

SPECTRA7 MICROSYSTEMS INC.

- and -

COMPUTERSHARE TRUST COMPANY OF CANADA

SECOND SUPPLEMENTAL CONVERTIBLE DEBENTURE INDENTURE

December 9, 2021

THIS SECOND SUPPLEMENTAL CONVERTIBLE DEBENTURE INDENTURE (this “**Second Supplemental Indenture**”) is dated as of the 9th day of December, 2021.

BETWEEN: **SPECTRA7 MICROSYSTEMS INC.**, a corporation
incorporated and existing under the law of Canada

(hereinafter call 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,

(hereinafter called the “**Trustee**”).

WHEREAS:

- A. The Corporation and the Trustee entered into a convertible debenture indenture dated as of January 9, 2018 (the “**Indenture**”) providing for the issuance of debentures in an aggregate principal amount of up to \$24,000,000, designated as “7% Convertible Unsecured Debentures” and due on January 9, 2021 (the “**Debentures**”);
- B. The Corporation and the Trustee entered into a first supplemental convertible debenture indenture (the “**First Supplemental Indenture**”) dated as of December 23, 2020 amending certain terms of the Indenture, including but not limited to the Maturity Date and Conversion Price;
- C. On August 13, 2021, the Corporation consolidated its common shares on the basis of one new common share for every 50 existing common shares (the “**Consolidation**”);
- D. The Corporation wishes to amend the Indenture to reduce the conversion price of the principal amount of the Debentures from \$5.00 per common share (as adjusted for the Consolidation) to \$2.50 per common share (as adjusted for the Consolidation) during the period from January 9, 2022 to the Maturity Date (the “**2022 Amendment**”);
- E. The Exchange has approved the 2022 Amendment as contemplated in section 4.14 of the Indenture;
- F. Section 14.1 of the Indenture permits the Corporation and the Trustee to execute and deliver supplemental indentures;
- G. The board of directors of the Corporation has determined that it is in the best interest of the Corporation to supplement the Indenture; and
- H. The execution, acknowledgment and delivery of this Second Supplemental Indenture by the Corporation has been duly authorized by a resolution of the board of directors of the Corporation.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSES that for good and valuable consideration mutually given and received, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed and declared as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions and Interpretation

This Second Supplemental Indenture is supplemental to the Indenture and the First Supplemental Indenture, and the Indenture and the First Supplemental Indenture shall henceforth be read in conjunction with this Second Supplemental Indenture, and all the provisions of the Indenture and First Supplemental Indenture, except only insofar as the same may be inconsistent with the express provisions hereof, shall apply and have the same effect as if all the provisions of the Indenture, the First Supplemental Indenture, and this Second Supplemental Indenture were contained in one instrument, and the capitalized terms used herein shall have the same meanings as are ascribed to the corresponding expressions in the Indenture.

On and after the date hereof, each reference in the Indenture to the Indenture, as supplemented by this Second Supplemental Indenture, “this indenture”, “herein”, “hereby” and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby. Except as specifically amended by this Second Supplemental Indenture, all other terms and conditions of the Indenture shall remain in full force and unchanged.

1.2 Gender and Number.

Unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.3 Interpretation not Affected by Headings, etc.

The division of this Second Supplemental Indenture into Articles, Sections, Subsections and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Second Supplemental Indenture.

1.4 Time of the Essence.

Time shall be of the essence in all respects in this Second Supplemental Indenture.

1.5 Severability.

In the event that any provision hereof shall be determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect or any other provision hereof, all of which shall remain in full force and effect.

1.6 Conflicts.

In the event of any conflict between the provisions of this Second Supplemental Indenture and the Indenture or the First Supplemental Indenture, the provisions of this Second Supplemental Indenture will govern.

1.7 Requirement of Writing.

This Second Supplemental Indenture may not be amended, modified or waived except by written instrument signed by the Corporation and the Trustee.

1.8 Successors and Assigns.

This Second Supplemental Indenture shall enure to the benefit of and be binding upon the Corporation and the Trustee hereto and their respective successors and assigns.

1.9 Execution.

This Second Supplemental Indenture may be simultaneously executed by facsimile 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.

ARTICLE 2 AMENDMENTS

2.1 Amendments to Conversion Price

Subsection 1.1 (u) of the Indenture shall be deleted in its entirety and replaced by the following:

“**Conversion Price**” means the dollar amount for which each Share may be issued from time to time upon the conversion of Debentures in accordance with the provisions of Article 4, and without limiting the generality of the foregoing, the Conversion Price in effect on the date hereof for each Share to be issued on conversion of the Debentures is \$2.50 (subject to adjustment as provided herein);

ARTICLE 3 MISCELLANEOUS PROVISIONS

3.1 Confirmation of Indenture

On the date hereof, the Indenture shall be supplemented in accordance with this Second Supplemental Indenture, and this Second Supplemental Indenture shall form part of the Indenture for all purposes, and the holder of every Debentures heretofore or hereafter authenticated and delivered under the Indenture shall be bound thereby. The Indenture, as supplemented by this Second Supplemental Indenture, shall remain in full force and effect as supplemented by this Second Supplemental Indenture and is in all respects ratified and confirmed.

3.2 Acceptance

The Corporation hereby accepts the Indenture, as amended and supplemented by this Second Supplemental Indenture, and agrees to perform the same upon the terms and conditions and subject to the provisions set forth in the Indenture as supplemented by this Second Supplemental Indenture.

3.3 Counterparts and Formal Date

This Second Supplemental Indenture may be executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to be dated as of the day and year first above written.

3.4 Applicable Law

This Second Supplemental Indenture shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and treated in all respects as an Ontario contract and shall be binding upon the parties hereto and their respective successors and assigns.

[Signature Page Follows]

IN WITNESS WHEREOF the parties hereto have executed this Second Supplemental Convertible Indenture as of the day and year first above written.

SPECTRA7 MICROSYSTEMS INC.

By: (signed) "Raouf Halim"
Name: Raouf Halim
Title: Chief Executive Officer

By: (signed) "Bonnie Tomei"
Name: Bonnie Tomei
Title: Chief Financial Officer

**COMPUTERSHARE TRUST COMPANY
OF CANADA**

By: (signed) "Danny Snider"
Name: Danny Snider
Title: Corporate Trust Officer

By: (signed) "Michelle Schultz"
Name: Michelle Schultz
Title Associate Trust Officer