.

Section 7.3 To Pay Trustee's Remuneration

The Corporation will pay the Trustee reasonable remuneration for its services as Trustee hereunder and will repay to the Trustee on demand all monies which shall have been paid by the Trustee in connection with the execution of the trusts hereby created and such monies including the Trustee's remuneration, shall be payable out of any funds coming into the possession of the Trustee in priority to payment of any principal of the Debentures or interest or premium thereon. Such remuneration shall continue to be payable until the trusts hereof be finally wound up and whether or not the trusts of this Indenture shall be in the course of administration by or under the direction of a court of competent jurisdiction.

Section 7.4 To Give Notice of Default

The Corporation shall notify the Trustee immediately upon obtaining knowledge of any Event of Default that is continuing hereunder. When notice of the occurrence of an Event of Default has been given and the Event of Default is thereafter cured, notice that the Event of Default is no longer continuing shall be given by the Corporation to the Trustee immediately upon obtaining knowledge that the Event of Default has been cured.

Section 7.5 Preservation of Existence, etc.

Subject to the express provisions hereof, the Corporation will carry on and conduct its activities, and cause its Subsidiaries to carry on and conduct their businesses, in a business-like manner and in accordance with good business practices; and, subject to the express provisions hereof, it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence and rights.

Section 7.6 Keeping of Books

The Corporation will keep or cause to be kept proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Corporation in accordance with generally accepted accounting principles.

Section 7.7 Annual Certificate of Compliance

The Corporation shall deliver to the Trustee, within 120 days after the end of each calendar year (and at any reasonable time upon demand by the Trustee) an Officer's Certificate as to the knowledge of such officers of the Corporation who execute the Officer's Certificate of the Corporation's compliance with all conditions and covenants in this Indenture certifying that after reasonable investigation and inquiry the Corporation has complied with all covenants, conditions or other requirements contained in this Indenture, the non-compliance with which could, with the giving of notice, lapse of time or otherwise, constitute an Event of Default hereunder, or if such is

not the case, setting forth with reasonable particulars the circumstances of any failure to comply and steps taken or proposed to be taken to eliminate such circumstances and remedy such Event of Default, as the case may be.

Section 7.8 Performance of Covenants by Trustee

If the Corporation shall fail to perform any of its covenants contained in this Indenture, the Trustee may notify the Debentureholders of such failure on the part of the Corporation or may itself perform any of the covenants capable of being performed by it, but shall be under no obligation to do so or to notify the Debentureholders. All sums so expended or advanced by the Trustee shall be repayable as provided in Section 7.3. No such performance, expenditure or advance by the Trustee shall be deemed to relieve the Corporation of any default hereunder.

Section 7.9 Maintain Listing

The Corporation will use reasonable commercial efforts to maintain the listing of the Voting Shares and the Debentures on the TSX or such other exchange on which the Voting Shares and the Debentures may be listed from time to time, and to maintain the Corporation's status as a **"reporting issuer"** not in default of the requirements of Applicable Securities Legislation; provided that the foregoing covenant shall not prevent or restrict the Corporation from carrying out a transaction to which Article 11 would apply if carried out in compliance with Article 11 even if as a result of such transaction the Corporation ceases to be a **"reporting issuer"** in all or any of the provinces or territories of Canada or the Voting Shares or Debentures cease to be listed on the TSX or any other stock exchange.

Section 7.10 No Dividends on Voting Shares if Event of Default

The Corporation shall not declare or pay any dividend to the holders of its issued and outstanding Voting Shares after the occurrence of an Event of Default unless and until such Event of Default shall have been cured or waived or shall have ceased to exist.

Section 7.11 Withholding Matters

All payments made by or on behalf of the Corporation under or with respect to the Debentures (including, without limitation, any penalties, interest and other liabilities related thereto) will be made free and clear of and without withholding, or deduction for, or on account of, any present or future tax, duty, levy, impost, assessment or other governmental charge (including, without limitation, penalties, interest and other liabilities related hereto) imposed or levied by or on behalf of the Government of Canada or the United States or elsewhere, or of any province or territory thereof or by any authority or agency therein or thereof having power to tax (**"Withholding Taxes"**), unless the Corporation is required by law or the interpretation or administration thereof, to withhold or deduct any amounts for, or on account of Withholding Taxes. If the Corporation is so required to withhold or deduct any amount for, or on account of, Withholding Taxes from any payment made under or with respect to the Debentures, the Corporation shall deduct and withhold such Withholding Taxes from any payment to be made with respect to the Debentures and, provided that the Corporation forthwith remits such amount to the relevant governmental authority or agency, the amount of any such deduction or withholding will be considered an amount paid in satisfaction of the Corporation's obligations under the

Debentures. There is no obligation on the Corporation to gross-up or pay additional amounts to a holder of Debentures in respect of such deductions or withholdings. For greater certainty, if any amount is required to be deducted or withheld in respect of Withholding Taxes upon a conversion of a Debenture, the redemption of a Debenture where the Corporation has exercised the Voting Share Redemption Right or the repayment of a Debenture where the Corporation has exercised the Voting Share Repayment Right, the Corporation shall be entitled to liquidate such number of Voting Shares (or other securities) issuable as a result of such conversion, redemption or repayment as shall be necessary in order to satisfy such requirement. The Corporation shall provide the Trustee with copies of receipts or other communications relating to the remittance of such withheld amount or the filing of any forms received from such governmental authority or agency promptly after receipt thereof.

Section 7.12 SEC Reporting Status

- (1) The Corporation confirms that as at the date of execution of this Indenture it does not have a class of securities registered pursuant to Section 12 of the U.S. Securities Exchange Act or have a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act.
- (2) The Corporation covenants that in the event that (i) any class of its securities shall become registered pursuant to Section 12 of the U.S. Securities Exchange Act or the Corporation shall incur a reporting obligation pursuant to Section 15(d) of the U.S. Securities Exchange Act, or (ii) any such registration or reporting obligation shall be terminated by the Corporation in accordance with the U.S. Securities Exchange Act, the Corporation shall promptly deliver to the Trustee an Officer's Certificate (in a form provided by the Trustee) notifying the Trustee of such registration or termination and such other information as the Trustee may require at the time. The Corporation acknowledges that the Trustee is relying upon the foregoing representation and covenants in order to meet certain SEC obligations with respect to those clients who are filing with the SEC.

ARTICLE 8 DEFAULT

Section 8.1 Events of Default

- (1) Each of the following events constitutes, and is herein sometimes referred to as, an “**Event of Default**”:
 - (a) failure to pay principal or premium (whether by way of payment of cash or delivery of Voting Shares), if any, on the Debentures when due whether at maturity, upon redemption, on a Change of Control, by declaration or otherwise;
 - (b) failure to pay interest on the Debentures when due and payable, which default continues for 10 days;
 - (c) default in the delivery, when due, of any Voting Shares, which default continues for 15 days;

- (d) default in the observance of the covenant to maintain the listing of the Voting Shares and the Debentures on the TSX, which default continues for 10 Business Days;
- (e) default in the observance or performance of any covenant or condition of the Indenture by the Corporation and the failure to cure (or obtain a waiver for) such default for a period of 30 days after notice in writing has been given by the Trustee or from holders of not less than 25% in aggregate principal amount of the Debentures to the Corporation specifying such default and requiring the Corporation to rectify such default or obtain a waiver for same;
- (f) failure to (i) make a Change of Control Purchase Offer within 30 days of the completion of a Change of Control; and (ii) take up and pay for, within the time period prescribed by Section 2.4(9), any Initial Debentures then outstanding and tendered by the holders thereof in acceptance of the Change of Control Purchase Offer;
- (g) a decree, judgment, or order by a Court having jurisdiction in the premises is entered adjudging the Corporation or any Material Subsidiary bankrupt or insolvent or approving as properly filed a petition seeking reorganization, readjustment, arrangement, composition or similar relief for the Corporation or any Material Subsidiary under the *Bankruptcy and Insolvency Act (Canada)*, *Companies' Creditors Arrangement Act (Canada)* or any other similar bankruptcy, insolvency or analogous applicable laws of Canada or any province thereof, and such decree, judgment or order of a Court having jurisdiction in the premises for the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Corporation or any Material Subsidiary or of a substantial part of the property of the Corporation or any Material Subsidiary, or for the winding up or liquidation of its affairs, shall have remained in forced for a period of 60 consecutive days; or any substantial part of the property of the Corporation or any Material Subsidiary shall be sequestered or attached and shall not be returned to the possession of the Corporation or the relevant Material Subsidiary (as applicable) or released from such attachment, as the case may be, whether by filing of a bond, or stay or otherwise, within 60 consecutive days thereafter;
- (h) if the Corporation or any Material Subsidiary institutes proceedings to be adjudicated a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it, or files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under the *Bankruptcy and Insolvency Act (Canada)*, *Companies' Creditors Arrangement Act (Canada)* or any other similar bankruptcy, insolvency or analogous applicable laws, or consents to the filing of any such petition, or consents to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency for it or a substantial part of its property, or makes an assignment for the benefit of creditors, or the Corporation is unable, or admits in writing its inability, to pay its debts generally as they become due, or corporate action is taken by the Corporation or any Material Subsidiary, as applicable, in furtherance of any of the aforesaid actions;

- (i) if a resolution is passed for the winding-up or liquidation of the Corporation or any Material Subsidiary except in the course of carrying out or pursuant to a transaction in respect of which the conditions of Section 11.1 are duly observed and performed; or
- (j) if an event of default occurs and is continuing under any indenture, Guarantee, agreement or other instrument evidencing or governing Indebtedness for borrowed money (other than Non-Recourse Debt) by the Corporation having an outstanding principal amount in excess of \$30,000,000 (or the equivalent amount in any other currency), and as a result of such event of default (i) such Indebtedness has become due and payable before the date it would otherwise have been due and payable, and (ii) the holders of such Indebtedness are entitled to commence, and have commenced, the enforcement of security they hold for such Indebtedness (if any) or the exercise of any other creditors' remedies to collect such Indebtedness;

then: (x) in each and every such event listed above which is continuing, the Trustee may, in its discretion but subject to the provisions of this section, and shall, upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding (or if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures of such series then outstanding), subject to the provisions of Section 8.3, by notice in writing to the Corporation declare the principal of and interest and premium, if any, on all Debentures then outstanding and all other monies outstanding hereunder to be due and payable and the same shall thereupon forthwith become immediately due and payable (or, if the Event of Default shall exist only in respect of one or more series of the Debentures then outstanding, then the Trustee may declare due and payable the principal and interest and premium, if any, only with respect to such Debentures in respect of which there is an Event of Default) to the Trustee, and (y) on the occurrence of an Event of Default under Section 7.1(1)(g), Section 7.1(1)(h) and Section 7.1(1)(i), the principal of and interest and premium, if any, on all Debentures then outstanding hereunder and all other monies outstanding hereunder, shall automatically without any declaration or other act on the part of the Trustee or any Debentureholder become immediately due and payable to the Trustee and, in either case, upon such amounts becoming due and payable in either (x) or (y) above, the Corporation shall forthwith pay to the Trustee for the benefit of the Debentureholders such principal, accrued and unpaid interest and premium, if any, and interest on amounts in default on such Debenture and all other monies outstanding hereunder, together with subsequent interest at the rate borne by the Debentures on such principal, interest, premium and such other monies from the date of such declaration or event until payment is received by the Trustee, such subsequent interest to be payable at the times and places and in the manner mentioned in and according to the tenor of the Debentures. Such payment when made shall be deemed to have been made in discharge of the Corporation's obligations hereunder and any monies so received by the Trustee shall be applied in the manner provided in Section 8.6.

- (2) For purposes of this Article 8, where the Event of Default refers to an Event of Default with respect to a particular series of Debentures as described in this Section 8.1, then this Article 8 shall apply *mutatis mutandis* to the Debentures of such series and references in

this Article 8 to the Debentures shall mean Debentures of the particular series and references to the Debentureholders shall refer to the Debentureholders of the particular series, as applicable.

Section 8.2 Notice of Events of Default

If an Event of Default shall occur and be continuing the Trustee shall, within 30 days after it receives written notice of the occurrence of such Event of Default, give notice of such Event of Default to the Debentureholders in the manner provided in Section 14.2, provided that notwithstanding the foregoing, unless the Trustee shall have been requested to do so by the holders of at least 25% of the principal amount of the Debentures then outstanding, the Trustee shall not be required to give such notice if the Trustee in good faith shall have determined that the withholding of such notice is in the best interests of the Debentureholders and shall have so advised the Corporation in writing.

Section 8.3 Waiver of Default

- (1) Upon the occurrence of any Event of Default hereunder which is continuing:
 - (a) the holders of the Debentures shall have the power (in addition to the powers exercisable by Extraordinary Resolution as hereinafter provided) by requisition in writing by the holders of more than 50% of the principal amount of Debentures then outstanding, to instruct the Trustee to waive any Event of Default and to cancel any declaration made by the Trustee pursuant to Section 8.1 and the Trustee shall thereupon waive the Event of Default and cancel such declaration, or either, upon such terms and conditions as shall be prescribed in such requisition; provided that notwithstanding the foregoing if the Event of Default has occurred by reason of the non-observance or non-performance by the Corporation of any covenant applicable only to one or more series of Debentures, then the holders of more than 50% of the principal amount of the outstanding Debentures of that series shall be entitled to exercise the foregoing power and the Trustee shall so act and it shall not be necessary to obtain a waiver from the holders of any other series of Debentures; and
 - (b) the Trustee, so long as it has not become bound to declare the principal 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 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 Trustee in the exercise of its discretion, upon such terms and conditions as the Trustee may deem advisable.
- (2) No such act or omission either of the Trustee or of the Debentureholders shall extend to or be taken in any manner whatsoever to affect any subsequent Event of Default or the rights resulting therefrom.

Section 8.4 Enforcement by the Trustee

- (1) Subject to the provisions of Section 8.3 and to the provisions of any Extraordinary Resolution that may be passed by the Debentureholders, if the Corporation shall fail to pay to the Trustee, forthwith after the same shall have been declared to be due and payable under Section 8.1, the principal of and premium (if any) and interest on all Debentures then outstanding, together with any other amounts due hereunder, the Trustee may in its discretion and shall upon receipt of a request in writing signed by the holders of not less than 25% in principal amount of the Debentures then outstanding and upon being funded and indemnified to its reasonable satisfaction against all costs, expenses and liabilities to be incurred, proceed in its name as trustee hereunder to obtain or enforce payment of such principal of and premium (if any) 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 Trustee in such request shall have been directed to take, or if such request contains no such direction, or if the Trustee shall act without such request, then by such proceedings authorized by this Indenture or by suit at law or in equity as the Trustee shall deem expedient.
- (2) The 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 holders of the Debentures, 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 Trustee and of the holders of the Debentures 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 Trustee is hereby irrevocably appointed (and the successive respective holders of the Debentures by taking and holding the same shall be conclusively deemed to have so appointed the Trustee) the true and lawful attorney-in-fact of the respective holders of the Debentures with authority to make and file in the respective names of the holders of the Debentures or on behalf of the holders of the Debentures as a class, subject to deduction from any such claims of the amounts of any claims filed by any of the holders of the Debentures 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 other papers and documents and to do and perform any and all such acts and things for and on behalf of such holders of the Debentures, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claims of the Trustee and of the holders of the Debentures 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 subject to Section 8.3, nothing contained in this Indenture shall be deemed to give to the Trustee, unless so authorized by Extraordinary Resolution, any right to accept or consent to any plan of reorganization or otherwise by action of any character in such proceeding to waive or change in any way any right of any Debentureholder.
- (3) The Trustee shall also have the 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.

- (4) All rights of action hereunder may be enforced by the Trustee without the possession of any of the Debentures or the production thereof on the trial or other proceedings relating thereto.
- (5) Any such suit or proceeding instituted by the Trustee shall be brought in the name of the Trustee as trustee of an express trust, and any recovery of judgment shall be for the rateable benefit of the holders of the Debentures subject to the provisions of this Indenture. In any proceeding brought by the 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 Trustee shall be a party) the Trustee shall be held to represent all the holders of the Debentures, and it shall not be necessary to make any holders of the Debentures parties to any such proceeding.

Section 8.5 No Suits by Debentureholders

No holder of any Debenture shall have any right to institute any action, suit or proceeding at law or in equity for the purpose of enforcing payment of the principal of or interest on the Debentures or for the execution of any trust or power hereunder or for the appointment of a liquidator or receiver or 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: (a) such holder shall previously have given to the Trustee written notice of the occurrence of an Event of Default that is continuing hereunder; and (b) the Debentureholders by Extraordinary Resolution or by written instrument signed by the holders of at least 25% in principal amount of the Debentures then outstanding shall have made a request to the Trustee and the 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; and (c) the Debentureholders or any of them shall have furnished to the Trustee, when so requested by the Trustee, sufficient funds and security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby; and (d) the 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 Trustee, to be conditions precedent to any such proceeding or for any other remedy hereunder by or on behalf of the holder of any Debentures.

Section 8.6 Application of Monies by Trustee

- (1) Except as herein otherwise expressly provided, any monies received by the Trustee from the Corporation pursuant to the foregoing provisions of this Article 8, 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 monies in the hands of the Trustee available for such purpose, as follows:
 - (a) first, in payment or in reimbursement to the Trustee of its compensation, costs, charges, expenses, borrowings, advances or other monies furnished or provided by or at the instance of the Trustee in or about the execution of its trusts under, or otherwise in relation to, this Indenture, with interest thereon as herein provided;

- (b) second, but subject as hereinafter in this Section 8.6 provided, in payment, rateably and proportionately to the holders of Debentures, of the principal of and premium (if any) 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 premium and then accrued and unpaid interest and interest on amounts in default unless otherwise directed by Extraordinary Resolution and in that case in such order or priority as between principal, premium (if any) and interest as may be directed by such resolution; and
 - (c) third, in payment of the surplus, if any, of such monies to the Corporation or its assigns; provided, however, that no payment shall be made pursuant to clause (b) above in respect of the principal, premium or interest on any Debenture held, directly or indirectly, by or for the benefit of the Corporation or any Subsidiary thereof (other than any Debenture pledged 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, premium (if any) and interest (if any) on all Debentures which are not so held.
- (2) The Trustee shall not be bound to apply or make any partial or interim payment of any monies coming into its hands if the amount so received by it, after reserving thereout such amount as the Trustee may think necessary to provide for the payments mentioned in Section 8.6(1) is insufficient to make a distribution of at least 2% 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 15.9 until the money or the investments representing the same, with the income derived therefrom, together with any other monies for the time being under its control shall be sufficient for the said purpose or until it shall consider it advisable to apply the same in the manner hereinbefore set forth. The foregoing shall, however, not apply to a final payment in distribution hereunder.

Section 8.7 Notice of Payment by Trustee

Not less than 15 days' notice shall be given in the manner provided in Section 14.2 by the Trustee to the Debentureholders of any payment to be made under this Article 8. Such notice shall state the time when and place where such payment is to be made and also the liability under this Indenture to which it is to be applied. After the day so fixed, unless payment shall have been duly demanded and have been refused, the Debentureholders will be entitled to interest only on the balance (if any) of the principal monies, premium (if any) and interest due (if any) to them, respectively, on the Debentures, after deduction of the respective amounts payable in respect thereof on the day so fixed.

Section 8.8 Trustee May Demand Production of Debentures

The Trustee shall have the right to demand production of the Debentures in respect of which any payment of principal, interest or premium required by this Article 8 is made and may cause to be endorsed on the same a memorandum of the amount so paid and the date of payment, but the Trustee may, in its discretion, dispense with such production and endorsement, upon such indemnity being given to it and to the Corporation as the Trustee shall deem sufficient.

Section 8.9 Remedies Cumulative

No remedy herein conferred upon or reserved to the Trustee, or upon or to the holders of Debentures 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.

Section 8.10 Judgment Against the Corporation

The Corporation covenants and agrees with the 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 Trustee, as trustee for the Debentureholders, for any amount which may remain due in respect of the Debentures and premium (if any) and the interest thereon and any other monies owing hereunder.

Section 8.11 Immunity of Directors, Officers and Others

The Debentureholders and the Trustee hereby waive and release any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future officer, director or employee of the Corporation or any of its Subsidiaries or holder of Voting Shares of the Corporation or of any successor for the payment of the principal of or premium or interest on any of the Debentures or on any covenant, agreement, representation or warranty by the Corporation contained herein or in the Debentures.

ARTICLE 9 SATISFACTION AND DISCHARGE

Section 9.1 Cancellation and Destruction

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

Section 9.2 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 of, premium (if any) 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 Trustee may require:

- (a) the Corporation shall be entitled to pay or deliver to the Trustee and direct it to set aside; or
- (b) in respect of monies or Voting Shares in the hands of the Trustee which may or should be applied to the payment of the Debentures, the Corporation shall be entitled to direct the Trustee to set aside; or

- (c) if the redemption was pursuant to notice given by the Trustee, the Trustee may itself set aside;

the monies or Voting Shares, 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 of, premium (if any) or the interest payable on or represented by each Debenture in respect whereof such monies or Voting 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 monies or Voting Shares, if applicable, so set aside by the Trustee upon due presentation and surrender thereof, subject always to the provisions of Section 9.3.

Section 9.3 Repayment of Unclaimed Monies or Voting Shares

Subject to applicable law, any monies or Voting Shares, if applicable, set aside under Section 9.2 and not claimed by and paid to holders of Debentures as provided in Section 9.2 within six years after the date of such setting aside shall be repaid and delivered to the Corporation by the Trustee and thereupon the Trustee shall be released from all further liability with respect to such monies or Voting Shares, if applicable, and thereafter the holders of the Debentures in respect of which such monies or Voting Shares, if applicable, were so repaid to the Corporation shall have no rights in respect thereof except to obtain payment and delivery of the monies or Voting Shares, if applicable, from the Corporation subject to any limitation provided by the laws of the Province of Ontario. Notwithstanding the foregoing, the Trustee will pay any remaining funds prior to the expiry of six years after the setting aside described in Section 9.2 to the Corporation upon receipt from the Corporation, of an unconditional letter of credit from a Canadian chartered bank in an amount equal to or in excess of the amount of the remaining funds. If the remaining funds are paid to the Corporation prior to the expiry of six years after such setting aside, the Corporation shall reimburse the Trustee for any amounts so set aside which are required to be paid by the Trustee to a holder of a Debenture after the date of such payment of the remaining funds to the Corporation but prior to six years after such setting aside.

Section 9.4 Discharge

The Trustee shall at the written request 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 Trustee), upon proof being given to the reasonable satisfaction of the Trustee that the principal of, premium (if any) and interest (including interest on amounts in default, if any), on all the Debentures and all other monies payable hereunder have been paid or satisfied or that all the Debentures having matured or having been duly called for redemption, payment of the principal of and interest (including interest on amounts in default, if any) on such Debentures and of all other monies payable hereunder has been duly and effectually provided for in accordance with the provisions hereof.

Section 9.5 Satisfaction

- (1) The Corporation shall be deemed to have fully paid, satisfied and discharged all of the outstanding Debentures of any series and the Trustee, at the expense of the Corporation,

shall execute and deliver proper instruments acknowledging the full payment, satisfaction and discharge of such Debentures, when, with respect to all of the outstanding Debentures or all of the outstanding Debentures of any series, as applicable:

- (a) the Corporation has deposited or caused to be deposited with the Trustee as trust funds or property in trust for the purpose of making payment on such Debentures, an amount in money or Voting Shares, if applicable, sufficient to pay, satisfy and discharge the entire amount of principal of, premium, if any, and interest, if any, to maturity, or any repayment date, Redemption Dates, or any Change of Control Purchase Date, or upon conversion or otherwise as the case may be, of such Debentures;
- (b) the Corporation has deposited or caused to be deposited with the Trustee as trust property in trust for the purpose of making payment on such Debentures:
 - (i) if the Debentures are issued in Canadian dollars, such amount in Canadian dollars of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or Voting Shares, if applicable; or
 - (ii) if the Debentures are issued in a currency or currency unit other than Canadian dollars, cash in the currency or currency unit in which the Debentures are payable and/or such amount in such currency or currency unit of direct obligations of, or obligations the principal and interest of which are guaranteed by, the Government of Canada or the government that issued the currency or currency unit in which the Debentures are payable or Voting Shares, if applicable;

as will be sufficient to pay and discharge the entire amount of principal of, premium, if any on, and accrued and unpaid interest to maturity or any repayment date, Redemption Date, Change of Control Purchase Date or 90% Redemption Right Purchase Date, as the case may be, of all such Debentures; or

- (c) all Debentures authenticated and delivered (other than (A) Debentures which have been destroyed, lost or stolen and which have been replaced or paid as provided in Section 2.10 and (B) Debentures for whose payment has been deposited in trust and thereafter repaid to the Corporation as provided in Section 9.3) have been delivered to the Trustee for cancellation;

so long as in any such event:

- (d) the Corporation has paid, caused to be paid or made provisions to the satisfaction of the Trustee for the payment of all other sums payable or which may be payable with respect to all of such Debentures (together with all applicable expenses of the Trustee in connection with the payment of such Debentures); and

- (e) the Corporation has delivered to the Trustee an Officer's Certificate stating that all conditions precedent herein provided relating to the payment, satisfaction and discharge of all such Debentures have been complied with.
- (2) Any deposits with the Trustee referred to in this Section 9.5 shall be irrevocable, subject to Section 9.6, and shall be made under the terms of an escrow and/or trust agreement in form and substance satisfactory to the Trustee and which provides for the due and punctual payment of the principal of, premium, if any, and interest on the Debentures being satisfied.
- (3) Upon the satisfaction of the conditions set forth in this Section 9.5 with respect to all the outstanding Debentures, or all the outstanding Debentures of any series, as applicable, the terms and conditions of the Debentures, including the terms and conditions with respect thereto set forth in this Indenture (other than those contained in Article 2 and Article 4 and the provisions of Article 1 pertaining to Article 2 and Article 4) shall no longer be binding upon or applicable to the Corporation.
- (4) Any funds or obligations deposited with the Trustee pursuant to this Section 9.5 shall be denominated in the currency or denomination of the Debentures in respect of which such deposit is made.
- (5) If the Trustee is unable to apply any money or securities by reason of any legal proceeding or any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application or, for greater certainty, by the terms of the Intercreditor Agreement, the Corporation's obligations under this Indenture and the affected Debentures shall be revived and reinstated as though no money or securities had been deposited pursuant to this Section 9.5 until such time as the Trustee is permitted to apply all such money or securities in accordance with this Section 9.5, provided that if the Corporation has made any payment in respect of principal of, premium, if any, or interest on Debentures or, as applicable, other amounts because of the reinstatement of its obligations, the Corporation shall be subrogated to the rights of the holders of such Debentures to receive such payment from the money or securities held by the Trustee.

Section 9.6 Continuance of Rights, Duties and Obligations

- (1) Where trust funds or trust property have been deposited pursuant to Section 9.5 the holders of Debentures and the Corporation shall continue to have and be subject to their respective rights, duties and obligations under Article 2 and Article 4.
- (2) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5 in respect of a series of Debentures (the "**Defeased Debentures**"), any holder of any of the Defeased Debentures from time to time converts its Debentures to Voting Shares or other securities of the Corporation in accordance with Section 2.4(11) (in respect of Initial Debentures or the comparable provision of any other series of Debentures), Article 5 or any other provision of this Indenture, the Trustee shall upon receipt of a Written Direction of the Corporation return to the Corporation from time to time the proportionate amount of the trust funds or other trust property deposited with the Trustee pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures so converted (which amount shall be based on the applicable principal amount of the Defeased

Debentures being converted in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

- (3) In the event that, after the deposit of trust funds or trust property pursuant to Section 9.5, the Corporation is required to make a Change of Control Purchase Offer to purchase any outstanding Debentures pursuant to Section 2.4(9), in relation to Initial Debentures or to make an offer to purchase Debentures pursuant to any other similar provisions relating to any other series of Debentures, the Corporation shall be entitled to use any trust money or trust property deposited with the Trustee pursuant to Section 9.5 for the purpose of paying to any holders of Defeased Debentures who have accepted any such offer of the Corporation the Total Offer Price payable to such holders in respect of such Change of Control Purchase Offer in respect of Initial Debentures (or the total offer price payable in respect of an offer relating to any other series of Debentures). Upon receipt of a Written Direction from the Corporation, the Trustee shall be entitled to pay to such holder from such trust money or trust property deposited with the Trustee pursuant to Section 9.5 in respect of the Defeased Debentures which is applicable to the Defeased Debentures held by such holders who have accepted any such offer of the Corporation (which amount shall be based on the applicable principal amount of the Defeased Debentures held by accepting offerees in relation to the aggregate outstanding principal amount of all the Defeased Debentures).

ARTICLE 10 VOTING SHARE INTEREST PAYMENT ELECTION

Section 10.1 Voting Share Interest Payment Election

- (1) Provided that no Event of Default has occurred and is continuing and that all applicable regulatory approvals have been obtained (including any required approval of any stock exchange on which the Debentures or Voting Shares are then listed), the Corporation shall have the right, from time to time (including following conversion, at the time of redemption or at the time of maturity), to make a Voting Share Interest Payment Election in respect of any Interest Obligation by delivering a Voting Share Interest Payment Election Notice to the Trustee 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 Voting Shares are then listed, and (ii) the day which is 15 Business Days prior to the Interest Payment Date to which the Voting Share Interest Payment Election relates. Such Voting Share Interest Payment Election Notice shall provide that all or a portion of the Interest Obligation may be paid by the Corporation in Voting Shares, and if only a portion of the Interest Obligation is to be paid in Voting Shares, the Voting Share Interest Payment Election shall state such portion to be paid in Voting Shares and such portion to be paid in cash.
- (2) Upon receipt of a Voting Share Interest Payment Election Notice, the Trustee shall, in accordance with this Article 10 and such Voting Share Interest Payment Election Notice, act as agent of the Corporation solely for the purposes of settling the sale of Voting Shares to those investment banks, brokers or dealers identified in writing by the Corporation at the price agreed between the Corporation and such investment banks, brokers or dealers in the Voting Share Interest Payment Election Notice (which may be the market price from time to time or based thereon). In connection with the Voting Share Interest Payment

Election, the Trustee shall have the power to: (i) accept delivery of the Voting Shares from the Corporation and process the Voting Shares in accordance with the Voting Share Interest Payment Election Notice; (ii) settle the sale of such Voting Shares on behalf of the Corporation, as the Corporation shall direct in its absolute discretion through the investment banks, brokers or dealers identified by the Corporation in the Voting Share Interest Payment Election Notice at the price identified therein (which may be the market price from time to time or based thereon); (iii) invest the proceeds of such sales on the direction of the Corporation in Government Obligations which mature prior to an applicable Interest Payment Date; (iv) use such proceeds, together with proceeds from the sale of Voting Shares not invested as aforesaid, to pay the Interest Obligation in respect of which the Voting Share Interest Payment Election was made; (v) deliver proceeds to holders of Debentures to satisfy all or a portion of the Corporation's Interest Obligations, as directed by the Corporation in the Voting Share Interest Payment Election Notice; and (vi) perform any other action necessarily incidental thereto as directed by the Corporation in its absolute discretion with the consent of the Trustee. Each Voting 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 Voting Shares which, together with the cash payments to be made by the Corporation in lieu of fractional Voting Shares, if any, equal the Interest Obligation or a portion thereof as specified in the Voting Share Interest Payment Election Notice on the Voting Share Delivery Date. The Trustee will be the agent of the Corporation solely for purposes of settling the sale of the Voting Shares to those investment banks, brokers or dealers designated by the Corporation and at the price agreed to between the Corporation and such investment banks, brokers or dealers (which may be the market price from time to time or based thereon), and paying proceeds therefrom in satisfaction of the Interest Obligation.

- (3) The Voting 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 Trustee at any time prior to the settlement of the sale of the Voting Shares on the Voting Share Delivery Date, to withdraw the Voting Share Interest Payment Election (which shall have the effect of withdrawing each related Voting Share Bid Request), whereupon the Corporation shall be obliged to pay in cash the Interest Obligation in respect of which the Voting Share Interest Payment Election Notice has been delivered.
- (4) Any sale of Voting Shares pursuant to this Article 10 may be made to one or more Persons whose bids are solicited, but all such sales with respect to a particular Voting Share Interest Payment Election shall take place concurrently on the Voting Share Delivery Date.
- (5) The Corporation and the applicable bidders shall, not later than the Voting Share Delivery Date, enter into Voting Share Purchase Agreements and shall comply with all Applicable Securities Legislation, including the securities rules and regulations of any stock exchange on which the Debentures or Voting Shares are then listed. The Corporation shall pay all fees and expenses in connection with the Voting Share Purchase Agreements including the fees and commissions charged by the investment banks, brokers and dealers and the fees of the Trustee.
- (6) Provided that: (i) all conditions specified in each Voting Share Purchase Agreement to the closing of all sales thereunder have been satisfied, other than the delivery of the Voting

Shares to be sold thereunder against payment of the purchase price thereof; and (ii) the purchasers under each Voting Share Purchase Agreement shall be ready, willing and able to perform thereunder, in each case on the Voting Share Delivery Date, the Corporation shall, on the Voting Share Delivery Date, deliver to the Trustee the Voting Shares to be sold on such date, an amount in cash equal to the value of any fractional Voting Shares and an Officer's Certificate to the effect that all conditions precedent to such sales, including those set forth in this Indenture and in each Voting Share Purchase Agreement, have been satisfied.

- (7) The Trustee shall, on the Voting Share Delivery Date, use the sale proceeds of the Voting Shares (together with any cash received from the Corporation in lieu of any fractional Voting 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 Trustee is required to hold until maturity (the "**Voting Share Proceeds Investment**") and shall, on such date, deposit the balance, if any, of such sale proceeds in an account established by the Corporation (and which shall be maintained by and subject to the control of the Trustee) (the "**Interest Account**") for such Debentures. The Trustee shall hold such Voting 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 Interest Payment Date, the Trustee shall deposit amounts from the proceeds of the Voting Share Proceeds Investment in the Interest Account to bring the balance of the Interest Account to the Voting Share Interest Payment Election Amount. On the Interest Payment Date, the Trustee shall pay the funds held in the Interest Account to the holders of record of the Debentures on the applicable record date for the payment of interest (less any tax required to be deducted, if any) and, provided that there is no Event of Default, shall remit amounts, if any, in respect of income earned on the Voting Share Proceeds Investment or otherwise in excess of the Voting Share Interest Payment Election Amount to the Corporation.
- (8) Neither the making of a Voting Share Interest Payment Election nor the consummation of sales of Voting Shares on a Voting Share Delivery Date shall (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 Interest Obligation payable on such date or (ii) entitle such holders to receive any Voting Shares in satisfaction of such Interest Obligation.
- (9) No fractional Voting Shares will be issued in satisfaction of interest but in lieu thereof the Corporation will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest (less any tax required to be deducted, if any).

ARTICLE 11 SUCCESSORS

Section 11.1 Corporation may Consolidate, etc., Only on Certain Terms

- (1) The Corporation may not, without the consent of the holders of the Debentures, consolidate with or amalgamate or merge with or into any Person or sell, convey, transfer or lease all or substantially all of the properties and assets of the Corporation to another Person unless:

- (a) the Person formed by such consolidation or into which the Corporation is amalgamated or merged, or the Person which acquires by sale, conveyance, transfer or lease all or substantially all of the properties and assets of the Corporation is a corporation, organized and existing under the laws of Canada or any province or territory thereof and such corporation (if other than the Corporation or the continuing corporation resulting from the amalgamation of the Corporation with another corporation under the laws of Canada or any province or territory thereof) expressly assumes by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the obligations of the Corporation under the Debentures and this Indenture and the performance or observance of every covenant and provision of this Indenture and the Debentures required on the part of the Corporation to be performed or observed, and the conversion rights shall be provided for in accordance with Article 5; by supplemental indenture satisfactory in form to the Trustee, executed and delivered to the Trustee, by the Person (if other than the Corporation or the continuing corporation resulting from the amalgamation of the Corporation with another corporation under the laws of Canada or any province or territory thereof) formed by such consolidation or into which the Corporation shall have been merged or by the Person which shall have acquired the Corporation's assets;
 - (b) after giving effect to such transaction, no Event of Default, and no event which, after notice or lapse of time or both, would become an Event of Default, shall have occurred and be continuing; and
 - (c) if the Corporation or the continuing corporation resulting from the amalgamation or merger of the Corporation with another Person under the laws of Canada or any province or territory thereof will not be the resulting, continuing or surviving corporation, the Corporation shall have, at or prior to the effective date of such consolidation, amalgamation, merger or sale, conveyance, transfer or lease, delivered to the Trustee an Officer's Certificate and an opinion of Counsel, each stating that such consolidation, amalgamation, merger or sale, conveyance, transfer or lease complies with this Article and, if a supplemental indenture is required in connection with such transaction, such supplemental indenture complies with this Article, and that all conditions precedent herein provided for relating to such transaction have been complied with.
- (2) For purposes of the foregoing, the sale, conveyance, transfer or lease (in a single transaction or a series of related transactions) of the properties or assets of one or more Subsidiaries of the Corporation (other than to the Corporation or another wholly-owned Subsidiary of the Corporation), which, if such properties or assets were directly owned by the Corporation, would constitute all or substantially all of the properties and assets of the Corporation and its Subsidiaries, taken as a whole, shall be deemed to be the sale, conveyance, transfer or lease of all or substantially all of the properties and assets of the Corporation.

Section 11.2 Successor Substituted

Upon any consolidation of the Corporation with, or amalgamation or merger of the Corporation into, any other Person or any sale, conveyance, transfer or lease of all or substantially

all of the properties and assets of the Corporation in accordance with Section 11.1, the successor Person formed by such consolidation or into which the Corporation is amalgamated or merged or to which such sale, conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Corporation under this Indenture with the same effect as if such successor Person had been named as the Corporation herein, and thereafter, except in the case of a lease, and except for obligations the predecessor Person may have under a supplemental indenture entered into pursuant to Section 11.1(1)(c), the predecessor Person shall be relieved of all obligations and covenants under this Indenture and the Debentures.

ARTICLE 12 COMPULSORY ACQUISITION

Section 12.1 Definitions In this Article:

- (1) “**Affiliate**” and “**Associate**” shall have their respective meanings set forth in the *Securities Act* (Nova Scotia);
- (2) “**Dissenting Debentureholders**” means a Debentureholder who does not accept an Offer referred to in Section 12.2 and includes any assignee of the Debentureholder to whom such an Offer is made, whether or not such assignee is recognized under this Indenture;
- (3) “**Offer**” means an offer to acquire outstanding Debentures, which is a takeover bid for Debentures within the meaning ascribed thereto in NI 62-104, 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;
- (4) “**offer to acquire**” includes an acceptance of an offer to sell;
- (5) “**Offeror**” means a person, or two or more persons acting jointly or in concert, who make an Offer to acquire Debentures;
- (6) “**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; and
- (7) “**Offeror’s Notice**” means the notice described in Section 12.3.

Section 12.2 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 120 days after the date the Offer is made, whichever period is 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 Section 12.3 and Section 12.5;

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.

Section 12.3 Offeror's Notice to Dissenting Debentureholders

Where an Offeror is entitled to acquire Debentures held by Dissenting Debentureholders pursuant to Section 12.2 and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of termination 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 the Trustee within 21 days after the date of the sending of the Offeror's Notice.

Section 12.4 Delivery of Debenture Certificates

A Dissenting Debentureholder to whom an Offeror's Notice is sent pursuant to Section 12.3 shall, within 21 days after the sending of the Offeror's Notice, send his or her Debenture certificate(s) to the Trustee duly endorsed for transfer.

Section 12.5 Payment of Consideration to Trustee

Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 12.3, the Offeror shall pay or transfer to the Trustee, or to such other person as the Trustee may direct, the cash or other consideration that is payable to Dissenting Debentureholders pursuant to Section 12.2. The acquisition by the Offeror of all Debentures held by all Dissenting Debentureholders shall be effective as of the time of such payment or transfer.

Section 12.6 Consideration to be held in Trust

The Trustee, or the person directed by the Trustee, shall hold in trust for the Dissenting Debentureholders the cash or other consideration they or it receives under Section 12.5. The Trustee, or 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.

Section 12.7 Completion of Transfer of Debentures to Offeror

Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 12.3, the Trustee, if the Offeror has complied with Section 12.5, shall:

- (a) do all acts and things and execute and cause to be executed all instruments as in the 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 12.4 the consideration to which such Dissenting Debentureholder is entitled under this Article 12; and
- (c) send to each Dissenting Debentureholder who has not complied with Section 12.4 a notice stating that:
 - (i) his or her Debentures have been transferred to the Offeror;
 - (ii) the Trustee or some other person designated in such notice are holding in trust the consideration for such Debentures; and
 - (iii) the Trustee, or such other person, will send the consideration to such Dissenting Debentureholder as soon as possible after receiving such Dissenting Debentureholder's Debenture certificate(s) or such other documents as the Trustee or such other person may require in lieu thereof; and the Trustee is hereby appointed the agent and attorney of the Dissenting Debentureholders for the purposes of giving effect to the foregoing provisions.

Section 12.8 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.

ARTICLE 13 MEETINGS OF DEBENTUREHOLDERS

Section 13.1 Right to Convene Meeting

The Trustee or the Corporation may at any time and from time to time, and the Trustee shall, on receipt of a Written Direction of the Corporation or a written request signed by the holders of not less than 25% of the principal amount of the Debentures then outstanding and upon receiving funding and being indemnified to its reasonable satisfaction 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 Trustee failing, within 30 days after receipt of any such request and such funding of 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 Toronto or at such other place as may be approved or determined by the Trustee. Any meeting held pursuant to this Section 13.1 may be done through a virtual or electronic meeting platform, subject to the Trustee's capabilities at the time.

Section 13.2 Notice of Meetings

- (1) At least 21 days' notice of any meeting shall be given to the Debentureholders in the manner provided in Section 14.2 and a copy of such notice shall be sent by post to the 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 and it shall not be necessary for any such notice to set out the terms of any resolution to be proposed or any of the provisions of this Article. The accidental omission to give notice of a meeting to any holder of Debentures shall not invalidate any resolution passed at any such meeting. A holder may waive notice of a meeting either before or after the meeting.
- (2) If the business to be transacted at any meeting by Extraordinary Resolution or otherwise, or any action to be taken or power exercised by instrument in writing under Section 13.15, especially affects the rights of holders of Debentures of one or more series in a manner or to an extent differing in any material way from that in or to which the rights of holders of Debentures of any other series are affected (determined as provided in Section 13.2(3) and (4)), then:
 - (a) a reference to such fact, indicating each series of Debentures in the opinion of the Trustee so especially affected (hereinafter referred to as the "**especially affected series**") shall be made in the notice of such meeting, and in any such case the meeting shall be and be deemed to be and is herein referred to as a "**Serial Meeting**"; and
 - (b) the holders of Debentures of an especially affected series shall not be bound by any action taken at a Serial Meeting or by instrument in writing under Section 13.15 unless in addition to compliance with the other provisions of this Article 13:
 - (i) at such Serial Meeting: (I) there are Debentureholders present in person or by proxy and representing at least 25% in principal amount of the Debentures then outstanding of such series, subject to the provisions of this Article 13 as to quorum at adjourned meetings; and (II) the resolution is passed by the affirmative vote of the holders of more than 50% (or in the case of an Extraordinary Resolution not less than 66 $\frac{2}{3}$ %) of the principal amount of the Debentures of such series then outstanding voted on the resolution; or
 - (ii) in the case of action taken or power exercised by instrument in writing under Section 13.15, such instrument is signed in one or more counterparts by the

holders of not less than 66 $\frac{2}{3}$ % in principal amount of the Debentures of such series then outstanding.

- (3) Subject to Section 13.2(4), the determination as to whether any business to be transacted at a meeting of Debentureholders, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, especially affects the rights of the Debentureholders of one or more series in a manner or to an extent differing in any material way from that in or to which it affects the rights of Debentureholders of any other series (and is therefore an especially affected series) shall be determined by an opinion of Counsel, which shall be binding on all Debentureholders, the Trustee and the Corporation for all purposes hereof.
- (4) A proposal:
- (a) to extend the maturity of Debentures of any particular series or to reduce the principal amount thereof, the rate of interest or redemption premium thereon or to impair any conversion right thereof;
 - (b) to modify or terminate any covenant or agreement which by its terms is effective only so long as Debentures of a particular series are outstanding; or
 - (c) to reduce with respect to Debentureholders of any particular series any percentage stated in this Section 13.2 or Section 13.4, Section 13.12, and Section 13.15;

shall be deemed to especially affect the rights of the Debentureholders of such series in a manner differing in a material way from that in which it affects the rights of holders of Debentures of any other series, whether or not a similar extension, reduction, modification or termination is proposed with respect to Debentures of any or all other series.

Section 13.3 Chairman

Some person, who need not be a Debentureholder, nominated in writing by the 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, a majority of the Debentureholders present in person or by proxy shall choose some person present to be chairman.

Section 13.4 Quorum

Subject to the provisions of Section 13.12, at any meeting of the Debentureholders a quorum shall consist of Debentureholders present in person or by proxy and representing at least 25% in principal amount of the outstanding Debentures and, if the meeting is a Serial Meeting, at least 25% of the Debentures then outstanding of each especially affected series. 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 request of the Debentureholders, shall be dissolved, but in any other case the meeting shall be adjourned to the same day in the next week (unless such day is not a Business Day in which case it shall be adjourned to the next following Business Day thereafter) at the same time and place to the extent

possible and no notice shall be required to be given in respect of such adjourned meeting. At the adjourned meeting, the Debentureholders present in person or by proxy shall, subject to the provisions of Section 13.12, constitute a quorum and may transact the business for which the meeting was originally convened notwithstanding that they may not represent 25% of the principal amount of the outstanding Debentures or of the Debentures then outstanding of each especially affected series. 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.

Section 13.5 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.

Section 13.6 Show of Hands

Every question submitted to a meeting shall, subject to Section 13.17, be decided in the first place by a majority of the votes given on a show of hands except that votes on Extraordinary Resolutions shall be given in the manner hereinafter provided. 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 the fact. The chairman of any meeting shall be entitled, both on a show of hands and on a poll, to vote in respect of the Debentures, if any, held by him.

Section 13.7 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 in principal amount of the Debentures and of each especially affected series, if applicable, represented at the meeting and voted on the poll.

Section 13.8 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 in respect of each \$1,000 principal amount of Debentures of which he shall then be the holder. In the case of any Debenture denominated in a currency or currency unit other than Canadian dollars, the principal amount thereof for these purposes shall be computed in Canadian dollars on the basis of the conversion of the principal amount thereof at the applicable spot buying rate of exchange for such other currency or currency unit as reported by the Bank of Canada at the close of business on the Business Day next preceding the meeting. Any fractional amounts resulting from such conversion shall be rounded down to the

nearest \$1,000. A proxy need not be a Debentureholder. In the case of joint holders of a Debenture, any one of them present in person or by proxy at the meeting may vote in the absence of the other or others but in case more than one of them be present in person or by proxy, they shall vote together in respect of the Debentures of which they are joint holders.

Section 13.9 Proxies

- (1) A Debentureholder may be present and vote at any meeting of Debentureholders by an authorized representative. The Corporation (in case it convenes the meeting) or the Trustee (in any other case) for the purpose of enabling the Debentureholders to be present and vote at any meeting without producing their Debentures, and of enabling them to be present and vote at any such meeting by proxy and of lodging instruments appointing such proxies at some place other than the place where the meeting is to be held, may from time to time make and vary such regulations as it shall think fit providing for and governing any or all of the following matters:
 - (a) the form of the instrument appointing a proxy, which shall be in writing, and the manner in which the same shall be executed and the production of the authority of any person signing on behalf of a Debentureholder;
 - (b) the deposit of instruments appointing proxies at such place as the 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 must be deposited; and
 - (c) the deposit of instruments appointing proxies at some approved place or places other than the place at which the meeting is to be held and enabling particulars of such instruments appointing proxies to be mailed, faxed, cabled, telegraphed or sent by other electronic means before the meeting to the Corporation or to the Trustee at the place where the same is to be held and for the voting of proxies so deposited as though the instruments themselves were produced at the meeting.
- (2) Any regulations so made shall be binding and effective and the votes given in accordance therewith shall be valid and shall be counted. Save as such regulations may provide, the only persons who shall be recognized at any meeting as the holders of any Debentures, or as entitled to vote or be present at the meeting in respect thereof, shall be Debentureholders and persons whom Debentureholders have by instrument in writing duly appointed as their proxies.

Section 13.10 Persons Entitled to Attend Meetings

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

Section 13.11 Powers Exercisable by Extraordinary Resolution

- (1) In addition to the powers conferred upon them by any other provisions of this Indenture or by law, a meeting of the Debentureholders shall have the following powers exercisable from time to time by Extraordinary Resolution, subject in the case of the matters in (a), (b), (c), (d) and (l) to receipt of the prior approval of the TSX (or such other exchange on which the Debentures are then listed):
 - (a) power to authorize the Trustee to grant extensions of time for payment of any principal, premium or interest on the Debentures, whether or not the principal, premium, or interest, the payment of which is extended, is at the time due or overdue;
 - (b) power to sanction any modification, abrogation, alteration, compromise or arrangement of the rights of the Debentureholders or the Trustee against the Corporation, or against its property, whether such rights arise under this Indenture or the Debentures or otherwise;
 - (c) power to assent to any modification of or change in or addition to or omission from the provisions contained in this Indenture or any Debenture which shall be agreed to by the Corporation and to authorize the Trustee to concur in and execute any indenture supplemental hereto embodying any modification, change, addition or omission;
 - (d) power to sanction any scheme for the reconstruction, reorganization or recapitalization of the Corporation or for the consolidation, amalgamation, arrangement, combination or merger of the Corporation with any other Person or for the sale, leasing, transfer or other disposition of all or substantially all of the undertaking, property and assets of the Corporation or any part thereof, provided that no such sanction shall be necessary in respect of any such transaction if the provisions of Section 11.1 shall have been complied with;
 - (e) power to direct or authorize the Trustee to exercise any power, right, remedy or authority given to it by this Indenture in any manner specified in any such Extraordinary Resolution or to refrain from exercising any such power, right, remedy or authority;
 - (f) power to waive, and direct the Trustee to waive, any default hereunder and/or cancel any declaration made by the Trustee pursuant to Section 8.1 either unconditionally or upon any condition specified in such Extraordinary Resolution;
 - (g) power to restrain any Debentureholder from taking or instituting any suit, action or proceeding for the purpose of enforcing payment of the principal, premium or interest on the Debentures, or for the execution of any trust or power hereunder;
 - (h) 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

8.5, of the costs, charges and expenses reasonably and properly incurred by such Debentureholder in connection therewith;

- (i) 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 shares or other securities of the Corporation;
- (j) power to appoint a committee with power and authority (subject to such limitations, if any, as may be prescribed in the resolution) to exercise, and to direct the Trustee to exercise, on behalf of the 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 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 and the filling 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;
- (k) power to remove the Trustee from office and to appoint a new Trustee or Trustees provided that no such removal shall be effective unless and until a new Trustee or Trustees shall have become bound by this Indenture;
- (l) power to sanction the disposition of the Debentures in exchange for or the conversion thereof into shares, bonds, debentures or other securities or obligations of the Corporation or of any other Person formed or to be formed;
- (m) power to authorize the distribution in specie of any shares or securities received pursuant to a transaction authorized under the provisions of Section 13.11(1); 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 Section 13.11(1)(j).

Section 13.12 Meaning of “Extraordinary Resolution”

- (1) The expression “**Extraordinary Resolution**” when used in this 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 not less than 25% of the principal amount of the Debentures

then outstanding, and if the meeting is a Serial Meeting, at which holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are present in person or by proxy and passed by the favourable votes of the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the Debentures, and if the meeting is a Serial Meeting by the affirmative vote of the holders of not less than 66 $\frac{2}{3}$ % of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll on such resolution.

- (2) If, at any such meeting, the holders of not less than 25% of the principal amount of the Debentures then outstanding and, if the meeting is a Serial Meeting, 25% of the principal amount of the Debentures then outstanding of each especially affected series, in each case 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 14 nor more than 60 days later, and to such place and time 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 14.2. Such notice shall state that at the adjourned meeting the Debentureholders present in person or by proxy shall form a quorum. 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 thereat by the affirmative vote of holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the Debentures and, if the meeting is a Serial Meeting, by the affirmative vote of the holders of not less than 66 $\frac{2}{3}$ % of the principal amount of the Debentures of each especially affected series, in each case present or represented by proxy at the meeting and voted upon on a poll shall be an Extraordinary Resolution within the meaning of this Indenture, notwithstanding that the holders of not less than 25% in principal amount of the Debentures then outstanding, and if the meeting is a Serial Meeting, holders of not less than 25% of the principal amount of the Debentures then outstanding of each especially affected series, are not present in person or by proxy at such adjourned meeting.
- (3) 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.

Section 13.13 Powers Cumulative

Any one or more of the powers in this 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.

Section 13.14 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 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 matters therein stated and, until the contrary is proved, every such meeting, in respect of the proceedings of which minutes shall have been made, shall be deemed to have been duly held and convened, and all resolutions passed thereat or proceedings taken thereat to have been duly passed and taken.

Section 13.15 Instruments 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 $\frac{2}{3}$ % of the principal amount of all the outstanding Debentures and, if the meeting at which such actions might be taken would be a Serial Meeting by the holders of 66 $\frac{2}{3}$ % of the principal amount of the Debentures then outstanding of each especially affected series, by an instrument in writing signed in one or more counterparts and the expression "Extraordinary Resolution" when used in this Indenture shall include an instrument so signed.

Section 13.16 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 13.15 shall be binding upon all the Debentureholders, whether signatories thereto or not, and each and every Debentureholder and the 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.

Section 13.17 Evidence of Rights of Debentureholders

- (1) Any request, direction, notice, consent or other instrument which this Indenture may require or permit to be signed or executed by the Debentureholders may be in any number of concurrent instruments of similar tenor signed or executed by such Debentureholders.
- (2) The Trustee may, in its discretion, require proof of execution in cases where it deems proof desirable and may accept such proof as it shall consider proper.

Section 13.18 Concerning Serial Meetings

If in the opinion of Counsel any business to be transacted at any meeting, or any action to be taken or power to be exercised by instrument in writing under Section 13.15, does not adversely affect the rights of the holders of Debentures of one or more series, the provisions of this Article 13 shall apply as if the Debentures of such series were not outstanding and no notice of any such meeting need be given to the holders of Debentures of such series. Without limiting the generality of the foregoing, a proposal to modify or terminate any covenant or agreement which is effective only so long as Debentures of a particular series are outstanding shall be deemed not to adversely affect the rights of the holders of Debentures of any other series.

ARTICLE 14 NOTICES

Section 14.1 Notice to Corporation

Any notice to the Corporation under the provisions of this Indenture shall be valid and effective if delivered to the Corporation at: 3 Spectacle Lake Drive, Dartmouth, Nova Scotia, B3B 1W8, Attention: Chief Financial Officer, or if delivered by e-mail to legalnotices@chorusaviation.com, or if given by registered letter, postage prepaid, to such offices and so addressed and if mailed, shall be deemed to have been effectively given three days following the mailing thereof. The Corporation may from time to time notify the Trustee in writing of a change of address which thereafter, until changed by like notice, shall be the address of the Corporation for all purposes of this Indenture.

Section 14.2 Notice to Debentureholders

- (1) All notices to be given hereunder with respect to the Debentures shall be deemed to be validly given to the holders thereof if sent by first class mail, postage prepaid, by letter or circular addressed to such holders at their post office addresses appearing in any of the registers hereinbefore mentioned and shall be deemed to have been effectively given three days following the day of mailing. 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.
- (2) If any notice given in accordance with the foregoing paragraph would be unlikely to reach the Debentureholders to whom it is addressed in the ordinary course of post by reason of an interruption in mail service, whether at the place of dispatch or receipt or both, the Corporation shall give such notice by publication at least once in the city of Toronto (or in such of those cities as, in the opinion of the Trustee, is sufficient in the particular circumstances), each such publication to be made in a daily newspaper of general circulation in the designated city.
- (3) Any notice given to Debentureholders by publication shall be deemed to have been given on the day on which publication shall have been effected at least once in each of the newspapers in which publication was required.
- (4) 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 any persons interested in such Debenture.

Section 14.3 Notice to Trustee

Any notice to the Trustee under the provisions of this Indenture shall be valid and effective if delivered, receipt confirmed, to the Trustee at its principal office in the City of Toronto, at 100 University Avenue, 11th Floor, Toronto, Ontario M5J 2Y1 and shall be deemed to have been effectively given as of the date of such receipt confirmation, or if delivered by e-mail to

corporatetrust.toronto@computershare.com, or if given by registered letter, postage prepaid, to such office and so addressed and, if mailed, shall be deemed to have been effectively given three days following the mailing thereof.

Section 14.4 Mail Service Interruption

If by reason of any interruption of mail service, actual or threatened, any notice to be given to the Trustee would reasonably be unlikely to reach its destination by the time notice by mail is deemed to have been given pursuant to Section 14.3, such notice shall be valid and effective only if delivered at the appropriate address in accordance with Section 14.3.

ARTICLE 15 CONCERNING THE TRUSTEE

Section 15.1 No Conflict of Interest

The Trustee represents to the Corporation that to the best of its knowledge at the date of execution and delivery by it of this Indenture there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder but if, notwithstanding the provisions of this Section 15.1, such a material conflict of interest exists, or hereafter arises, the validity and enforceability of this Indenture, and the Debentures issued hereunder, shall not be affected in any manner whatsoever by reason only that such material conflict of interest exists or arises but the Trustee shall, within 30 days after ascertaining that it has a material conflict of interest, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Section 15.2.

Section 15.2 Replacement of Trustee

- (1) The 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 Trustee's role as a fiduciary hereunder the Trustee shall, within 30 days after ascertaining that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in this Section 15.2. The validity and enforceability of this Indenture and of the Debentures issued hereunder shall not be affected in any manner whatsoever by reason only that such a material conflict of interest exists. In the event of the Trustee resigning or being removed or being dissolved, becoming bankrupt, going into liquidation or otherwise becoming incapable of acting hereunder, the Corporation shall forthwith appoint a new Trustee unless a new Trustee has already been appointed by the Debentureholders. Failing such appointment by the Corporation, the retiring Trustee or any Debentureholder may apply to a Judge of the Ontario Superior Court of Justice, on such notice as such Judge may direct at the Corporation's expense, for the appointment of a new Trustee but any new Trustee so appointed by the Corporation or by the Court shall be subject to removal as aforesaid by the Debentureholders and the appointment of such new Trustee shall be effective only upon such new Trustee becoming bound by this Indenture. Any new Trustee appointed under any provision of this Section 15.2 shall be a corporation authorized to carry on the business of a trust company in all of the provinces and territories of Canada. On any new

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

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

Section 15.3 Duties of Trustee

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

Section 15.4 Reliance Upon Declarations, Opinions, etc.

In the exercise of its rights, duties and obligations hereunder the Trustee may, if acting in good faith, rely, as to the truth of the statements and accuracy of the opinions expressed therein, upon statutory declarations, opinions, reports or certificates furnished pursuant to any covenant, condition or requirement of this Indenture or required by the Trustee to be furnished to it in the exercise of its rights and duties hereunder, if the Trustee examines such statutory declarations, opinions, reports or certificates and determines that they comply with Section 15.5, if applicable, and with any other applicable requirements of this Indenture. The Trustee may nevertheless, in its discretion, require further proof in cases where it deems further proof desirable. Without restricting the foregoing, the Trustee may rely on an opinion of Counsel satisfactory to the Trustee notwithstanding that it is delivered by a solicitor or firm which acts as solicitors for the Corporation.

Section 15.5 Evidence and Authority to Trustee, Opinions, etc.

- (1) The Corporation shall furnish to the Trustee evidence of compliance with the conditions precedent provided for in this Indenture relating to any action or step required or permitted to be taken by the Corporation or the 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 Trustee at the request of or on the application

of the Corporation, forthwith if and when (a) such evidence is required by any other Section of this Indenture to be furnished to the Trustee in accordance with the terms of this Section 15.5, or (b) the 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.

- (2) Such evidence shall consist of
 - (a) a certificate made by any two officers or directors of the Corporation, stating that any such condition precedent has been complied with in accordance with the terms of this Indenture;
 - (b) 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
 - (c) 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 Trustee for such purposes hereby approves, that such condition precedent has been complied with in accordance with the terms of this Indenture.
- (3) Whenever such evidence relates to a matter other than the certificates 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 trustee, officer or employer 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.
- (4) Each statutory declaration, certificate, opinion or report with respect to compliance with a condition precedent provided for in the Indenture shall include (a) 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, (b) 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, (c) 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, and (d) a statement whether in the opinion of such person the conditions precedent in question have been complied with or satisfied.
- (5) The Corporation shall furnish or cause to be furnished to the Trustee at any time if the Trustee reasonably so requires, its certificate that the Corporation has complied with all covenants, conditions or 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 Trustee so requires, furnish the Trustee with evidence by way of statutory declaration, opinion, report or certificate as specified by the Trustee as to any action or step required or permitted to be taken by the Corporation or as a result of any obligation imposed by this Indenture.

Section 15.6 Officer's Certificates Evidence

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

Section 15.7 Experts, Advisers and Agents

The Trustee may:

- (a) employ or retain and 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 Trustee or by the Corporation, or otherwise, and shall not be liable for acting, or refusing to act, in good faith on any such opinion or advice and shall not be responsible for any misconduct on the part of any of them and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid. The reasonable costs of such services shall be added to and become part of the Trustee's remuneration hereunder; and
- (b) employ such agents and other assistants as it may reasonably require for the proper discharge of its duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the discharge of its duties hereunder and in the management of the trusts hereof and any solicitors employed or consulted by the Trustee may, but need not be, solicitors for the Corporation.

Section 15.8 Trustee May Deal in Debentures

Subject to Section 15.1 and Section 15.3, the 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.

Section 15.9 Investment of Monies Held by Trustee

- (1) Unless otherwise provided in this Indenture, any monies held by the Trustee, which, under the trusts of this Indenture, may or ought to be invested or which may be on deposit with the Trustee or which may be in the hands of the Trustee, may be invested and reinvested in the name or under the control of the Trustee in securities in which, under the laws of the

Province of Ontario, trustees are authorized to invest trust monies, provided that such securities are expressed to mature within two years or such shorter period selected to facilitate any payments expected to be made under this Indenture, after their purchase by the Trustee, and unless and until the Trustee shall have declared the principal of and interest on the Debentures to be due and payable, the Trustee shall so invest such monies at the Written Direction of the Corporation given in a reasonably timely manner. Pending the investment of any monies as hereinbefore provided, such monies may be deposited in the name of the Trustee in any chartered bank of Canada or, with the consent of the Corporation, in the deposit department of the Trustee or any other loan or trust company authorized to accept deposits under the laws of Canada or any Province thereof at the rate of interest, if any, then current on similar deposits.

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

Section 15.10 Trustee Not Ordinarily Bound

Except as provided in Section 8.2 and as otherwise specifically provided herein, the Trustee shall not, subject to Section 15.3, 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 Trustee shall have been required to do so in writing by the holders of not less than 25% of the aggregate principal amount of the Debentures then outstanding or by any Extraordinary Resolution of the Debentureholders passed in accordance with the provisions contained in Article 13, and then only after it shall have been funded and indemnified to its satisfaction against all actions, proceedings, claims and demands to which it may render itself liable and all costs, charges, damages and expenses which it may incur by so doing.

Section 15.11 Trustee Not Required to Give Security

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

Section 15.12 Trustee Not Bound to Act on Corporation's Request

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

Section 15.13 Conditions Precedent to Trustee's Obligations to Act Hereunder

- (1) The obligation of the Trustee to commence or continue any act, action or proceeding for the purpose of enforcing the rights of the Trustee and of the Debentureholders hereunder

shall be conditional upon the Debentureholders furnishing when required by notice in writing by the Trustee, sufficient funds to commence or continue such act, action or proceeding and indemnity reasonably satisfactory to the Trustee to protect and hold harmless the Trustee against the costs, charges and expenses and liabilities to be incurred thereby and any loss and damage it may suffer by reason thereof.

- (2) None of the provisions contained in this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers.
- (3) The 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 Trustee the Debentures held by them for which Debentures the Trustee shall issue receipts.

Section 15.14 Authority to Carry on Business

The 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 each of the provinces and territories of Canada 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 Indenture and the securities issued hereunder shall not be affected in any manner whatsoever by reason only of such event but the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in any of the provinces or territories of Canada, either become so authorized or resign in the manner and with the effect specified in Section 15.2.

Section 15.15 Compensation and Indemnity

- (1) The Corporation shall pay to the Trustee from time to time compensation for its services hereunder as agreed separately by the Corporation and the Trustee, and shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in the administration or execution of its duties under this Indenture (including the reasonable and documented compensation and disbursements of its Counsel and all other advisers and assistants not regularly in its employ), both before any default hereunder and thereafter until all duties of the Trustee under this Indenture shall be finally and fully performed. Any fees and expenses of the trustee in connection herewith shall be paid by the Corporation within 30 days of issuance of an invoice therefor and, if not so paid, shall bear interest at a rate per annum to the then-current rate of interest charged by the Trustee to its corporate clients. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust.
- (2) The Corporation hereby indemnifies and holds the Trustee and its affiliates, their successors and assigns, as well as its and their respective directors, officers, employees and agents, harmless from and against any and all claims, demands, assessments, interest, penalties, actions, suits, proceedings, liabilities, losses, damages, costs and expenses, including, without limiting the foregoing, expert, consultant and counsel fees and disbursements on a solicitor and client basis, arising from or in connection with any actions

or omissions that the Trustee or they take pursuant to this Indenture, provided that any such action or omission is taken in good faith and without gross negligence or wilful misconduct or is taken on advice and instructions given to the Trustee or them by the Corporation, or the Corporation's representatives, including the Corporation's legal counsel, or counsel consulted by the Trustee or them. The Trustee shall notify the Corporation as soon as reasonably practicable of any claim for which it may seek indemnity. The Corporation need not pay for any settlement made without its consent, which consent must not be unreasonably withheld. This indemnity shall survive the resignation or removal of the Trustee and the termination or discharge of this Indenture.

- (3) Notwithstanding any other provision of this Indenture, the Trustee shall not be liable for any (i) breach by any other party of the Applicable Securities Legislation, (ii) lost profits or (iii) punitive, consequential or special damages of any Person.

Section 15.16 Acceptance of Trust

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

Section 15.17 Third Party Interests

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

Section 15.18 Anti-Money Laundering

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

Section 15.19 Privacy Laws

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") applies to certain obligations and activities under this Indenture. Notwithstanding any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation shall, prior to transferring or causing to be transferred personal information to the Trustee, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees: (a) to have a designated chief privacy officer; (b) to maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (c) to use personal information solely for the purposes of providing its services under or ancillary to this Indenture and to comply with applicable laws and not to use it for any other purpose except with the consent of or direction from the Corporation or the individual involved or as permitted by Privacy Laws; (d) not to sell or otherwise improperly disclose personal information to any third party; and (e) to employ administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft, or unauthorized access, use or modification.

Section 15.20 Force Majeure

Neither party shall be liable to the other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, pandemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section.

ARTICLE 16 SUPPLEMENTAL INDENTURES

Section 16.1 Supplemental Indentures

- (1) Subject to the approval of the TSX (or such other exchange on which the Debentures are then listed), from time to time the Trustee and, when authorized by a resolution of the directors of Corporation, the Corporation, may, and they shall when required by this 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:
 - (a) providing for the issuance of Additional Debentures under this Indenture;
 - (b) adding to the covenants of the Corporation herein contained for the protection of the Debentureholders, or of the Debentures of any series, or providing for events of default, in addition to those herein specified;

- (c) making such provisions not inconsistent with this Indenture as may be necessary or desirable with respect to matters or questions arising hereunder, including the making of any modifications in the form of the Debentures which do not affect the substance thereof and which in the opinion of the Trustee relying on an opinion of Counsel will not be prejudicial to the interests of the Debentureholders;
 - (d) evidencing the succession, or successive successions, of others to the Corporation and the covenants of and obligations assumed by any such successor in accordance with the provisions of this Indenture;
 - (e) giving effect to any Extraordinary Resolution passed as provided in Article 13; and
 - (f) for any other purpose not inconsistent with the terms of this Indenture.
- (2) Unless the supplemental indenture requires the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, by Extraordinary Resolution, the consent or concurrence of Debentureholders or the holders of a particular series of Debentures, as the case may be, shall not be required in connection with the execution, acknowledgement or delivery of a supplemental indenture. The Corporation and the Trustee may amend any of the provisions of this Indenture related to matters of United States law or the issuance of Debentures into the United States in order to ensure that such issuances can be made in accordance with applicable law in the United States without the consent or approval of the Debentureholders. Further, the Corporation and the Trustee may without the consent or concurrence of the Debentureholders or the holders of a particular series of Debentures, as the case may be, by supplemental indenture or otherwise, make any changes or corrections in this Indenture which it shall have been advised by Counsel are required for the purpose of curing or correcting any ambiguity or defective or inconsistent provisions or clerical omissions or mistakes or manifest errors contained herein or in any indenture supplemental hereto or any Written Direction of the Corporation provided for the issue of Debentures, providing that in the opinion of the Trustee (relying upon an opinion of Counsel) the rights of the Debentureholders are in no way prejudiced thereby.

ARTICLE 17

EXECUTION AND FORMAL DATE

Section 17.1 Execution

This Indenture may be simultaneously executed and delivered by facsimile transmission or electronic mail delivery and in counterparts, each of which when so executed and delivered shall be deemed to be an original and such counterparts together shall constitute one and the same instrument, and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

Section 17.2 Formal Date

For the purpose of convenience this Indenture may be referred to as bearing the formal date of April 6, 2021 irrespective of the actual date of execution hereof.

The parties have executed this Agreement.

CHORUS AVIATION INC.

By: “Joseph D. Randell”
Name: Joseph D. Randell
Title: President and Chief Executive
Officer

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: "Robert Morrison"

Name: Robert Morrison

Title: Corporate Trust Officer

By: "Neil Scott"

Name: Neil Scott

Title: Corporate Trust Officer

**SCHEDULE A
FORM OF DEBENTURE**

This Debenture is a Global Debenture within the meaning of the Indenture herein referred to and is registered in the name of a Depository or a nominee thereof. This Debenture may not be transferred to or exchanged for Debentures registered in the name of any person other than the Depository or a nominee thereof and no such transfer may be registered except in the limited circumstances described in the Indenture. Every Debenture authenticated and delivered upon registration of, transfer of, or in exchange for, or in lieu of, this Debenture shall be a Global Debenture subject to the foregoing, except in such limited circumstances described in the Indenture.

Unless this certificate is presented by an authorized representative of CDS Clearing and Depository Services Inc. (“CDS”) to Chorus Aviation Inc. (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 a violation of its rights for another person to hold, transfer or deal with this certificate.

[INSERT U.S. LEGEND, IF APPLICABLE]

[ADDITIONAL LEGEND FOR CANADIAN RESTRICTED DEBENTURES: UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE AUGUST 7, 2021.]

**CUSIP ● ISIN ●
[U.S. RULE 144A ●] [U.S. RULE 144A ●]**

No. ●
● \$

CHORUS AVIATION INC.

(A corporation incorporated under the laws of Canada)

6.00% CONVERTIBLE SENIOR UNSECURED DEBENTURES

DUE JUNE 30, 2026

Chorus Aviation Inc. (the “**Corporation**” or the “**Issuer**”) for value received hereby acknowledges itself indebted and, subject to the provisions of the Debenture Indenture (the “**Indenture**”) dated as of April 6, 2021 between the Corporation and Computershare Trust Company of Canada (the “**Trustee**”), promises to pay to the registered holder hereof on June 30, 2026 or on such earlier date as the principal amount hereof may become due in accordance with

the provisions of the Indenture (any such date, the “**Maturity Date**”) the principal sum of ● Dollars (\$●) in lawful money of Canada on presentation and surrender of this Initial Debenture at the main branch of the Trustee in Toronto, Ontario in accordance with the terms of the Indenture and, subject as hereinafter provided, to pay interest on the principal amount hereof from the date hereof, or from the last Interest Payment Date to which interest shall have been paid or made available for payment hereon, whichever is later, at the rate of 6.00% per annum (based on a 360 day year comprised of twelve 30 day months), in like money, in arrears in equal (with the exception of the first interest payment which will include interest from April 6, 2021 as set forth below) semi-annual payments in arrears (less any tax required by law to be deducted) on June 30 and December 31 in each year commencing on December 31, 2021 and the last payment (representing interest payable from the last Interest Payment Date to, but excluding, the Maturity Date) to fall due on the Maturity Date and, should the Corporation at any time make default in the payment of any principal, premium, if any, or interest, to pay interest on the amount in default at the same rate, in like money and on the same dates. For certainty, the first interest payment will include interest accrued from April 6, 2021 to, but excluding December 31, 2021, which will be equal to \$44.00 for each \$1,000 principal amount of the Initial 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 its obligation to pay interest on the Debentures, on the date it is payable under the Indenture by delivering Voting Shares to the Trustee, for sale, to satisfy the interest obligations in accordance with the Indenture, in which event, holders of the Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Voting Shares or a combination of the above and cash.

This Initial Debenture is one of the 6.00% Convertible Senior Unsecured Debentures (referred to herein as the “**Initial Debentures**”) of the Corporation issued or issuable in one or more series under the provisions of the Indenture. The Initial Debentures authorized for issue immediately are limited to an aggregate principal amount of \$72,500,000 (including the Over-Allotment Option) in lawful money of Canada. Reference is hereby expressly made to the Indenture for a description of the terms and conditions upon which the Initial Debentures are or are to be issued and held and the rights and remedies of the holders of the Initial Debentures and of the Corporation and of the Trustee, all to the same effect as if the provisions of the Indenture were herein set forth to all of which provisions the holder of this Initial Debenture by acceptance hereof assents.

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

Any part, being \$1,000 or an integral multiple thereof, of the principal of this Initial Debenture, provided that the principal amount of this Initial Debenture is in a denomination in excess of \$1,000, is convertible, at the option of the holder hereof, upon surrender of this Initial Debenture at the principal office of the Trustee in Toronto, Ontario, at any time prior to the earliest of: (i) the close of business on the last Business Day immediately preceding the Maturity Date, (ii) if this Initial Debenture is called for redemption on or prior to such date, then, to the extent so called for redemption, up to but not after the close of business on the last Business Day

immediately preceding the date specified for redemption of this Initial Debenture or, (iii) if subject to repurchase pursuant to a Change of Control (as defined in the Indenture), on the Business Day immediately prior to the payment date, into Voting Shares (without adjustment for interest accrued hereon or for dividends or distributions on Voting Shares issuable upon conversion) into such number of Voting Shares as is equal to the quotient (rounded to the nearest fourth decimal place) that is obtained by dividing (x) such part of such principal amount being so converted by (y) the Conversion Price in effect on the Date of Conversion, all subject to the terms and conditions and in the manner set forth in the Indenture. No Initial Debentures may be converted during the five Business Days preceding each of June 30 and December 31 in each year, commencing June 30, 2021, as the registers of the Trustee will be closed during such periods. The Indenture makes provision for the adjustment of the Conversion Price in the events therein specified. No fractional Voting Shares will be issued on any conversion but in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the market price of such fractional interest determined in accordance with the Indenture. Holders converting their Debentures will receive accrued and unpaid interest thereon up to but excluding the date of conversion. If a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the person or persons entitled to receive Voting Shares in respect of the Debentures so surrendered for conversion shall not become the holder or holders of record of such Voting Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date.

This Initial Debenture may be redeemed at the option of the Corporation on the terms and conditions set out in the Indenture at the Redemption Price therein and herein set out provided that this Initial Debenture is not redeemable before June 30, 2024, except in the event of the satisfaction of certain conditions after a Change of Control has occurred. On and after June 30, 2024, and at any time prior to June 30, 2025, the Initial Debentures are redeemable at the option of the Corporation, in whole or in part from time to time, at a price equal to the principal amount of the Initial Debentures being redeemed plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date, provided that the Current Market Price is at least 125% of the Conversion Price. On or after June 30, 2025 and at any time prior to the Maturity Date, the Debentures may be redeemed in whole or in part from time to time at the option of the Corporation at a price equal to their principal amount plus accrued and unpaid interest thereon up to (but excluding) the Redemption Date. The Corporation may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy its obligation to pay all or any portion of the applicable Redemption Price by the issue of that number of Voting Shares obtained by dividing the applicable Redemption Price by 95% of the Current Market Price (which will be calculated based on the 20 consecutive trading days ending on the fifth trading day preceding the Redemption Date). Holders who are Canadian will receive Class B Voting Shares and holders who are not Canadian will receive Class A Variable Voting Shares.

Upon the occurrence of a Change of Control of the Corporation, the Corporation is required to make an offer to purchase all of the Initial Debentures at a price equal to 100% of the principal amount of such Initial Debentures plus accrued and unpaid interest (if any) up to, but excluding, the date the Initial Debentures are so repurchased (the “**Change of Control Purchase Offer**”). If 90% or more of the principal amount of all Debentures outstanding on the date the Corporation provides notice of a Change of Control to the Trustee and the Change of Control Purchase Offer

to holders of the Initial Debentures have been tendered for purchase pursuant to the Change of Control Purchase Offer, the Corporation has the right to redeem all the remaining outstanding Initial Debentures on the same date and at the same price.

In addition to the requirement for the Corporation to make a Change of Control Purchase Offer in the event of a Change of Control, if a Change of Control occurs in which 10% or more of the consideration for the Voting Shares in the transaction or transactions constituting a Change of Control consists of:

- (i) cash, other than cash payments for fractional Voting Shares and cash payments made in respect of dissenter's appraisal rights;
- (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a recognized stock exchange;
- (iii) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or
- (iv) any combination of the consideration described in the foregoing clauses (i) through (iii),

then subject to regulatory approvals, during the period beginning 10 trading days before the anticipated date on which the Change of Control becomes effective and ending 30 calendar days after the Change of Control Purchase Offer is delivered, holders of Debentures will be entitled to convert their Debentures, subject to certain limitations, and receive, in addition to the number of Voting Shares they would otherwise be entitled to receive, an additional number of Voting Shares per \$1,000 principal amount of Debentures calculated in accordance with the terms of the Indenture.

If an offer is made for the Initial Debentures which is a take-over bid for the Initial Debentures within the meaning of applicable Canadian securities laws and 90% or more of the principal amount of all the Initial Debentures (other than Initial Debentures held at the date of the offer 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 Initial 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 Initial Debentures.

The Corporation may, on notice as provided in the Indenture, at its option and subject to any applicable regulatory approval, elect to satisfy the obligation to repay all or any portion of the principal amount of this Initial Debenture due on the Maturity Date by the issue of that number of Freely Tradeable Voting Shares obtained by dividing the principal amount of this Initial Debenture (or that portion to be paid for in Voting Shares pursuant to the exercise by the Corporation of the Voting Share Repayment Right) by 95% of the Current Market Price (which will be calculated based on the 20 consecutive trading days ending on the fifth trading day preceding the Maturity Date). Holders who are Canadian will receive Class B Voting Shares and holders who are not Canadian will receive Class A Variable Voting Shares.

The indebtedness evidenced by this Initial Debenture, and by all other Initial Debentures now or hereafter certified and delivered under the Indenture, is a direct senior unsecured obligation of the Corporation, and is subordinated in right of payment, to the extent and in the manner provided in the Indenture, to the prior payment in full of all Secured Indebtedness, whether outstanding at the date of the Indenture or thereafter created, incurred, assumed or guaranteed.

The Indenture contains provisions making binding upon all holders of Debentures outstanding thereunder (or in certain circumstances specific series of Debentures) resolutions passed at meetings of such holders held in accordance with such provisions and instruments signed by the holders of a specified majority of Debentures outstanding (or specific series), which resolutions or instruments may have the effect of amending the terms of this Initial Debenture or the Indenture.

The Indenture contains provisions disclaiming any personal liability on the part of holders of Voting Shares and officers, directors and employees of the Corporation in respect of any obligation or claim arising out of the Indenture or this Initial Debenture.

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

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

Capitalized words or expressions used in this Initial Debenture shall, unless otherwise defined herein, have the meaning ascribed thereto in the Indenture. In the event of any inconsistency between the terms of this Initial Debenture and the Indenture, the terms of the Indenture shall govern.

This Initial Debenture shall be governed by, and construed in accordance with, the laws of the province of Ontario and the federal laws of Canada applicable therein.

IN WITNESS WHEREOF CHORUS AVIATION INC. has caused this Initial Debenture to be signed by its authorized representatives as of ●.

CHORUS AVIATION INC.

By: _____
Name:
Title:

TRUSTEE'S CERTIFICATE

This Initial Debenture is one of the 6.00% Convertible Senior Unsecured Debentures due June 30, 2026 referred to in the Indenture within mentioned.

Dated: ●

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: _____
Name:
Title:

REGISTRATION PANEL

(No writing hereon except by Trustee or other registrar)

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

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable, are set forth below, this Initial Debenture (or \$_____principal amount hereof*) of **CHORUS AVIATION INC.** standing in the name(s) of the undersigned in the register maintained by the Corporation with respect to such Initial Debenture and does hereby irrevocably authorize and direct the Trustee to transfer such Initial 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 Initial 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 an Initial Debenture in a non-integral multiple of \$1,000 by reason of your having exercised your right to exchange upon the making of a Change of Control Purchase Offer, in which case such Initial Debenture is transferable only in its entirety) to be transferred.

Check if the undersigned Transferor is a Qualified Institutional Buyer that acquired Initial Debentures under the Offering as “restricted securities” which, pursuant to Section 2.14(3) of the Indenture, have been included in the Unrestricted Global Debenture against execution and delivery by the Transferor of a U.S. Purchaser Letter substantially as set forth in Schedule H to the Indenture. IF THIS BOX IS CHECKED, THE TRANSFEROR MUST COMPLETE AND DELIVER A CERTIFICATE OF TRANSFER SUBSTANTIALLY AS SET FORTH IN SCHEDULE E TO THE INDENTURE.

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of this Initial Debenture in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”.
2. The registered holder of this Initial 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.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution

**Schedule B
Form of Redemption Notice**

CHORUS AVIATION INC.

6.00% CONVERTIBLE SENIOR UNSECURED DEBENTURES

REDEMPTION NOTICE

To: Holders of 6.00% Convertible Senior Unsecured Debentures (the “**Debentures**”) of Chorus Aviation Inc. (the “**Corporation**”)

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

Notice is hereby given pursuant to Section 4.3 of the debenture indenture (the “**Indenture**”) dated as of April 6, 2021 between the Corporation and Computershare Trust Company of Canada (the “**Trustee**”), that the aggregate principal amount of \$● of the \$● of Debentures outstanding will be redeemed as of ● (the “**Redemption Date**”), upon payment of a redemption amount of \$● for each \$1,000 principal amount of Debentures, calculated based on the aggregate of (i) ● principal amount of the Debentures to be redeemed (the “**Redemption Price**”), plus (ii) all accrued and unpaid interest hereon to but excluding the Redemption Date in the amount of \$● for each \$1,000 principal amount of Debentures, being equal to the aggregate of \$●.

The Redemption Price and all accrued and unpaid interest hereon to but excluding the Redemption Date will be payable upon presentation and surrender of the Debentures called for redemption at the following corporate trust office:

Computershare Trust Company of Canada
100 University Avenue, 11th Floor
Toronto, Ontario M5J 2Y1

The interest upon the principal amount of Debentures called for redemption shall cease to be payable from and after the Redemption Date, unless payment of the Redemption Price shall not be made on presentation for surrender of such Debentures at the above-mentioned corporate trust office on or after the Redemption Date or prior to the setting aside of the Redemption Price pursuant to the Indenture.

[Pursuant to Section 4.6 of the Indenture, the Corporation hereby irrevocably elects to satisfy its obligation to pay the Redemption Price payable to holders of Debentures in accordance with this notice by issuing and delivering to the holders that number of Freely Tradeable Voting Shares obtained by dividing the Redemption Price by 95% of the Current Market Price of the Voting Shares. Holders who are Canadian will receive Class B Voting Shares and holders who are not Canadian will receive Class A Variable Voting Shares.]

[No fractional Freely Tradeable Voting Shares shall be delivered upon the exercise by the Corporation of the above-mentioned redemption right but, in lieu thereof, the

Corporation shall pay the cash equivalent thereof determined on the basis of the Current Market Price on the Redemption Date (less any tax required to be deducted, if any).]

Upon presentation and surrender of the Debentures for payment on the Redemption Date, the Corporation shall, on the Redemption Date, make the delivery to the Trustee, at the above-mentioned corporate trust office, for delivery to and on account of the holders, of **[the Freely Tradeable Voting Shares to which holders are entitled together with the cash equivalent in lieu of fractional Voting Shares,] cash for [the Redemption Price and] all accrued and unpaid interest up to, but excluding, the Redemption Date[, and, if only a portion of the Debentures are to be redeemed by issuing Freely Tradeable Voting Shares, cash representing the balance of the Redemption Price].**

Holders of Debentures have the right, by giving notice to the Trustee by no later than 5:00 p.m. (Toronto time) on ●, to elect to convert the Debentures into Freely Tradeable Voting Shares at the Conversion Price (as defined in the Indenture) in accordance with the terms of the Indenture.

[If the holder is a Qualified Institutional Buyer that acquired Debentures as “restricted securities” (as defined in Rule 144 under the United Securities Act of 1933, as amended) which, pursuant to Section 2.14(3) of the Indenture, have been included in the Unrestricted Global Debenture against execution and delivery by the holder of a U.S. Purchaser Letter substantially as set forth in Schedule H to the Indenture, the Freely Tradeable Voting Shares shall be “restricted securities” notwithstanding that they will neither be issued under a restricted CUSIP nor bear a U.S. Legend.]

DATED:

CHORUS AVIATION INC.

By:

Name: ●

Title: ●

Schedule C
Form of Maturity Notice

CHORUS AVIATION INC.

6.00% CONVERTIBLE SENIOR UNSECURED DEBENTURES

MATURITY NOTICE

To: Holders of 6.00% Convertible Senior Unsecured Debentures (the “**Debentures**”) of Chorus Aviation Inc.(the “**Corporation**”)

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

Notice is hereby given pursuant to Section 4.10(2) of the convertible debenture indenture (the “**Indenture**”) dated as of April 6, 2021 between the Corporation and Computershare Trust Company of Canada, as trustee (the “**Trustee**”), that the Debentures are due and payable as of June 30, 2026 (the “**Maturity Date**”) and the Corporation elects to satisfy its obligation to repay to holders of Debentures the principal amount of all of the Debentures outstanding on the Maturity Date by issuing and delivering to the holders that number of Freely Tradeable Voting Shares equal to the number obtained by dividing such principal amount of the Debentures by 95% of the Current Market Price on the Maturity Date. Holders who are Canadian will receive Class B Voting Shares and holders who are not Canadian will receive Class A Variable Voting Shares. Any accrued and unpaid interest thereon up to (but excluding) the Maturity Date shall be paid in cash.

No fractional Voting Shares shall be delivered on exercise by the Corporation of the above mentioned repayment right but, in lieu thereof, the Corporation shall pay the cash equivalent thereof determined on the basis of the Current Market Price on the Maturity Date (less any tax required to be deducted, if any).

Upon presentation and surrender of the Debentures for payment on the Maturity Date, the Corporation shall, on the Maturity Date, make delivery to the Trustee, at its principal trust office in Toronto, Ontario, for delivery to and on account of the holders, of the Freely Tradeable Voting Shares to which holders are entitled together with the cash equivalent in lieu of fractional Freely Tradeable Voting Shares, and if only a portion of the Debentures are to be repaid by issuing Freely Tradeable Voting Shares, cash representing the balance of the principal amount, premium (if any) and interest due on the Maturity Date.

Holders of Debentures have the right, by giving notice to the Trustee no later than 5:00 p.m. (Toronto time) on ●, to elect to convert the Debentures into Freely Tradeable Voting Shares at the Conversion Price (as defined in the Indenture) in accordance with the terms of the Indenture.

If the holder is a Qualified Institutional Buyer that acquired Debentures as “**restricted securities**” (as defined in Rule 144 under the United Securities Act of 1933, as amended) which, pursuant to Section 2.14(3) of the Indenture, have been included in the Unrestricted Global Debenture against execution and delivery by the holder of a U.S. Purchaser Letter substantially as set forth in Schedule H to the Indenture, the Freely Tradeable Voting Shares shall be “**restricted**”

securities” notwithstanding that they will neither be issued under a restricted CUSIP nor bear a U.S. Legend.

DATED:

CHORUS AVIATION INC.

By: _____

Name: ●

Title: ●

Schedule D
Form of Certificate of Transfer

Chorus Aviation Inc.
3 Spectacle Lake Drive
Dartmouth, Nova Scotia
B3B 1W8

Attention: Manager, Corporate Trust

Computershare Trust Company of Canada
100 University Avenue, 11th Floor, Toronto, Ontario
M5J 2Y1

[●]

Re: Transfer of Debentures

Reference is hereby made to the Indenture, dated as of April 6, 2021 (the “**Indenture**”), between Chorus Aviation Inc., as issuer (the “**Company**”), and Computershare Trust Company of Canada, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “**Transferor**”) owns and proposes to transfer the Debentures or interests in such Debentures specified in Annex A hereto, in the principal amount of \$● (“**Transfer**”), to _____ (the “**Transferee**”), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that

[CHECK ALL THAT APPLY]

1. **Check if Transferee will take delivery of a beneficial interest in a Restricted Global Debenture or a Restricted Physical Debenture pursuant to Rule 144A.** The Transfer is being effected pursuant to and in accordance with Rule 144A (“**Rule 144A**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), and, accordingly, the Transferor hereby further certifies that the beneficial interest or physical Debenture is being transferred to a Person that the Transferor reasonably believes is purchasing the beneficial interest or physical Debenture for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a “qualified institutional buyer” within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A, and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or physical Debenture will be subject to the restrictions on transfer enumerated in the U.S. Legend.

2. **Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Debenture or an Unrestricted Physical Debenture pursuant to**

Regulation S. The Transfer is being effected pursuant to and in accordance with Rule 904 of Regulation S under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transferor is not an “affiliate” of the Company as that term is defined in Rule 405 under the Securities Act, (ii) the offer was not made, and the Transfer is not being made, to a Person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows that the transaction was prearranged with a buyer in the United States, (iii) neither the Transferor nor any affiliate of the Transferor nor any Person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the Transfer, (iv) the Transfer is *bona fide* and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as that term is defined in Rule 144(a)(3) under the Securities Act), (v) the Transferor does not intend to replace such securities with fungible unrestricted securities and (vi) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act. Terms used in this section have the meaning given to them by Regulation S under the Securities Act.

3. **Check and complete if Transferee will take delivery of a beneficial interest in an Unrestricted Global Debenture or an Unrestricted Physical Debenture pursuant to any provision of the Securities Act other than Regulation S.**

(a) **Check if Transfer is pursuant to Rule 144.** (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act (“**Rule 144**”) and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

(b) **Check if Transfer is Pursuant to Other Exemption.** (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144A, Regulation S and Rule 144, and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Transferor in order to maintain compliance with the Securities Act.

In connection with requests for transfers pursuant to item 3(a) or Rule 144, the Transferor must deliver to the Trustee an opinion of counsel of recognized standing in form and substance satisfactory to the Trustee and reasonably satisfactory to the Corporation, to the effect that the U.S. Legend is no longer required under applicable requirements of the Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert name of Transferor]

By: _____

Name: ●

Title: ●

Dated: _____

ANNEX A TO CERTIFICATE OF TRANSFER

1. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b) OR (c)]

- (a) a beneficial interest in the:
 - i. Restricted Global Debenture CUSIP
 - ii. Unrestricted Global Debenture CUSIP
- (b) a Restricted Physical Debenture
- (c) an Unrestricted Physical Debenture

2. After the Transfer the Transferee will hold:

[CHECK ONE OF (a) OR (b) OR (c)]

- (a) a beneficial interest in the:
 - i. Restricted Global Debenture CUSIP
 - ii. Unrestricted Global Debenture CUSIP
- (b) a Restricted Physical Debenture
- (c) an Unrestricted Physical Debenture

in accordance with the terms of the Indenture.

Schedule E
Form of Certificate of Exchange

Chorus Aviation Inc.
3 Spectacle Lake Drive
Dartmouth, Nova Scotia
B3B 1W8

Attention: Manager, Corporate Trust

Computershare Trust Company of Canada
100 University Avenue, 11th Floor, Toronto, Ontario
M5J 2Y1

Re: Exchange of Debentures

(CUSIP ●)

Reference is hereby made to the Indenture, dated as of April 6, 2021 (the “Indenture”), between Chorus Aviation Inc., as issuer (the “Company”), and Computershare Trust Company of Canada, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____ (the “Owner”) owns and proposes to exchange the Debentures or interests in such Debentures specified herein, in the principal amount of \$● (the “Exchange”). In connection with the Exchange, the Owner hereby certifies that:

1. Exchange of Restricted Physical Debentures or Beneficial Interests in a Restricted Global Debenture for Unrestricted Physical Debentures or Beneficial Interests in an Unrestricted Global Debenture

(a) **Check if Exchange is from a beneficial interest in a Restricted Global Debenture to a beneficial interest in an Unrestricted Global Debenture.** In connection with the Exchange of the Owner’s beneficial interest in a Restricted Global Debenture for a beneficial interest in an Unrestricted Global Debenture in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner’s own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Debentures and pursuant to and in accordance with the Securities Act of 1933, as amended (the “Securities Act”), (iii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the beneficial interest of the Owner in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(b) **Check if Exchange is from Restricted Physical Debenture to Unrestricted Physical Debenture.** In connection with the Owner’s Exchange of a Restricted Physical Debenture for an Unrestricted Physical Debenture, the Owner hereby certifies (i) the Unrestricted Physical Debenture is being acquired for the Owner’s own account without transfer, (ii) such

Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Physical Debentures and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the U.S. Legend are not required to be imposed on the Physical Debenture of the Owner in order to maintain compliance with the Securities Act and (iv) the Unrestricted Physical Debenture is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

In connection with requests for Exchanges pursuant to item 1(a) or 1(b), the Owner must deliver to the Trustee an opinion of counsel of recognized standing in form and substance satisfactory to the Trustee and reasonably satisfactory to the Corporation, to the effect that the U.S. Legend is no longer required under applicable requirements of the Securities Act or state securities laws.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____
Name: ●
Title: ●

Dated: _____

Schedule F
Voting Share Legends

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR THE LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF CHORUS AVIATION INC. (THE “CORPORATION”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, IN COMPLIANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 THEREUNDER, IF AVAILABLE, OR RULE 144A THEREUNDER, IF AVAILABLE, AND, IN BOTH CASES, IN ACCORDANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (C) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE U.S. STATE SECURITIES LAWS, AND, IN THE CASE OF (B)(i) OR (C) ABOVE, AFTER THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION AND THE [TRUSTEE][TRANSFER AGENT] TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

**Schedule G
Form of Residency Declaration**

INSTRUCTIONS

Upon request, a separate declaration is to be completed by the registered holder or his agent for his Voting Shares.

If the declarant is not also the registered holder and beneficial owner of the Voting Shares, the declarant must make reasonable inquiries of the holder, registered holder or beneficial owner, as the case may be, to confirm that the statements made in the declaration as they pertain to the registered holder and beneficial owner are true.

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.

All statements set out in this declaration must be completed.

UNLESS OTHERWISE DEFINED, ALL CAPITALIZED TERMS ARE DEFINED IN THE DEBENTURE INDENTURE DATED ●, 2021 TO WHICH THIS SCHEDULE “G” IS ATTACHED. PLEASE REFER TO THE DEFINITIONS ATTACHED TO THIS DECLARATION AS APPENDIX “A” TO DETERMINE STATUS AS A CANADIAN OR A NON-CANADIAN

TO: CHORUS AVIATION INC. (“Chorus”)

AND TO: CANADIAN TRANSPORTATION AGENCY (“CTA”)

In response to a request made by Chorus to facilitate compliance with the restrictions on ownership and control of, and exercise of voting rights attaching to, the shares of Chorus pursuant to the *Canada Transportation Act* (Canada) (the “Act”) and the Articles of Incorporation of Chorus and in connection with:

(Number) Class A Variable Voting Shares, and

(Number) Class B Voting Shares

I *[Insert Name]*

of *[Insert Name]*

HEREBY DECLARE THAT, within the meaning of the definitions contained in the Act and the Articles of Incorporation of Chorus, as summarized on the reverse side hereof, as at the date hereof:

The registered holder of the Voting Shares is:

_____ a Canadian _____ a Non-Canadian

The beneficial owner of the Voting Shares is:

_____ a Canadian _____ a Non-Canadian

The Person controlling such Voting Shares is:

_____ a Canadian _____ a Non-Canadian

If I am not the registered holder of the Voting Shares, I have asked for and received the registered holder's authority and advice to execute this declaration on his or her behalf.

This declaration is made, conscientiously believing it to be true and knowing that it is of the same force and effect as if made under oath and given by virtue of the *Canada Evidence Act* (Canada).

DECLARED THIS DAY OF

Signature of Declarant

If the declarant is a corporation, partnership, association, trust or other organization, provide the name and the title of the signatory

Address of Declarant (Please print):

APPENDIX “A” DEFINITIONS

The following definitions are summaries only and are qualified in their entirety by the definitions contained in the Articles of Incorporation of Chorus and the *Canada Transportation Act* (Canada):

“**affiliation**” for the purposes hereof (a) one corporation is affiliated with another corporation if (i) one of them is a subsidiary of the other, (ii) both are subsidiaries of the same corporation, or (iii) both are controlled by the same person, (b) if two corporations are affiliated with the same corporation at the same time, they are deemed to be affiliated with each other, (c) a partnership or sole proprietorship is affiliated with another partnership or sole proprietorship if both are controlled by the same person, (d) a corporation is affiliated with a partnership or a sole proprietorship if both are controlled by the same person, (e) a corporation is a subsidiary of another corporation if it is controlled by that other corporation or by a subsidiary of that other corporation, (f) a corporation is controlled by a person other than Her Majesty in right of Canada or a province if (i) securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are held, directly or indirectly, whether through one or more subsidiaries or otherwise, otherwise than by way of security only, by or for the benefit of that person, and (ii) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation, (g) a corporation is controlled by Her Majesty in right of Canada or a province if (i) the corporation is controlled by Her Majesty in the manner described in paragraph (f), or (ii) in the case of a corporation without share capital, a majority of the directors of the corporation, other than ex officio directors, are appointed by (A) the Governor in Council or the Lieutenant Governor in Council of the province, as the case may be, or (B) a Minister of the government of Canada or the province, as the case may be, and (h) a partnership is controlled by a person if the person holds an interest in the partnership that entitles the person to receive more than 50% of the profits of the partnership or more than 50% of its assets on dissolution;

“**Canadian**” means:

- (a) a Canadian citizen or a Permanent Resident;
- (b) a government in Canada or an agent of such a government; or
- (c) a corporation or entity that is incorporated or formed under the laws of
- (d) Canada or a province, that is controlled in fact by Canadians and of which at least 51% of the voting interests are owned and controlled by Canadians and where (i) no more than 25% of the voting interests are owned directly or indirectly by any single Non-Canadian, either individually or in affiliation with another person, and (ii) no more than 25% of the voting interests are owned directly or indirectly by one or more Non-Canadian Holders Authorized to Provide Air Service, either individually or in affiliation with another person;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Non-Canadian**” means a person that is not a Canadian;

“Non-Canadian Holder Authorized to Provide Air Service” means any Non-Canadian authorized to provide an air service in any jurisdiction;

“Permanent Resident” has the meaning set out in the *Immigration and Refugee Protection Act* (Canada), as amended from time to time. As at the date hereof, a person is a **“permanent resident”** of Canada within the meaning of the *Immigration and Refugee Protection Act* (Canada) if that person has acquired permanent resident status and has not subsequently lost that status under section 46 of the *Immigration and Refugee Protection Act* (Canada).

Schedule H
Form of U.S. Purchaser Letter

Chorus Aviation Inc.
3 Spectacle Lake Drive
Dartmouth, Nova Scotia
B3B 1W8

Attention: [●]

And the Underwriters and U.S. Affiliates referred to in the U.S. Offering Memorandum referred to below

Ladies and Gentlemen:

In connection with its agreement to purchase 6.00% convertible senior unsecured debentures (the “**Debentures**”) of Chorus Aviation Inc. (the “**Corporation**”), the undersigned purchaser acknowledges, represents to, warrants, covenants and agrees with the Corporation and the Underwriters and their U.S. Affiliates, as follows (capitalized terms not defined herein are used as defined in the U.S. Offering Memorandum):

1. Prior to the time of purchase of any Debentures, it received a copy of the final U.S. Offering Memorandum attached to a copy of the Canadian Prospectus, relating to the offering of the Debentures in the United States and it has had access to such additional information, if any, concerning the Corporation as it has considered necessary in connection with its investment decision to acquire such Debentures.
2. It is authorized to consummate the purchase of the Debentures.
3. It is a Qualified Institutional Buyer, purchasing the Debentures for its own account or for the account or benefit of one or more Qualified Institutional Buyers with respect to which it exercises sole investment discretion for investment purposes only and not with a view to any resale, distribution or other disposition of the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares in violation of United States federal or U.S. state securities laws.
4. It understands and acknowledges that none of the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares have been nor will be registered under the U.S. Securities Act or the securities laws of any state of the United States, and will, therefore, be “**restricted securities**” within the meaning of Rule 144 under the U.S. Securities Act that will not be represented by certificates that bear a U.S. restricted legend or identified by a restricted CUSIP number, and that the offer and sale of the Debentures to it will be made in reliance upon an exemption from registration available for offers and sales to Qualified Institutional Buyers.

5. It, alone or with the assistance of its professional advisors, has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its investment in the Debentures, the Class A Variable Voting Shares and the Class B Voting Shares and is able, without impairing its financial condition, to hold the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares for an indefinite period of time and to bear the economic risks, and withstand a complete loss, of such investment.
6. It acknowledges that it has not purchased the Debentures as a result of any “general solicitation” or “general advertising” (as those terms are used in Regulation D under the U.S. Securities Act), including, but not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the Internet or broadcast over radio, television or the Internet, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising.
7. In consideration for the receipt of unlegended “restricted securities”, it agrees that if it decides to offer, sell, pledge or otherwise transfer any of the Debentures, Class A Variable Voting Shares or Class B Voting Shares, it will not offer, sell, pledge or otherwise transfer such securities, directly or indirectly, unless the transfer is: (i) to the Corporation, or (ii) outside the United States in accordance with the requirements of Rule 904 of Regulation S in compliance with applicable local laws and regulations.
8. It acknowledges that, unless alternative arrangements for the issuance of physical certificates are made, the Debentures may only be held in an account at CDS Clearing and Depository Services Inc., or a successor depository in Canada, and will not be held in an account at The Depository Trust Company, or a successor depository in the United States.
9. It acknowledges it has implemented, or shall immediately implement, adequate internal procedures to be able to ensure compliance with the transfer restrictions set out and described herein and in the U.S. Offering Memorandum, and, in particular, to ensure that the Debentures, Class A Variable Voting Shares or Class B Voting Shares shall be properly identified in its records as “restricted securities” that are subject to such transfer restrictions notwithstanding the absence of a U.S. restrictive legend.
10. It understands and acknowledges that the Corporation is not obligated to file and has no present intention of filing with the SEC or with any U.S. state securities commission any registration statement in respect of resales of any of the Debentures, Class A Variable Voting Shares or Class B Voting Shares in the United States.
11. It understands and acknowledges that the Corporation (i) is not obligated to remain a “foreign issuer” within the meaning of Regulation S, (ii) may not, at any time, be a foreign issuer, and (iii) may engage in one or more transactions which could cause the Corporation not to be a foreign issuer.

12. It is aware that (i) purchasing, holding, converting and disposing of the Debentures, the Class A Variable Voting Shares or Class B Voting Shares may have tax consequences under the laws of Canada and the United States, (ii) the tax consequences for prospective investors who are resident in, or citizens of, the United States are not described in this U.S. Offering Memorandum or the Canadian Prospectus, and (iii) it is solely responsible for determining the tax consequences applicable to its particular circumstances and should consult its own tax advisors concerning investment in the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares.
13. No agency, governmental authority, regulatory body, stock exchange or other entity (including, without limitation, the SEC or any U.S. state securities commission) has made any finding or determination as to the merit of investment in, nor have any such agencies or governmental authorities made any recommendation or endorsement with respect to, the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares.
14. If required by applicable securities legislation, regulatory policy or order or by any securities commission, stock exchange or other regulatory authority, it will execute, deliver and file and otherwise assist the Corporation in filing reports, questionnaires, undertakings and other documents with respect to the issuance of the Debentures, the Class A Variable Voting Shares or the Class B Voting Shares.
15. It understands and acknowledges that it is making the representations, warranties and agreements contained herein with the intent that they may be relied upon by the Corporation, the Underwriters and the U.S. Affiliates in determining its eligibility to purchase the Debentures.
16. It acknowledges that no representation or warranty is made by the Underwriters or their U.S. Affiliates as to the accuracy or completeness of this U.S. Offering Memorandum and the related Canadian Prospectus.
17. (i) If it is acquiring any Debentures as a fiduciary or agent for one or more investor accounts, it represents that it has full power to make the representations, warranties and agreements contained herein on behalf of each such account and that the representations, warranties and agreements contained herein are true and correct and will be binding upon each such account; or (ii) the undersigned is an officer of the purchaser duly authorized to execute and deliver this letter on behalf of the purchaser.
18. It acknowledges and consents to the fact that the Corporation and the Underwriters may be required by applicable securities laws to provide the securities regulators or other authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) with its personal information; and, notwithstanding that it may be purchasing securities as agent on behalf of an undisclosed principal, it agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Underwriters or the Corporation in order to comply with the foregoing.

19. It represents and warrants that (a) the funds representing the purchase price which will be advanced by it will not represent proceeds of crime for the purposes of the United States Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the “**PATRIOT Act**”), and it acknowledges that the Corporation, the Underwriters and/or the U.S. Affiliates may in the future be required by law to disclose its name and other information, on a confidential basis, pursuant to the PATRIOT Act, and (b) no portion of the purchase price to be provided by it (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity that has not been identified to or by it; and it shall promptly notify the Underwriters, the U.S. Affiliates and the Corporation if it discovers that any of such representations ceases to be true and provide the Underwriters, the U.S. Affiliates and the Corporation with appropriate information in connection therewith.
20. It agrees that by accepting the Debentures it shall be representing and warranting that the foregoing representations and warranties are true and correct as at the closing date of the offering of the Debentures and that they shall survive the purchase by it of the Debentures and shall continue in full force and effect notwithstanding any subsequent disposition by it of the Debentures. It irrevocably authorizes the Corporation, the Underwriters or the U.S. Affiliates to produce this U.S. Purchaser Letter or a copy hereof to any interested party in any administrative or legal proceedings or official enquiry with respect to the matters set forth herein.

The Corporation, the Underwriters and the U.S. Affiliates shall be entitled to rely on delivery of an electronic mail or facsimile copy of this U.S. Purchaser Letter, and acceptance by the Corporation of an electronic mail or facsimile copy of this U.S. Purchaser Letter shall create a legal, valid and binding agreement between the Corporation and the undersigned.

By: _____
Print Name of U.S. Purchaser

By: _____
Name: ●
Title: ●

**Schedule I
Form of Notice of Conversion**

CONVERSION NOTICE

To: CHORUS AVIATION INC.

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

The undersigned registered holder of 6.00% Convertible Senior Unsecured Debentures irrevocably elects to convert such Debentures (or \$● principal amount thereof*) in accordance with the terms of the Indenture referred to in such Debentures and tenders herewith the Debentures, and, if applicable, directs that the [**Class A Variable Voting Shares / Class B Voting Shares**] of Chorus Aviation Inc. issuable upon a conversion be issued and delivered to the person indicated below. (If [**Class A Variable Voting Shares / Class B Voting Shares**] are to be issued in the name of a person other than the holder, all requisite transfer taxes must be tendered by the undersigned).

Check if the undersigned registered holder is a Qualified Institutional Buyer that acquired Initial Debentures under the Offering as “restricted securities” which, pursuant to Section 2.14(3) of the Indenture, have been included in the Unrestricted Global Debenture against execution and delivery by the Transferor of a U.S. Purchaser Letter substantially as set forth in Schedule H to the Indenture. IF THIS BOX IS CHECKED, THE UNDERSIGNED REGISTERED HOLDER ACKNOWLEDGES AND AGREES THAT IT CONTINUES TO BE BOUND BY THE TERMS AND CONDITIONS SET FORTH IN THE U.S. PURCHASER LETTER.

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).

NOTE: If [**Class A Variable Voting Shares / Class B Voting Shares**] are to be issued in the name of a person other than the holder, the signature must be guaranteed by a chartered bank, a trust company or by a member of an acceptable Medallion Guarantee Program. The Guarantor must affix a stamp bearing the actual words: “SIGNATURE GUARANTEED”.

(Print name in which [**Class A Variable Voting Shares / Class B Voting Shares**] are to be issued, delivered and registered)

Name: _____

Address

(City, Province and Postal Code)

Name of guarantor: _____

Authorized signature:
