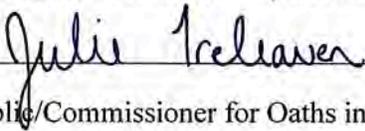


This is **Exhibit "J"** to the Affidavit of Daryl Stepanic  
sworn before me this 29<sup>th</sup> day of January 2024.



Notary Public/Commissioner for Oaths in and for Alberta

**Julie Laura Treleaven**  
Barrister & Solicitor

**GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.**

as Guarantor

and

**GLAS AMERICAS LLC**

as Collateral Agent

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**GUARANTEE**

**July 21, 2022**

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SCHEDULES

SCHEDULE "A" GUARANTOR SECURITY DOCUMENTS

## GUARANTEE

Guarantee dated as of July 21, 2022 made by Griffon Partners Capital Management Ltd. to and in favour of GLAS Americas LLC, as Collateral Agent, and the Secured Parties.

### RECITALS:

- (a) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Guarantor execute and deliver this Guarantee to the Collateral Agent, for the benefit of the Secured Parties; and
- (c) The Guarantor is the indirect parent of the Borrower and due to the close business and financial relationships between the Guarantor, the Borrower and the other affiliates party to the transactions contemplated by the Loan Agreement, the Guarantor will derive substantial direct and indirect benefits from such transactions and therefore the Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Defined Terms

As used in this Guarantee the following terms have the following meanings:

**“Administrative Agent”** means GLAS USA LLC and its successors and assigns.

**“Borrower”** means Griffon Partners Operation Corp., a corporation incorporated and existing under the law of Alberta, and its successors and permitted assigns.

**“Collateral Agent”** means GLAS Americas LLC and its successors and assigns.

**“Guarantee”** means this guarantee.

**“Guarantor”** means Griffon Partners Capital Management Ltd., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

**“Guarantor Security Documents”** means the agreements described in Schedule “A” and any other security held by the Collateral Agent, from time to time for the Guarantor’s obligations under this Guarantee.

**“Lenders”** means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

**“Loan Agreement”** means the loan agreement dated as of the date hereof among the Borrower, as borrower, the Guarantor and Griffon Partners Holding Corp., as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity

of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lenders, Administrative Agent or Collateral Agent.

**"Obligations"** means the Obligations (as defined in the Loan Agreement) of the other Credit Parties.

**"Other Taxes"** means present and future stamp and documentary taxes and any other excise and property taxes, charges, financial institutions duties, debits taxes and similar levies which arise from any payment made by the Guarantor under this Guarantee or under any of the Guarantor Security Documents or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee or any of the Guarantor Security Documents, in each case, including any interest, additions to tax or penalties applicable thereto.

**"Secured Parties"** has the meaning given to it in the Loan Agreement, but for certainty does not include any Swap Counterparty.

**"Taxes"** means all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities imposed by any country (or any political subdivision or taxing authority of it), including any interest, additions to tax or penalties applicable thereto.

## **Section 1.2 Interpretation**

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Loan Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Except as otherwise provided in this Guarantee, any reference to this Guarantee, any Credit Document or any Guarantor Security Document refers to this Guarantee or such Credit Document or Guarantor Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in currency of Canada.

## **ARTICLE 2 GUARANTEE**

### **Section 2.1 Guarantee**

The Guarantor irrevocably and unconditionally guarantees to the Collateral Agent and the Secured Parties the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Collateral Agent and the Secured Parties strictly in accordance with their terms and conditions.

### **Section 2.2 Indemnity**

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Parties from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

### **Section 2.3 Primary Obligation**

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Collateral Agent and the Secured Parties are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

### **Section 2.4 Absolute Liability**

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Credit Documents;
- (b) any contest by the Borrower or any other Person as to the amount of the Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Parties;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Collateral Agent or the Secured Parties may grant to the Borrower or any other Person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Loan Agreement, the other Credit Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other Person;

- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Credit Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Credit Party or their respective businesses;
- (i) any dealings with the security which the Collateral Agent or the Secured Parties hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Credit Party or any other Person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Parties realize on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Obligations or this Guarantee.

### **ARTICLE 3 ENFORCEMENT**

#### **Section 3.1 Remedies**

The Collateral Agent and the Secured Parties are not bound to exhaust their recourse against the Borrower or any other Person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

#### **Section 3.2 Amount of Obligations**

Any account settled or stated by or between the Collateral Agent and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any

account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Collateral Agent and the Secured Parties or remains unpaid by the Borrower to the Collateral Agent and the Secured Parties.

### **Section 3.3 Payment on Demand**

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Collateral Agent or the Secured Parties under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

### **Section 3.4 Costs and Expenses**

The Guarantor is liable for and will pay on demand by the Collateral Agent any and all expenses, costs and charges incurred by or on behalf of the Collateral Agent and the Secured Parties in connection with this Guarantee, including all legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

### **Section 3.5 Assignment and Postponement**

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Collateral Agent as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercorporate Indebtedness as permitted under the Loan Agreement. The Guarantor will not assign all or any part of the Intercorporate Indebtedness to any Person other than the Collateral Agent or the Secured Parties.
- (2) Following the occurrence of an Event of Default that is continuing, all Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and segregated from other funds and property held by the Guarantor and immediately paid to the Collateral Agent on account of the Obligations.
- (3) The Intercorporate Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Collateral Agent. The Guarantor will not allow a limitation period to expire on the Intercorporate Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercorporate Indebtedness except for the purpose of delivering the same to the Collateral Agent.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to the Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.

- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Collateral Agent is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercorporate Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercorporate Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Guarantee.
- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercorporate Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Collateral Agent and the Secured Parties have no further obligations under any of the Credit Documents.

### **Section 3.6 Suspension of Guarantor Rights**

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Secured Parties under any of the Credit Documents. The Guarantor hereby agrees in favour of the Borrower, the other guarantors, the Collateral Agent and the Secured Parties, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of the Borrower, the Guarantor or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the Secured Parties. The Guarantor further agrees that the Borrower and other guarantors of the debts, liabilities and obligations of the Borrower are intended third party beneficiaries of the Guarantor's agreement contained in this Section 3.6.

### **Section 3.7 No Prejudice to Collateral Agent or the Secured Parties**

The Collateral Agent and the Secured Parties are not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower, the Collateral Agent or the Secured Parties. The Collateral Agent and the Secured Parties may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other Person, (v) release, compound or vary the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waiver or modify their right to deal with, any Person and security. In their dealings with the

Borrower, the Collateral Agent and the Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Borrower.

### **Section 3.8 Rights of Subrogation**

Any rights of subrogation acquired by the Guarantor by reason of payment under this Guarantee, and not terminated pursuant to Section 3.6, shall not be exercised until the Obligations and all other amounts due to the Collateral Agent and the Secured Parties have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Collateral Agent and the Secured Parties. In the event (i) of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory), (ii) that the Borrower makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that the Borrower makes any composition with creditors or enters into any scheme of arrangement, the Collateral Agent and the Secured Parties have the right to rank in priority to the Guarantor for its full claims in respect of the Obligations and receive all dividends and other payments until its claims have been paid in full. The Guarantor will continue to be liable, less any payments made by it, for any balance which may be owing to the Collateral Agent or the Secured Parties by the Borrower. No valuation or retention of its security by the Collateral Agent or the Secured Parties shall, as between the Collateral Agent and the Secured Parties and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Obligations. If any amount is paid to the Guarantor at any time when all the Obligations and other amounts due to the Collateral Agent and the Secured Parties have not been paid in full, the amount will be held in trust for the benefit of the Collateral Agent and the Secured Parties and immediately paid to the Collateral Agent to be credited and applied to the Obligations, whether matured or unmatured. The Guarantor has no recourse against the Collateral Agent or the Secured Parties for any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties or any irregularity or defect in the manner or procedure by which the Collateral Agent or the Secured Parties realize on such security.

### **Section 3.9 No Set-off**

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

### **Section 3.10 Successors of the Borrower**

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and the Guarantor Security Documents extend to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

### **Section 3.11 Continuing Guarantee and Continuing Obligations**

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Collateral Agent and the Secured Parties and is binding as a continuing obligation of the Guarantor until the Collateral Agent and the Secured Parties release the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or the Secured Parties upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

### **Section 3.12 Supplemental Security**

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.

### **Section 3.13 Security for Guarantee**

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the

Guarantor under this Guarantee are secured pursuant to the terms and provisions of the Guarantor Security Documents.

### **Section 3.14 Right of Set-off**

Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each Secured Party are authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Parties to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Collateral Agent or the Secured Parties have made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The Collateral Agent and the Secured Parties agree promptly to notify the Guarantor after any such set-off and application made by the Collateral Agent provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Collateral Agent and the Secured Parties under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Parties may have.

### **Section 3.15 Interest Act (Canada)**

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act (Canada)*, whenever any interest is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be.

### **Section 3.16 Taxes**

- (1) All payments to the Collateral Agent and the Secured Parties by the Guarantor under this Guarantee or under any of the Guarantor Security Documents will be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Guarantor is required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Guarantee or under any of the Guarantor Security Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 3.16), the Collateral Agent and the Secured Parties receive an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Guarantor will make such deductions or withholdings, and (iii) the Guarantor will immediately pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.
- (2) The Guarantor agrees to immediately pay any Other Taxes.
- (3) The Guarantor will indemnify the Collateral Agent and the Secured Parties for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable by the Guarantor under this Section 3.16) paid by the Collateral Agent or the Secured Parties and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes and Other Taxes, whether or not they were correctly or legally asserted. Payment under this indemnification will be made within 30 days from the date the Collateral Agent makes written demand for it. A certificate as to the amount of such Taxes and Other Taxes submitted to the Guarantor by the Collateral Agent is conclusive evidence, absent

manifest error, of the amount due from the Guarantor to the Collateral Agent or any Secured Party, as the case may be.

- (4) The Guarantor will furnish to the Collateral Agent and the Secured Parties the original or a certified copy of a receipt evidencing payment of any Taxes or Other Taxes made by the Guarantor within 30 days after the date of any payment of such Taxes or Other Taxes.
- (5) The provisions of this Section 3.16 survive the termination of this Guarantee.

### **Section 3.17 Judgment Currency**

- (1) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Obligations or any other amount due to the Collateral Agent or any Secured Party in respect of the Guarantor's obligations under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Guarantor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Collateral Agent could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (2) The obligations of the Guarantor in respect of any sum due in the Original Currency from it to the Collateral Agent shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent, of any sum adjudged to be so due in such Other Currency the Collateral Agent may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Collateral Agent in the Original Currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Collateral Agent against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Collateral Agent in the Original Currency, the Collateral Agent agrees to remit such excess to the Guarantor.

## **ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **Section 4.1 Representations and Warranties**

The Guarantor represents and warrants, acknowledging and confirming that that the Collateral Agent and each Secured Party are relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of its jurisdiction of incorporation.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party.
- (c) **Conflict With Other Instruments.** The execution and delivery by the Guarantor and the performance by it under, and compliance with the terms, conditions and provisions of, the Credit Documents to which it is a party:
  - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws;

- (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any contracts, leases or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
  - (iii) do not and will not result in the violation of any law, regulation or rule or any judgment, injunction, order, writ, decision, ruling or award which is binding on it.
- (d) **Execution and Binding Obligation.** This Guarantee and the other Credit Documents to which it is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (e) **Loan Agreement Representations.** Each representation and warranty made by the Borrower under section 5.1 of the Loan Agreement, to the extent it pertains to any of the Guarantor or its subsidiaries, the business of the Guarantor or its subsidiaries and the Credit Documents to which the Guarantor or any of its subsidiaries is a party, is true, accurate and complete in all respects.

#### **Section 4.2      Loan Agreement Covenants**

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Collateral Agent and the Secured Parties have no obligations under the Credit Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Article 6 of the Loan Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its subsidiaries.

### **ARTICLE 5 GENERAL**

#### **Section 5.1      Notices, etc.**

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Guarantee must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed to each Person at the addresses contemplated in the Loan Agreement.

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

**Section 5.2 No Merger, Survival of Representations and Warranties**

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties, the representations, warranties and covenants in this Guarantee continue in full force and effect.

**Section 5.3 Further Assurances**

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Collateral Agent may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Collateral Agent and the Secured Parties under this Guarantee, including any acknowledgements and confirmations of this Guarantee and the Guarantor Security Documents.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Collateral Agent or the Secured Parties, in order for the Guarantor to keep adequately informed of changes in the Borrower's financial condition.

**Section 5.4 Successors and Assigns**

This Guarantee is binding upon the Guarantor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Guarantee may be assigned by the Collateral Agent without the consent of, or notice to, the Guarantor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor will not assert against the assignee any claim or defence which the Guarantor now has or may have against the Collateral Agent or any Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Collateral Agent which may be unreasonably withheld.

**Section 5.5 Amendment**

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Guarantor.

**Section 5.6 Waivers, etc.**

- (1) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.

**Section 5.7 Severability**

If any court of competent jurisdiction from which no appeal exists or is taken, determines that any provision of this Guarantee is illegal, invalid or unenforceable, that provision will be severed from this Guarantee and the remaining provisions will remain in full force and effect.

**Section 5.8 Collateral Agent**

By accepting the benefits of this Guarantee, the Collateral Agent and the Secured Parties agree that this Guarantee may be enforced only by the action of the Collateral Agent and that no Secured Party shall have any right individually to seek to enforce this Guarantee or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Loan Agreement.

**Section 5.9 Application of Proceeds**

All monies collected by the Collateral Agent under this Guarantee will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Guarantee, the Collateral Agent or holder under such other Credit Document shall apply such proceeds in accordance with this Section.

**Section 5.10 Conflict**

In the event of any conflict between the provisions of this Guarantee and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.

**Section 5.11 Limitation Act**

Notwithstanding the provisions of the *Limitations Act* (Alberta), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Obligations is made to the Guarantor in accordance with the terms of this Guarantee.

**Section 5.12 Governing Law**

- (1) This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (2) The Guarantor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Guarantee and the other Credit Documents to which it is a party. The Guarantor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Guarantor in the courts of any other jurisdiction.
- (3) The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address set forth in Section 5.1(a). Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.

**Section 5.13 Electronic Execution and Counterparts**

This Guarantee may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Guarantee.

**[Remainder of page intentionally left blank]**

**IN WITNESS WHEREOF** the Guarantor has executed this Guarantee as of the date first written above.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

By:   
\_\_\_\_\_  
Name: Elliott Choquette  
Title: President

**SCHEDULE "A"**  
**GUARANTOR SECURITY DOCUMENTS**

Fixed and floating charge debenture dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

Securities pledge agreement dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.



## **FIRST AMENDING AGREEMENT (GUARANTEE)**

The first amending agreement (this “**First Amending Agreement**”) dated August 31, 2022 among Griffon Partners Capital Management Ltd., as Guarantor (as defined below), and GLAS Americas LLC, as Collateral Agent (as defined below).

### **RECITALS:**

- (a) Griffon Partners Capital Management Ltd. (the “**Guarantor**”) and GLAS Americas LLC, as collateral agent for the benefit of the Secured Parties (the “**Collateral Agent**”), are parties to a guarantee dated July 21, 2022 (the “**Original Agreement**”);
- (b) The parties to the Loan Agreement have amended the Loan Agreement pursuant to a first amending agreement among all of the parties to the Loan Agreement effective as of the date hereof (the “**Loan Amendment**”) in order to provide that the Original Agreement, as amended hereby, shall constitute a Shared Security Document (as defined in the Loan Agreement) and shall secure the Secured Obligations (as defined in the Loan Agreement) under the Loan Agreement; and
- (c) To give effect to the Original Agreement being a Shared Security Document, the Guarantor and the Collateral Agent have agreed to make the amendments set forth in this First Amending Agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

### **Section 1 Defined Terms**

Capitalized terms used in this First Amending Agreement and not otherwise defined have the meanings specified in the Original Agreement.

### **Section 2 Headings**

Section headings in this First Amending Agreement are included for convenience of reference only and shall not constitute a part of this First Amending Agreement for any other purpose.

### **Section 3 Amendments to the Original Agreement**

Upon this First Amending Agreement becoming effective, the Original Agreement is hereby amended as follows:

- (a) the definition of Obligations in Section 1.1 is hereby deleted and replaced with the following:  
  
““**Obligations**” means the Secured Obligations of the other Credit Parties.”; and
- (b) the definition of Secured Parties in Section 1.1 is hereby deleted and replaced with the following:  
  
““**Secured Parties**” has the meaning set forth in the Loan Agreement.”.

#### **Section 4 Acknowledgement and Reference to and Effect on the Original Agreement**

- (1) All references to the Loan Agreement in the Original Agreement, as amended by this First Amending Agreement, shall for certainty be to the Loan Agreement as amended by the Loan Amendment.
- (2) Upon this First Amending Agreement becoming effective, each reference in the Original Agreement to "this Agreement" and each reference to the Original Agreement in the other Credit Documents and any and all other agreements, documents and instruments delivered by any of the Lenders, the Administrative Agent, the Collateral Agent, the Borrower and the other Credit Parties or any other Person shall mean and be a reference to the Original Agreement as amended by this First Amending Agreement. Except as specifically amended by this First Amending Agreement, the Original Agreement shall remain in full force and effect.
- (3) Except to the extent expressly set forth herein, (a) the execution, delivery and effectiveness of this First Amending Agreement and any consents and waivers set forth herein shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of the Original Agreement or any other Credit Document; (ii) amend, modify or operate as a waiver of any provision of the Original Agreement or any other Credit Document or any right, power or remedy of the Administrative Agent, the Collateral Agent or any Lender thereunder; or (iii) constitute a course of dealing or other basis for altering any obligations or any other contract or instrument; and (b) the Secured Parties reserve all of their rights, powers and remedies under the Original Agreement, the other Credit Documents and Applicable Law.

#### **Section 5 Confirmation**

The Guarantor agrees with and confirms to the Collateral Agent and the Secured Parties that as of the date hereof, the Original Agreement is and shall remain in full force and effect in all respects and the Original Agreement as amended hereby shall continue to exist and apply to all of the Obligations (as defined in the Original Agreement as amended hereby) and that the Original Agreement as amended hereby shall hereafter irrevocably and unconditionally guarantee all of the Obligations (as defined in the Original Agreement as amended hereby); and for greater certainty, the Guarantor hereby irrevocably and unconditionally guarantees all of the Obligations (as defined in the Original Agreement as amended hereby). This confirmation of guarantee and security is in addition to and shall not limit, derogate from or otherwise affect any provisions of the Original Agreement.

#### **Section 6 Effectiveness**

This First Amending Agreement shall become effective upon duly executed signature pages for this First Amending Agreement signed by the Guarantor shall have been delivered to the Collateral Agent, and the Collateral Agent shall have duly executed this First Amending Agreement.

#### **Section 7 Governing Law**

This First Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

#### **Section 8 Electronic Execution**

This First Amending Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution",

"signed", "signature", and words of like import in this First Amending Agreement shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

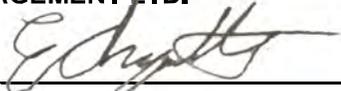
## **Section 9      Counterparts**

This First Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this First Amending Agreement by signing any counterpart.

*[Remainder of Page Intentionally Left Blank.]*

**IN WITNESS WHEREOF** the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

By:   
Name: Elliott Choquette  
Title: President

**GLAS AMERICAS LLC**

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF** the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

By: \_\_\_\_\_

Name:

Title:

**GLAS AMERICAS LLC**

By:  \_\_\_\_\_

Name: Yana Kislenko

Title: Vice President

**GRIFFON PARTNERS HOLDING CORP.**

as Guarantor

and

**GLAS AMERICAS LLC**

as Collateral Agent

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**GUARANTEE**

**July 21, 2022**

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SCHEDULES

SCHEDULE "A" GUARANTOR SECURITY DOCUMENTS

## GUARANTEE

Guarantee dated as of July 21, 2022 made by Griffon Partners Holding Corp. to and in favour of GLAS Americas LLC, as Collateral Agent, and the Secured Parties.

### RECITALS:

- (a) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement;
- (b) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Guarantor execute and deliver this Guarantee to the Collateral Agent, for the benefit of the Secured Parties; and
- (c) The Guarantor is the direct parent of the Borrower and due to the close business and financial relationships between the Guarantor, the Borrower and the other affiliates party to the transactions contemplated by the Loan Agreement, the Guarantor will derive substantial direct and indirect benefits from such transactions and therefore the Guarantor considers it in its best interest to provide this Guarantee.

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Guarantor agrees as follows.

## ARTICLE 1 INTERPRETATION

### Section 1.1 Defined Terms

As used in this Guarantee the following terms have the following meanings:

**“Administrative Agent”** means GLAS USA LLC and its successors and assigns.

**“Borrower”** means Griffon Partners Operation Corp., a corporation incorporated and existing under the law of Alberta, and its successors and permitted assigns.

**“Collateral Agent”** means GLAS Americas LLC and its successors and assigns.

**“Guarantee”** means this guarantee.

**“Guarantor”** means Griffon Partners Holding Corp., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

**“Guarantor Security Documents”** means the agreements described in Schedule “A” and any other security held by the Collateral Agent, from time to time for the Guarantor’s obligations under this Guarantee.

**“Lenders”** means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

**“Loan Agreement”** means the loan agreement dated as of the date hereof among the Borrower, as borrower, Griffon Partners Capital Management Ltd. and the Guarantor, as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending

the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Lenders, Administrative Agent or Collateral Agent.

**"Obligations"** means the Secured Obligations (as defined in the Loan Agreement) of the other Credit Parties.

**"Other Taxes"** means present and future stamp and documentary taxes and any other excise and property taxes, charges, financial institutions duties, debits taxes and similar levies which arise from any payment made by the Guarantor under this Guarantee or under any of the Guarantor Security Documents or from the execution, delivery or registration of, or otherwise with respect to, this Guarantee or any of the Guarantor Security Documents, in each case, including any interest, additions to tax or penalties applicable thereto.

**"Secured Parties"** has the meaning given to it in the Loan Agreement.

**"Taxes"** means all taxes, levies, imposts, deductions, charges or withholdings and all related liabilities imposed by any country (or any political subdivision or taxing authority of it), including any interest, additions to tax or penalties applicable thereto.

## **Section 1.2 Interpretation**

- (1) Capitalized terms used in this Guarantee but not defined have the meanings given to them in the Loan Agreement.
- (2) In this Guarantee the words **"including"**, **"includes"** and **"include"** mean **"including (or includes or include) without limitation"**. The phrase **"the aggregate of"**, **"the total of"**, **"the sum of"**, or a phrase of similar meaning means **"the aggregate (or total or sum), without duplication, of"**. The expression **"Article"**, **"Section"** or other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Guarantee.
- (3) Any reference in this Guarantee to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (4) The division of this Guarantee into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and are not to affect its interpretation.
- (5) The schedules attached to this Guarantee form an integral part of it for all purposes of it.
- (6) Except as otherwise provided in this Guarantee, any reference to this Guarantee, any Credit Document or any Guarantor Security Document refers to this Guarantee or such Credit Document or Guarantor Security Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules to it. Except as otherwise provided in this Guarantee, any reference in this Guarantee to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.
- (7) All references in this Guarantee to dollars, unless otherwise specifically indicated, are expressed in currency of Canada.

## **ARTICLE 2 GUARANTEE**

### **Section 2.1 Guarantee**

The Guarantor irrevocably and unconditionally guarantees to the Collateral Agent and the Secured Parties the due and punctual payment, and the due performance, whether at stated maturity, by acceleration or otherwise, of the Obligations. The Guarantor agrees that the Obligations will be paid to the Collateral Agent and the Secured Parties strictly in accordance with their terms and conditions.

### **Section 2.2 Indemnity**

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 for any reason whatsoever, the Guarantor will, as a separate and distinct obligation, indemnify and save harmless the Collateral Agent and the Secured Parties from and against all losses resulting from the failure of the Borrower to duly perform such Obligations.

### **Section 2.3 Primary Obligation**

If any or all of the Obligations are not duly performed by the Borrower and are not performed by the Guarantor under Section 2.1 or the Collateral Agent and the Secured Parties are not indemnified under Section 2.2, in each case, for any reason whatsoever, such Obligations will, as a separate and distinct obligation, be performed by the Guarantor as primary obligor.

### **Section 2.4 Absolute Liability**

The Guarantor agrees that the liability of the Guarantor under Section 2.1 and Section 2.3 and, for greater certainty, under Section 2.2, is absolute and unconditional irrespective of:

- (a) the lack of validity or enforceability of any terms of any of the Credit Documents;
- (b) any contest by the Borrower or any other Person as to the amount of the Obligations, the validity or enforceability of any terms of the Credit Documents or the perfection or priority of any security granted to the Collateral Agent or the Secured Parties;
- (c) any defence, counter claim or right of set-off available to the Borrower;
- (d) any release, compounding or other variance of the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations or the extinguishment of all or any part of the Obligations by operation of law;
- (e) any change in the time or times for, or place or manner or terms of payment or performance of the Obligations or any consent, waiver, renewal, alteration, extension, compromise, arrangement, concession, release, discharge or other indulgences which the Collateral Agent or the Secured Parties may grant to the Borrower or any other Person;
- (f) any amendment or supplement to, or alteration or renewal of, or restatement, replacement, refinancing or modification or variation of (including any increase in the amounts available thereunder or the inclusion of an additional borrower thereunder), or other action or inaction under, the Loan Agreement, the other Credit Documents or any other related document or instrument, or the Obligations;
- (g) any discontinuance, termination, reduction, renewal, increase, abstention from renewing or other variation of any credit or credit facilities to, or the terms or conditions of any transaction with, the Borrower or any other Person;

- (h) any change in the ownership, control, name, objects, businesses, assets, capital structure or constitution of the Borrower, the Guarantor or any other Credit Party or any reorganization (whether by way of reconstruction, consolidation, amalgamation, merger, transfer, sale, lease or otherwise) of the Borrower, the Guarantor or any other Credit Party or their respective businesses;
- (i) any dealings with the security which the Collateral Agent or the Secured Parties hold or may hold pursuant to the terms and conditions of the Credit Documents, including the taking, giving up or exchange of securities, their variation or realization, the accepting of compositions and the granting of releases and discharges;
- (j) any limitation of status or power, disability, incapacity or other circumstance relating to the Borrower, the Guarantor, any other Credit Party or any other Person, including any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, winding-up or other like proceeding involving or affecting the Borrower, the Guarantor, any other Credit Party or any other Person or any action taken with respect to this Guarantee by any trustee or receiver, or by any court, in any such proceeding, whether or not the Guarantor shall have notice or knowledge of any of the foregoing;
- (k) the assignment of all or any part of the benefits of this Guarantee;
- (l) any impossibility, impracticability, frustration of purpose, force majeure or illegality of any Credit Document, or the occurrence of any change in the laws, rules, regulations or ordinances of any jurisdiction or by any present or future action of (i) any governmental entity that amends, varies, reduces or otherwise affects, or purports to amend, vary, reduce or otherwise affect, any of the Obligations or the obligations of the Guarantor under this Guarantee, or (ii) any court order that amends, varies, reduces or otherwise affects any of the Obligations;
- (m) any taking or failure to take security, any loss of, or loss of value of, any security, or any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties, or any exercise or enforcement of, or failure to exercise or enforce, security, or irregularity or defect in the manner or procedure by which the Collateral Agent and the Secured Parties realize on such security;
- (n) any application of any sums received to the Obligations, or any part thereof, and any change in such application; and
- (o) any other circumstances which might otherwise constitute a defence available to, or a discharge of, the Guarantor, the Borrower or any other Person in respect of the Obligations or this Guarantee.

### **ARTICLE 3 ENFORCEMENT**

#### **Section 3.1 Remedies**

The Collateral Agent and the Secured Parties are not bound to exhaust their recourse against the Borrower or any other Person or realize on any security it may hold in respect of the Obligations before being entitled to (i) enforce payment and performance under this Guarantee or (ii) pursue any other remedy against the Guarantor, and the Guarantor renounces all benefits of discussion and division.

#### **Section 3.2 Amount of Obligations**

Any account settled or stated by or between the Collateral Agent and the Borrower, or if any such account has not been settled or stated immediately before demand for payment under this Guarantee, any

account stated by the Collateral Agent shall, in the absence of manifest mathematical error, be accepted by the Guarantor as conclusive evidence of the amount of the Obligations which is due by the Borrower to the Collateral Agent and the Secured Parties or remains unpaid by the Borrower to the Collateral Agent and the Secured Parties.

### **Section 3.3 Payment on Demand**

The Guarantor will pay and perform the Obligations and pay all other amounts payable by it to the Collateral Agent or the Secured Parties under this Guarantee, and the obligation to do so arises, immediately after demand for such payment or performance is made in writing to it. The liability of the Guarantor bears interest from the date of such demand at the rate or rates of interest then applicable to the Obligations under and calculated in the manner provided in the Credit Documents (including any adjustment to give effect to the provisions of the *Interest Act* (Canada)).

### **Section 3.4 Costs and Expenses**

The Guarantor is liable for and will pay on demand by the Collateral Agent any and all expenses, costs and charges incurred by or on behalf of the Collateral Agent and the Secured Parties in connection with this Guarantee, including all legal fees, courts costs, receivers or agent's remuneration and other expenses in connection with enforcing any of their rights under this Guarantee.

### **Section 3.5 Assignment and Postponement**

- (1) All obligations, liabilities and indebtedness of the Borrower to the Guarantor of any nature whatsoever and all security therefor (the "**Intercorporate Indebtedness**") are assigned and transferred to the Collateral Agent as continuing and collateral security for the Guarantor's obligations under this Guarantee and postponed to the payment in full of all Obligations. Until the occurrence of an Event of Default that is continuing the Guarantor may receive payments in respect of the Intercorporate Indebtedness as permitted under the Loan Agreement. The Guarantor will not assign all or any part of the Intercorporate Indebtedness to any Person other than the Collateral Agent or the Secured Parties.
- (2) Following the occurrence of an Event of Default that is continuing, all Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and will be collected, enforced or proved subject to, and for the purpose of, this Guarantee. In such event, any payments received by the Guarantor in respect of the Intercorporate Indebtedness will be held in trust for the Collateral Agent and the Secured Parties and segregated from other funds and property held by the Guarantor and immediately paid to the Collateral Agent on account of the Obligations.
- (3) The Intercorporate Indebtedness shall not be released or withdrawn by the Guarantor without the prior written consent of the Collateral Agent. The Guarantor will not allow a limitation period to expire on the Intercorporate Indebtedness or ask for or obtain any security or negotiable paper for, or other evidence of, the Intercorporate Indebtedness except for the purpose of delivering the same to the Collateral Agent.
- (4) In the event of any insolvency, bankruptcy or other proceeding involving the liquidation, arrangement, compromise, reorganization or other relief with respect to the Borrower or its debts, the Guarantor will, upon the request of the Collateral Agent, make and present a proof of claim or commence such other proceedings against the Borrower on account of the Intercorporate Indebtedness as may be reasonably necessary to establish the Guarantor's entitlement to payment of any Intercorporate Indebtedness. Such proof of claim or other proceeding must be made or commenced prior to the earlier of (i) the day which is 30 days after notice requesting such action is delivered by or on behalf of the Collateral Agent to the Guarantor and (ii) the day which is 10 days preceding the date when such proof of claim or other proceeding is required by applicable law to be made or commenced. Such proof of claim or other proceeding must be in form and substance acceptable to the Collateral Agent.

- (5) If the Guarantor fails to make and file such proof of claim or commence such other proceeding in accordance with this Section, the Collateral Agent is irrevocably authorized, empowered and directed and appointed the true and lawful attorney of the Guarantor (but is not obliged) with the power to exercise for and on behalf of the Guarantor the following rights, upon the occurrence and during the continuance of an Event of Default: (i) to make and present for and on behalf of the Guarantor proofs of claims or other such proceedings against the Borrower on account of the Intercorporate Indebtedness, (ii) to demand, sue for, receive and collect any and all dividends or other payments or disbursements made in respect of the Intercorporate Indebtedness in whatever form the same may be paid or issued and to apply the same on account of the Obligations, and (iii) to demand, sue for, collect and receive each such payment and distribution and give acquittance therefor and to file claims and take such other actions, in its own name or in the name of the Guarantor or otherwise, as the Collateral Agent may deem necessary or advisable to enforce its rights under this Guarantee.
- (6) The Guarantor will execute all subordinations, postponements, assignments and other agreements as the Collateral Agent may reasonably request to more effectively subordinate and postpone the Intercorporate Indebtedness to the payment and performance of the Obligations.
- (7) The provisions of this Section 3.5 survive the termination of this Guarantee and remain in full force and effect until (i) the Obligations and all other amounts owing under the Credit Documents are repaid in full; and (ii) the Collateral Agent and the Secured Parties have no further obligations under any of the Credit Documents.

### **Section 3.6 Suspension of Guarantor Rights**

So long as there are any Obligations, the Guarantor will not exercise any rights which it may at any time have by reason of the performance of any of its obligations under this Guarantee (i) to be indemnified by the Borrower, (ii) to claim contribution from any other guarantor of the debts, liabilities or obligations of the Borrower, or (iii) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Collateral Agent or the Secured Parties under any of the Credit Documents. The Guarantor hereby agrees in favour of the Borrower, the other guarantors, the Collateral Agent and the Secured Parties, that any such rights of indemnification, contribution, or subrogation terminate in the event of a sale, foreclosure or other disposition of any of the equity securities of the Borrower, the Guarantor or any other Credit Party in connection with an exercise of rights and remedies by the Collateral Agent and the Secured Parties. The Guarantor further agrees that the Borrower and other guarantors of the debts, liabilities and obligations of the Borrower are intended third party beneficiaries of the Guarantor's agreement contained in this Section 3.6.

### **Section 3.7 No Prejudice to Collateral Agent or the Secured Parties**

The Collateral Agent and the Secured Parties are not prejudiced in any way in the right to enforce any provision of this Guarantee by any act or failure to act on the part of the Borrower, the Collateral Agent or the Secured Parties. The Collateral Agent and the Secured Parties may, at any time and from time to time, in such manner it determines is expedient, without any consent of, or notice to, the Guarantor and without impairing or releasing the obligations of the Guarantor (i) change the manner, place, time or terms of payment or performance of the Obligations, (ii) renew or alter the Obligations, (iii) amend, vary, modify, supplement or replace any Credit Document or any other related document or instrument, (iv) discontinue, reduce, renew, increase, abstain from renewing or otherwise vary any credit or credit facilities to, any transaction with, the Borrower or any other Person, (v) release, compound or vary the liability of the Borrower or any other Person liable in any manner under or in respect of the Obligations, (vi) take or abstain from taking securities or collateral from any other Person, or from perfecting securities or collateral of any other Person, (vii) exercise or enforce or refrain from exercising or enforcing any right or security against the Borrower, the Guarantor or any other Person, (viii) accept compromises or arrangement from any Person, (ix) apply any sums from time to time received to the Obligations, or any part thereof, and change any such application in whole or in part from time to time, (x) otherwise deal with, or waiver or modify their right to deal with, any Person and security. In their dealings with the

Borrower, the Collateral Agent and the Secured Parties need not enquire into the authority or power of any Person purporting to act for or on behalf of the Borrower.

### **Section 3.8 Rights of Subrogation**

Any rights of subrogation acquired by the Guarantor by reason of payment under this Guarantee, and not terminated pursuant to Section 3.6, shall not be exercised until the Obligations and all other amounts due to the Collateral Agent and the Secured Parties have been paid or repaid in full and such rights of subrogation shall be no greater than the rights held by the Collateral Agent and the Secured Parties. In the event (i) of the liquidation, winding up or bankruptcy of the Borrower (whether voluntary or compulsory), (ii) that the Borrower makes a bulk sale of any of its assets within the provisions of any bulk sales legislation, or (iii) that the Borrower makes any composition with creditors or enters into any scheme of arrangement, the Collateral Agent and the Secured Parties have the right to rank in priority to the Guarantor for its full claims in respect of the Obligations and receive all dividends and other payments until its claims have been paid in full. The Guarantor will continue to be liable, less any payments made by it, for any balance which may be owing to the Collateral Agent or the Secured Parties by the Borrower. No valuation or retention of its security by the Collateral Agent or the Secured Parties shall, as between the Collateral Agent and the Secured Parties and the Guarantor, be considered as a purchase of such security or as payment or satisfaction or reduction of all or any part of the Obligations. If any amount is paid to the Guarantor at any time when all the Obligations and other amounts due to the Collateral Agent and the Secured Parties have not been paid in full, the amount will be held in trust for the benefit of the Collateral Agent and the Secured Parties and immediately paid to the Collateral Agent to be credited and applied to the Obligations, whether matured or unmatured. The Guarantor has no recourse against the Collateral Agent or the Secured Parties for any invalidity, non-perfection or unenforceability of any security held by the Collateral Agent or the Secured Parties or any irregularity or defect in the manner or procedure by which the Collateral Agent or the Secured Parties realize on such security.

### **Section 3.9 No Set-off**

To the fullest extent permitted by law, the Guarantor makes all payments under this Guarantee without regard to any defence, counter-claim or right of set-off available to it.

### **Section 3.10 Successors of the Borrower**

This Guarantee will not be revoked by any change in the constitution of the Borrower. This Guarantee and the Guarantor Security Documents extend to any person, firm or corporation acquiring, or from time to time carrying on, the business of the Borrower.

### **Section 3.11 Continuing Guarantee and Continuing Obligations**

The obligation of the Guarantor under Section 2.1 is a continuing guarantee, and the obligations of the Guarantor under Section 2.2 and Section 2.3 are continuing obligations. Each of Section 2.1, Section 2.2 and Section 2.3 extends to all present and future Obligations, applies to and secures the ultimate balance of the Obligations due or remaining due to the Collateral Agent and the Secured Parties and is binding as a continuing obligation of the Guarantor until the Collateral Agent and the Secured Parties release the Guarantor. This Guarantee will continue to be effective or be reinstated, as the case may be, if at any time any payment of any of the Obligations is rescinded or must otherwise be returned by the Collateral Agent or the Secured Parties upon the insolvency, bankruptcy or reorganization of the Borrower or otherwise, all as though the payment had not been made.

### **Section 3.12 Supplemental Security**

This Guarantee is in addition and without prejudice to and supplemental to all other guarantees, indemnities, obligations and security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.

### **Section 3.13 Security for Guarantee**

The Guarantor acknowledges that this Guarantee is intended to secure payment and performance of the Obligations and that the payment and performance of the Obligations and the other obligations of the

Guarantor under this Guarantee are secured pursuant to the terms and provisions of the Guarantor Security Documents.

### **Section 3.14 Right of Set-off**

Upon the occurrence and during the continuance of any Event of Default, the Collateral Agent and each Secured Party are authorized by the Guarantor at any time and from time to time and may, to the fullest extent permitted by law, set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by the Collateral Agent or the Secured Parties to or for the credit or the account of the Guarantor against any and all of the obligations of the Guarantor now or hereafter existing irrespective of whether or not (i) the Collateral Agent or the Secured Parties have made any demand under this Guarantee, or (ii) any of the obligations comprising the Obligations are contingent or unmatured. The Collateral Agent and the Secured Parties agree promptly to notify the Guarantor after any such set-off and application made by the Collateral Agent provided that the failure to give notice shall not affect the validity of the set-off and application. The rights of the Collateral Agent and the Secured Parties under this Section 3.14 are in addition and without prejudice to and supplemental to other rights and remedies which the Collateral Agent and the Secured Parties may have.

### **Section 3.15 Interest Act (Canada)**

The Guarantor acknowledges that certain of the rates of interest applicable to the Obligations may be computed on the basis of a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be and paid for the actual number of days elapsed. For purposes of the *Interest Act (Canada)*, whenever any interest is calculated using a rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, such rate determined pursuant to such calculation, when expressed as an annual rate is equivalent to (i) the applicable rate based on a year of 360 days or 365 days (or such other period that is less than a calendar year), as the case may be, (ii) multiplied by the actual number of days in the calendar year in which the period for such interest is payable (or compounded) ends, and (iii) divided by 360 or 365 (or such other period that is less than a calendar year), as the case may be.

### **Section 3.16 Taxes**

- (1) All payments to the Collateral Agent and the Secured Parties by the Guarantor under this Guarantee or under any of the Guarantor Security Documents will be made free and clear of and without deduction or withholding for any and all Taxes, unless such Taxes are required by applicable law to be deducted or withheld. If the Guarantor is required by applicable law to deduct or withhold any such Taxes from or in respect of any amount payable under this Guarantee or under any of the Guarantor Security Documents (i) the amount payable shall be increased (and for greater certainty, in the case of interest, the amount of interest shall be increased) as may be necessary so that after making all required deductions or withholdings (including deductions or withholdings applicable to any additional amounts paid under this Section 3.16), the Collateral Agent and the Secured Parties receive an amount equal to the amount it would have received if no such deduction or withholding had been made, (ii) the Guarantor will make such deductions or withholdings, and (iii) the Guarantor will immediately pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law.
- (2) The Guarantor agrees to immediately pay any Other Taxes.
- (3) The Guarantor will indemnify the Collateral Agent and the Secured Parties for the full amount of Taxes and Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable by the Guarantor under this Section 3.16) paid by the Collateral Agent or the Secured Parties and any liability (including penalties, interest and expenses) arising from or with respect to such Taxes and Other Taxes, whether or not they were correctly or legally asserted. Payment under this indemnification will be made within 30 days from the date the Collateral Agent makes written demand for it. A certificate as to the amount of such Taxes and Other Taxes submitted to the Guarantor by the Collateral Agent is conclusive evidence, absent

manifest error, of the amount due from the Guarantor to the Collateral Agent or any Secured Party, as the case may be.

- (4) The Guarantor will furnish to the Collateral Agent and the Secured Parties the original or a certified copy of a receipt evidencing payment of any Taxes or Other Taxes made by the Guarantor within 30 days after the date of any payment of such Taxes or Other Taxes.
- (5) The provisions of this Section 3.16 survive the termination of this Guarantee.

### **Section 3.17 Judgment Currency**

- (1) If for the purposes of obtaining judgment in any court it is necessary to convert all or any part of the Obligations or any other amount due to the Collateral Agent or any Secured Party in respect of the Guarantor's obligations under this Guarantee in any currency (the "**Original Currency**") into another currency (the "**Other Currency**"), the Guarantor, to the fullest extent that it may effectively do so, agrees that the rate of exchange used shall be that at which, in accordance with normal banking procedures, the Collateral Agent could purchase the Original Currency with the Other Currency on the Business Day preceding that on which final judgment is paid or satisfied.
- (2) The obligations of the Guarantor in respect of any sum due in the Original Currency from it to the Collateral Agent shall, notwithstanding any judgment in any Other Currency, be discharged only to the extent that on the Business Day following receipt by the Collateral Agent, of any sum adjudged to be so due in such Other Currency the Collateral Agent may, in accordance with its normal banking procedures, purchase the Original Currency with such Other Currency. If the amount of the Original Currency so purchased is less than the sum originally due to the Collateral Agent in the Original Currency, the Guarantor agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Collateral Agent against such loss, and if the amount of the Original Currency so purchased exceeds the sum originally due to the Collateral Agent in the Original Currency, the Collateral Agent agrees to remit such excess to the Guarantor.

## **ARTICLE 4 REPRESENTATIONS, WARRANTIES AND COVENANTS**

### **Section 4.1 Representations and Warranties**

The Guarantor represents and warrants, acknowledging and confirming that that the Collateral Agent and each Secured Party are relying on such representations and warranties in connection with the acceptance of this Guarantee, that:

- (a) **Incorporation and Qualification.** The Guarantor is a corporation incorporated and existing under the laws of its jurisdiction of incorporation.
- (b) **Corporate Power.** The Guarantor has the corporate power to (i) own, lease and operate its properties and assets and carry on its business as now being conducted by it, and (ii) enter into and perform its obligations under the Credit Documents to which it is a party.
- (c) **Conflict With Other Instruments.** The execution and delivery by the Guarantor and the performance by it under, and compliance with the terms, conditions and provisions of, the Credit Documents to which it is a party:
  - (i) do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) constitute or result in a violation or breach of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of its constating documents or by-laws;

- (ii) do not and will not (or would not with the giving of notice, the lapse of time or the happening or any other event or condition) constitute or result in a breach or violation of, or conflict with or allow any other Person to exercise any rights under, any of the terms or provisions of any contracts, leases or instruments to which it is a party or pursuant to which any of its assets or property may be affected; and
  - (iii) do not and will not result in the violation of any law, regulation or rule or any judgment, injunction, order, writ, decision, ruling or award which is binding on it.
- (d) **Execution and Binding Obligation.** This Guarantee and the other Credit Documents to which it is a party have been duly executed and delivered by the Guarantor and constitute legal, valid and binding agreements of it enforceable against it in accordance with their respective terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (e) **Loan Agreement Representations.** Each representation and warranty made by the Borrower under section 5.1 of the Loan Agreement, to the extent it pertains to any of the Guarantor or its subsidiaries, the business of the Guarantor or its subsidiaries and the Credit Documents to which the Guarantor or any of its subsidiaries is a party, is true, accurate and complete in all respects.

#### **Section 4.2      Loan Agreement Covenants**

Until the Obligations and all other amounts owing under this Guarantee are paid or repaid in full, the Obligations are performed in full and the Collateral Agent and the Secured Parties have no obligations under the Credit Documents, the Guarantor covenants and agrees that it will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Article 6 of the Loan Agreement, and so that no Default or Event of Default, is caused by the actions of the Guarantor or any of its subsidiaries.

### **ARTICLE 5 GENERAL**

#### **Section 5.1      Notices, etc.**

Any notice, direction or other communication (each a "**Notice**") given regarding the matters contemplated by this Guarantee must be in writing, sent by personal delivery, courier or facsimile (but not by electronic mail) and addressed to each Person at the addresses contemplated in the Loan Agreement.

A Notice is deemed to be delivered and received (i) if sent by personal delivery, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by same-day service courier, on the date of delivery if sent on a Business Day and delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (iii) if sent by overnight courier, on the next Business Day, or (iv) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile. A party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the party at its changed address. Any element of a party's address that is not specifically changed in a Notice will be assumed not to be changed.

**Section 5.2 No Merger, Survival of Representations and Warranties**

The representations, warranties and covenants of the Guarantor in this Guarantee survive the execution and delivery of this Guarantee and each advance under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties, the representations, warranties and covenants in this Guarantee continue in full force and effect.

**Section 5.3 Further Assurances**

- (1) The Guarantor will do all acts and things and execute and deliver, or cause to be executed and delivered, all documents and instruments that the Collateral Agent may request to give full effect to this Guarantee and to perfect and preserve the rights and powers of the Collateral Agent and the Secured Parties under this Guarantee, including any acknowledgements and confirmations of this Guarantee and the Guarantor Security Documents.
- (2) The Guarantor acknowledges and confirms that the Guarantor itself has established its own adequate means of obtaining from the Borrower on a continuing basis all information desired by the Guarantor concerning the financial condition of the Borrower and that the Guarantor will look to the Borrower and not to the Collateral Agent or the Secured Parties, in order for the Guarantor to keep adequately informed of changes in the Borrower's financial condition.

**Section 5.4 Successors and Assigns**

This Guarantee is binding upon the Guarantor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Guarantee may be assigned by the Collateral Agent without the consent of, or notice to, the Guarantor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Guarantee or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Guarantor will not assert against the assignee any claim or defence which the Guarantor now has or may have against the Collateral Agent or any Secured Party. The Guarantor may not assign, transfer or delegate any of its rights or obligations under this Guarantee without the prior written consent of the Collateral Agent which may be unreasonably withheld.

**Section 5.5 Amendment**

This Guarantee may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent and the Guarantor.

**Section 5.6 Waivers, etc.**

- (1) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Guarantee is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Guarantee is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Guarantee constitutes a waiver of any other provision.
- (2) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Guarantee does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.

**Section 5.7 Severability**

If any court of competent jurisdiction from which no appeal exists or is taken, determines that any provision of this Guarantee is illegal, invalid or unenforceable, that provision will be severed from this Guarantee and the remaining provisions will remain in full force and effect.

**Section 5.8 Collateral Agent**

By accepting the benefits of this Guarantee, the Collateral Agent and the Secured Parties agree that this Guarantee may be enforced only by the action of the Collateral Agent and that no Secured Party shall have any right individually to seek to enforce this Guarantee or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Collateral Agent for the benefit of the Secured Parties upon the terms of the Loan Agreement.

**Section 5.9 Application of Proceeds**

All monies collected by the Collateral Agent under this Guarantee will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Guarantee, the Collateral Agent or holder under such other Credit Document shall apply such proceeds in accordance with this Section.

**Section 5.10 Conflict**

In the event of any conflict between the provisions of this Guarantee and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.

**Section 5.11 Limitation Act**

Notwithstanding the provisions of the *Limitations Act* (Alberta), a claim may be brought on this Guarantee at any time within 6 years from the date on which demand for payment of the Obligations is made to the Guarantor in accordance with the terms of this Guarantee.

**Section 5.12 Governing Law**

- (1) This Guarantee will be governed by, interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
- (2) The Guarantor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Guarantee and the other Credit Documents to which it is a party. The Guarantor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Guarantor in the courts of any other jurisdiction.
- (3) The Guarantor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Guarantor at the address set forth in Section 5.1(a). Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.

**Section 5.13 Electronic Execution and Counterparts**

This Guarantee may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Guarantee.

**[Remainder of page intentionally left blank]**

**IN WITNESS WHEREOF** the Guarantor has executed this Guarantee as of the date first written above.

**GRIFFON PARTNERS HOLDING CORP.**

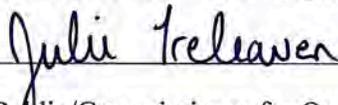
By:   
\_\_\_\_\_  
Name: Daryl Stepanic  
Title: Chief Executive Officer

**SCHEDULE "A"**  
**GUARANTOR SECURITY DOCUMENTS**

Fixed and floating charge debenture dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

Securities pledge agreement dated as of the date hereof made by the Guarantor to and in favour of the Collateral Agent, for the benefit of the Secured Parties.

This is **Exhibit “K”** to the Affidavit of Daryl Stepanic  
sworn before me this 29<sup>th</sup> day of January 2024.



Notary Public/Commissioner for Oaths in and for Alberta

**Julie Laura Treleaven**  
Barrister & Solicitor

**GRIFFON PARTNERS CAPITAL MANAGEMENT LTD.**

**as Obligor**

**and**

**GLAS AMERICAS LLC**

**as Collateral Agent**

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**SECURITIES PLEDGE AGREEMENT**

**July 21, 2022**

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**Stikeman Elliott LLP**

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## ADDENDA

### SCHEDULE "A" SECURITIES

## SECURITIES PLEDGE AGREEMENT

SECURITIES PLEDGE AGREEMENT dated as of July 21, 2022 made by Griffon Partners Capital Management Ltd. to and in favour of GLAS Americas LLC as Collateral Agent for the benefit of the Secured Parties.

### RECITALS:

- (i) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement; and
- (ii) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Obligor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Obligor's obligations under the Loan Agreement and the other Credit Documents to which it is a party;

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

### Section 1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

**"Administrative Agent"** means GLAS USA LLC and its successors and assigns.

**"Agreement"** means this securities pledge agreement.

**"Borrower"** means Griffon Partners Operation Corp., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

**"Collateral"** has the meaning specified in Section 3.

**"Collateral Agent"** means GLAS Americas LLC and its successors and assigns.

**"Expenses"** has the meaning specified in Section 4(b).

**"Lenders"** means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

**"Lien"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, Capital Lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

**"Loan Agreement"** means the loan agreement dated as of the date hereof among the Borrower, as borrower, the Obligor and Griffon Partners Holding Corp., as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Collateral Agent, Administrative Agent or Lenders.

“**Obligor**” means Griffon Partners Capital Management Ltd., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

“**Secured Obligations**” has the meaning specified in Section 4(a).

“**Secured Parties**” has the meaning set forth in the Loan Agreement, but for certainty does not include any Swap Counterparty.

“**Security**” means a security (as defined in the STA) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“**Security Documents**” at any time means the agreements, documents and instruments described in Section 3.1 of the Loan Agreement and each additional agreement, document and instrument delivered to the Collateral Agent as security for the debts, liabilities and obligations owing by the Obligor to the Secured Parties.

“**Security Interest**” has the meaning specified in Section 4.

“**ULC**” means an unlimited company, an unlimited liability company or an unlimited liability corporation incorporated pursuant to or otherwise governed by the laws of any of the provinces of Canada.

“**ULC Shares**” means shares in any ULC at any time owned or otherwise held by the Obligor.

## **Section 2 Interpretation**

- (1) Terms defined in the *Personal Property Security Act* (Alberta) (“**PPSA**”) or the *Securities Transfer Act* (Alberta) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms “**investment property**”, “**money**” and “**proceeds**” have the meanings given to them in the PPSA; and the terms “**certificated security**”, “**control**”, “**deliver**”, “**entitlement holder**”, “**financial asset**”, “**securities account**”, “**securities intermediary**”, “**security**”, “**security entitlement**” and “**uncertificated security**” have the meanings given to them in the STA. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in any Credit Document to Liens permitted by the Loan Agreement and any right of the Obligor to create or suffer to exist Liens permitted by the Loan Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any Person over the Collateral Agent and the Secured Parties.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.

- (7) Any reference to this Agreement, or any other Credit Document refers to this Agreement or such other Credit Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

### **Section 3 Grant of Security**

The Obligor grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Collateral Agent, for the benefit of the Secured Parties (collectively, the **“Collateral”**):

- (a) all Securities now owned or hereafter acquired by the Obligor, including the Securities listed in Schedule “A”, as such schedule may be amended, supplemented or modified from time to time, all security certificates and other instruments representing such Securities and all rights and claims of the Obligor in such Securities;
- (b) all substitutions and replacements of, increases and additions to the property described in Section 3(a); including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a) and Section 3(b), including the proceeds of such proceeds.

### **Section 4 Secured Obligations**

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the **“Security Interest”**) secures the payment and performance of:

- (a) all Obligations of the Obligor (collectively, and together with the Expenses, the **“Secured Obligations”**); and
- (b) all expenses, costs and charges incurred by or on behalf of the Collateral Agent or any Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Collateral Agent’s or any Secured Party’s interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Credit Document (collectively, the **“Expenses”**).

### **Section 5 Attachment**

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Obligor (i) acquires any Securities, (ii) acquires any other financial assets that have not been credited to a Securities account specified in Schedule “A” or (ii) establishes or maintains a securities account that is not specified in Schedule “A”, the Obligor will notify the Collateral Agent

in writing and provide the Collateral Agent with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Securities, financial assets or securities account within 15 days after such acquisition or establishment.

- (3) The Obligor will cause the Collateral Agent to have control over each security and all other investment property that are now or at any time become Collateral, and will take all action that the Collateral Agent deems advisable to cause the Collateral Agent to have control over such Collateral, including (i) upon the occurrence and during the continuance of an Event of Default, causing the securities to be transferred to or registered in the name of the Collateral Agent or its nominee or otherwise as the Collateral Agent may direct, (ii) endorsing any certificated securities to the Collateral Agent or in blank by an effective endorsement, (iii) delivering the Collateral to the Collateral Agent or someone on its behalf as the Collateral Agent may direct, (iv) delivering to the Collateral Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any securities to the Collateral Agent or any third party, and (v) entering into control agreements with the Collateral Agent and the applicable securities intermediary or issuer in respect of any Collateral in form and substance satisfactory to the Collateral Agent. At the request of the Collateral Agent, the Obligor will take similar actions, as applicable, with respect to any other Securities.
- (4) The Obligor irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Collateral Agent or any Secured Party.

#### **Section 6 Care and Custody of Collateral**

- (1) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Collateral Agent has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities or other financial assets. The Collateral Agent has no obligation to protect or preserve any Securities or other financial assets from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, is a security entitlement of, or is subject to the control of, the Collateral Agent, a securities intermediary, the Obligor or any other person. In the physical keeping of any Securities, the Collateral Agent is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.
- (3) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, sell, transfer, use or otherwise deal with any investment property included in the Collateral over which the Collateral Agent has control, on such conditions and in such manner as the Collateral Agent in its sole discretion may determine.

#### **Section 7 Rights of the Obligor**

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Upon the occurrence and during the continuance of an Event of Default, all rights of the Obligor to vote (under any proxy given by the Collateral Agent (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Collateral Agent.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be

received as trustee for the Collateral Agent and the Secured Parties and shall be immediately paid over to the Collateral Agent.

## **Section 8 Enforcement**

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

## **Section 9 Remedies**

Whenever the Security Interest is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may realize upon the Collateral and enforce the rights of the Collateral Agent and the Secured Parties by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Securities as if the Collateral Agent were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Collateral Agent or its nominee);
- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction or order to any securities intermediary which has entered into a control agreement with the Collateral Agent in respect of a securities account or security entitlement to transfer all financial assets held by such securities intermediary to an account maintained with, by or on behalf of the Collateral Agent.
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 18(12);
- (f) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (h) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

## **Section 10 Exercise of Remedies**

The remedies under Section 9 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent and the Secured Parties however arising or created. The Collateral Agent and the Secured Parties are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent and the Secured Parties in respect of the Secured Obligations including the right to claim for any deficiency.

## **Section 11 Receiver's Powers**

- (1) Any receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any

supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.

- (2) Any receiver appointed by the Collateral Agent will act as agent for the Collateral Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Obligor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Collateral Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

### **Section 12 Appointment of Attorney**

The Obligor hereby irrevocably constitutes and appoints the Collateral Agent (and any officer of the Collateral Agent) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Collateral Agent has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor authorizes the Collateral Agent to delegate in writing to another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

### **Section 13 Dealing with the Collateral**

- (1) The Collateral Agent and the Secured Parties are not obliged to exhaust their recourse against the Obligor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Collateral Agent may consider desirable.
- (2) The Collateral Agent and the Secured Parties may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Collateral Agent and the Secured Parties in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Collateral Agent and the Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

#### **Section 14 Standards of Sale**

Without prejudice to the ability of the Collateral Agent to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Collateral Agent, any Secured Party or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice and in accordance with such procedures as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Collateral.

#### **Section 15 Dealings by Third Parties**

- (1) No Person dealing with the Collateral Agent, any Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Collateral Agent or the Secured Parties by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Collateral Agent with the Collateral, or (vi) how any money paid to Collateral Agent or the Secured Parties has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Collateral Agent or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

#### **Section 16 ULC Shares**

- (1) Notwithstanding anything else contained in this Agreement or any other document or agreement among all or some of the parties hereto, the Obligor is the sole registered and beneficial owner of all Collateral that is ULC Shares and will remain so until such time as such ULC Shares are

effectively transferred into the name of the Collateral Agent, any Secured Party or any nominee of the foregoing or any other Person on the books and records of such ULC. Accordingly, the Obligor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of ULC Shares that are Collateral and shall have the right to vote such ULC Shares and to control the direction, management and policies of any ULC to the same extent as the Obligor would if such ULC Shares were not pledged to the Collateral Agent, for the benefit of the Secured Parties, pursuant hereto. Nothing in this Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Collateral Agent, any Secured Party or any Person other than the Obligor, a member of any ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia), the *Business Corporations Act* (Alberta) or any other applicable legislation until such time as notice is given to the Obligor and further steps are taken hereunder or thereunder so as to register the Collateral Agent, any Secured Party or any nominee of the foregoing, as specified in such notice, as the holder of shares of such ULC. To the extent any provision hereof would have the effect of constituting the Collateral Agent or any Secured Party a member of a ULC prior to such time, such provision shall be severed herefrom and ineffective with respect to Collateral that is shares of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral that is not shares of such ULC.

- (2) Except upon the exercise of rights to sell or otherwise dispose of Collateral that is ULC Shares once the Security Interest is enforceable, the Obligor shall not cause or permit, or enable any ULC in which it holds ULC Shares that are Collateral to cause or permit, the Collateral Agent to: (a) be registered as a shareholder or member of a ULC; (b) have any notation entered in its favour in the share register of a ULC; (c) be held out as a shareholder or member of a ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from a ULC by reason of the Collateral Agent holding a security interest in a ULC or ULC Shares; or (e) act as a shareholder or member of a ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, a ULC.

## **Section 17        Representations, Warranties and Covenants**

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Collateral Agent and each Secured Party are relying on such representations, warranties, covenants and agreements, that:

- (a) The Obligor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in Section 6.2(g) of the Loan Agreement.
- (b) The Obligor will not create or suffer to exist, any Lien on the Collateral, except for Liens permitted by the Loan Agreement, and will not grant control over any investment property to any Person other than the Collateral Agent.
- (c) Schedule "A" lists all Securities owned or held by the Obligor and all securities accounts of the Obligor on the date of this Agreement. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class and whether the Securities are certificated securities or uncertificated securities.
- (d) The Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (e) Except as described in Schedule "A", no transfer restrictions apply to the Securities listed in Schedule "A". The Obligor has delivered to the Collateral Agent copies of all

shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Obligor's possession and confirms that any interest in a partnership or limited liability company that now, or at any time, forms part of the Collateral is, and will be, a "security" for the purposes of the STA.

- (f) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.
- (g) The Securities that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (h) The pledge, assignment, delivery to and control by the Collateral Agent of the Collateral pursuant to this Agreement creates a valid and perfected first ranking security interest in such Collateral and the proceeds of it. Such Collateral and the proceeds from it are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on or control of the property or assets of the Obligor which would include the Collateral. The Collateral Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property securities legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (i) The Obligor does not know of any claim to or interest in any Collateral, including any adverse claims. If any Person asserts any Lien, encumbrance or adverse claim against any of the Collateral, the Obligor will promptly notify the Collateral Agent.
- (j) The Obligor has not consented to, will not consent to, and has no knowledge of any control by any person with respect to any Collateral, other than the Collateral Agent.
- (k) The Obligor will notify the Collateral Agent immediately upon becoming aware of any change in an "issuer's jurisdiction" in respect of any Collateral that are uncertificated securities or any change in a "securities intermediary's jurisdiction" in respect of any security entitlements, financial assets or securities accounts that are Collateral.
- (l) The Obligor will not, after the date of this Agreement, establish and maintain any securities accounts with any securities intermediary unless (i) it gives the Collateral Agent 30 days' prior written notice of its intention to establish such new securities account, (ii) such securities intermediary is reasonably acceptable to the Collateral Agent, and (iii) the securities intermediary and the Obligor (A) execute and deliver a control agreement with respect to such securities account that is in form and substance, satisfactory to the Collateral Agent, or (B) transfer the financial assets in such securities account into a securities account in the name of the Collateral Agent.
- (m) The Obligor will grant to the Collateral Agent, for the benefit of the Secured Parties, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Obligor that is not subject to a valid and perfected first ranking security interest (subject only to Permitted Liens) constituted by the Security Documents, in each relevant jurisdiction as determined by the Collateral Agent. The Obligor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including: (i) executing, recording and filing of financing or other statements, and

paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Permitted Liens), (iv) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments, and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent.

**Section 18      General**

- (1) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Loan Agreement.
- (2) The Security Interest will be discharged in accordance with Section 3.7 of the Loan Agreement.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent or any Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Collateral Agent and the Secured Parties in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Collateral Agent may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Collateral Agent. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Collateral Agent may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.
- (6) This Agreement is binding on the Obligor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Agreement may be assigned by the Collateral Agent without the consent of, or notice to, the Obligor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Collateral Agent or any Secured Party. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent which may be unreasonably withheld.
- (7) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Securities that any of the amalgamating corporations then own, (B) all of the Securities that the amalgamated corporation thereafter acquires, (C) all of the Securities in which any of the amalgamating corporations then has any interest, and (D) all of the Securities in which

the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent and the Secured Parties in any currency, under, in connection with or pursuant to the Loan Agreement and any other Credit Document, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term “**Obligor**” means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term “**Collateral**” means all of the property and undertaking and interests described in (i) above, and the defined term “**Secured Obligations**” means the obligations described in (ii) above.

- (8) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (9) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent, the Secured Parties and the Obligor.
- (10) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (11) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.
- (12) All monies collected by the Collateral Agent upon the enforcement of its or the Secured Parties' rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Collateral Agent and the Secured Parties under the Security Documents, will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Agreement, the Collateral Agent shall apply such proceeds in accordance with this Section.
- (13) In the event of any conflict between the provisions of this Agreement and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.
- (14) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (15) The Obligor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement and the other Credit Documents to which it is a party. The Obligor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Obligor in the courts of any other jurisdiction.

- (16) The Obligor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Obligor in accordance with Section 9.3 of the Loan Agreement. Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.
- (17) This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

*[The remainder of this page is intentionally blank.]*

**IN WITNESS WHEREOF** the Obligor has executed this Agreement.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

Per:   
Name: Elliott Choquette  
Title: President

**SCHEDULE "A"**

**SECURITIES**

<b>Issuer</b>	<b>Class of Securities</b>	<b>Number of Securities</b>	<b>% of issued Securities</b>	<b>Certificated or Uncertificated</b>	<b>Certificate Number</b>
Griffon Partners Holding Corp.	common shares		100%	Certificated	C-1

**TRANSFER RESTRICTIONS**

No shares of Griffon Partners Holding Corp. shall be transferred without the approval of the directors of Griffon Partners Holding Corp.

**OTHER INVESTMENT PROPERTY**

Nil.



**FIRST AMENDING AGREEMENT  
(SECURITIES PLEDGE AGREEMENT)**

The first amending agreement (this “**First Amending Agreement**”) dated August [31], 2022 among Griffon Partners Capital Management Ltd., as Obligor (as defined below), and GLAS Americas LLC, as Collateral Agent (as defined below).

**RECITALS:**

- (a) Griffon Partners Capital Management Ltd. (the “**Obligor**”) and GLAS Americas LLC, as collateral agent for the benefit of the Secured Parties (the “**Collateral Agent**”), are parties to a securities pledge agreement dated July 21, 2022 (the “**Original Agreement**”);
- (b) The parties to the Loan Agreement have amended the Loan Agreement pursuant to a first amending agreement among all of the parties to the Loan Agreement effective as of the date hereof (the “**Loan Amendment**”) in order to provide that the Original Agreement, as amended hereby, shall constitute a Shared Security Document (as defined in the Loan Agreement) and shall secure the Secured Obligations (as defined in the Loan Agreement) under the Loan Agreement; and
- (c) To give effect to the Original Agreement being a Shared Security Document, the Obligor and the Collateral Agent have agreed to make the amendments set forth in this First Amending Agreement.

In consideration of the foregoing and the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the parties agree as follows:

**Section 1      Defined Terms**

Capitalized terms used in this First Amending Agreement and not otherwise defined have the meanings specified in the Original Agreement.

**Section 2      Headings**

Section headings in this First Amending Agreement are included for convenience of reference only and shall not constitute a part of this First Amending Agreement for any other purpose.

**Section 3      Amendments to the Original Agreement**

Upon this First Amending Agreement becoming effective, the Original Agreement is hereby amended as follows:

- (a) the definition of Secured Parties in Section 1 is hereby deleted and replaced with the following:  
  
““**Secured Parties**” has the meaning set forth in the Loan Agreement.”; and
- (b) Section 4(a) is hereby deleted and replaced with the following:  
  
“(a) all Secured Obligations (as defined in the Loan Agreement) of the Obligor (collectively, and together with the Expenses, the “**Secured Obligations**”); and”.

#### **Section 4 Acknowledgement and Reference to and Effect on the Original Agreement**

- (1) All references to the Loan Agreement in the Original Agreement, as amended by this First Amending Agreement, shall for certainty be to the Loan Agreement as amended by the Loan Amendment.
- (2) Upon this First Amending Agreement becoming effective, each reference in the Original Agreement to "this Agreement" and each reference to the Original Agreement in the other Credit Documents and any and all other agreements, documents and instruments delivered by any of the Lenders, the Administrative Agent, the Collateral Agent, the Borrower and the other Credit Parties or any other Person shall mean and be a reference to the Original Agreement as amended by this First Amending Agreement. Except as specifically amended by this First Amending Agreement, the Original Agreement shall remain in full force and effect.
- (3) Except to the extent expressly set forth herein, (a) the execution, delivery and effectiveness of this First Amending Agreement and any consents and waivers set forth herein shall not directly or indirectly (i) constitute a consent or waiver of any past, present or future violations of any provisions of the Original Agreement or any other Credit Document; (ii) amend, modify or operate as a waiver of any provision of the Original Agreement or any other Credit Document or any right, power or remedy of the Administrative Agent, the Collateral Agent or any Lender thereunder; or (iii) constitute a course of dealing or other basis for altering any obligations or any other contract or instrument; and (b) the Secured Parties reserve all of their rights, powers and remedies under the Original Agreement, the other Credit Documents and Applicable Law.

#### **Section 5 Confirmation**

The Obligor agrees with and confirms to the Collateral Agent and the Secured Parties that as of the date hereof, the Original Agreement is and shall remain in full force and effect in all respects and the Original Agreement as amended hereby shall continue to exist and apply to all of the Secured Obligations (as defined in the Original Agreement as amended hereby) and that the Original Agreement as amended hereby shall hereafter secure all of the Collateral as security for the Secured Obligations (as defined in the Original Agreement as amended hereby); and for greater certainty, the Obligor hereby grants a security interest in, assigns, mortgages, charges, hypothecates and pledges all of the Collateral as security for the Secured Obligations (as defined in the Original Agreement as amended hereby). This confirmation of guarantee and security is in addition to and shall not limit, derogate from or otherwise affect any provisions of the Original Agreement.

#### **Section 6 Effectiveness**

This First Amending Agreement shall become effective upon duly executed signature pages for this First Amending Agreement signed by the Obligor shall have been delivered to the Collateral Agent, and the Collateral Agent shall have duly executed this First Amending Agreement.

#### **Section 7 Governing Law**

This First Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

**Section 8      Electronic Execution**

This First Amending Agreement may be signed by way of associating or otherwise appending an electronic signature or other facsimile signature of the applicable signatory and the words "execution", "signed", "signature", and words of like import in this First Amending Agreement shall be deemed to include electronic signatures or other facsimile signature, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for by any law, including Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada) and other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

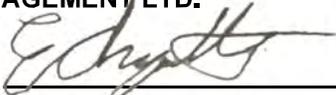
**Section 9      Counterparts**

This First Amending Agreement may be executed in any number of counterparts (including by facsimile or other electronic transmission), each of which when executed and delivered will be deemed to be an original, but all of which when taken together constitutes one and the same instrument. Any party may execute this First Amending Agreement by signing any counterpart.

*[Remainder of Page Intentionally Left Blank.]*

**IN WITNESS WHEREOF** the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

By:  \_\_\_\_\_  
Name: Elliott Choquette  
Title: President

**GLAS AMERICAS LLC**

By: \_\_\_\_\_  
Name:  
Title:

**IN WITNESS WHEREOF** the parties have executed this First Amending Agreement.

**GRIFFON PARTNERS CAPITAL  
MANAGEMENT LTD.**

By: \_\_\_\_\_

Name:

Title:

**GLAS AMERICAS LLC**

By:  \_\_\_\_\_

Name: Yana Kislenko

Title: Vice President

**GRIFFON PARTNERS HOLDING CORP.**

**as Obligor**

**and**

**GLAS AMERICAS LLC**

**as Collateral Agent**

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**SECURITIES PLEDGE AGREEMENT**

**July 21, 2022**

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**Stikeman Elliott LLP**

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## ADDENDA

### SCHEDULE "A" SECURITIES

## SECURITIES PLEDGE AGREEMENT

SECURITIES PLEDGE AGREEMENT dated as of July 21, 2022 made by Griffon Partners Holding Corp. to and in favour of GLAS Americas LLC as Collateral Agent for the benefit of the Secured Parties.

### RECITALS:

- (i) The Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Loan Agreement; and
- (ii) It is a condition precedent to the extension of credit to the Borrower under the Loan Agreement that the Obligor execute and deliver this Agreement in favour of the Collateral Agent, for the benefit of the Secured Parties, as security for the payment and performance of the Obligor's obligations under the Loan Agreement and the other Credit Documents to which it is a party;

In consideration of the foregoing and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Obligor agrees as follows.

### Section 1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

**"Administrative Agent"** means GLAS USA LLC and its successors and assigns.

**"Agreement"** means this securities pledge agreement.

**"Borrower"** means Griffon Partners Operation Corp., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

**"Collateral"** has the meaning specified in Section 3.

**"Collateral Agent"** means GLAS Americas LLC and its successors and assigns.

**"Expenses"** has the meaning specified in Section 4(b).

**"Lenders"** means Trafigura Canada Limited, Signal Alpha C4 Limited and those other Persons which become lenders under the Loan Agreement and their respective successors and permitted assigns.

**"Lien"** means any mortgage, charge, pledge, hypothecation, security interest, assignment, encumbrance, lien (statutory or otherwise), conditional sale agreement, Capital Lease or other title retention agreement or arrangement, defect of title, adverse claim, set off arrangement (other than a set off arrangement arising in the ordinary course) or any other arrangement or condition that in substance secures payment or performance of an obligation.

**"Loan Agreement"** means the loan agreement dated as of the date hereof among the Borrower, as borrower, the Obligor and Griffon Partners Capital Management Ltd., as guarantors, the Lenders, as lenders, the Administrative Agent, as administrative agent and the Collateral Agent, as collateral agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Collateral Agent, Administrative Agent or Lenders.

“**Obligor**” means Griffon Partners Holding Corp., a corporation incorporated and existing under the laws of Alberta, and its successors and permitted assigns.

“**Secured Obligations**” has the meaning specified in Section 4(a).

“**Secured Parties**” has the meaning set forth in the Loan Agreement.

“**Security**” means a security (as defined in the STA) and all other shares, interests, participations, rights in, or other equivalents (however designated and whether voting or non-voting) of, a Person’s capital, including any interest in a partnership, limited partnership or other similar Person and any beneficial interest in a trust, and any all rights, warrants, options or other rights exchangeable for or convertible into any of the foregoing.

“**Security Documents**” at any time means the agreements, documents and instruments described in Section 3.1 of the Loan Agreement and each additional agreement, document and instrument delivered to the Collateral Agent as security for the debts, liabilities and obligations owing by the Obligor to the Secured Parties.

“**Security Interest**” has the meaning specified in Section 4.

“**ULC**” means an unlimited company, an unlimited liability company or an unlimited liability corporation incorporated pursuant to or otherwise governed by the laws of any of the provinces of Canada.

“**ULC Shares**” means shares in any ULC at any time owned or otherwise held by the Obligor.

## **Section 2 Interpretation**

- (1) Terms defined in the *Personal Property Security Act* (Alberta) (“**PPSA**”) or the *Securities Transfer Act* (Alberta) (“**STA**”) and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms “**investment property**”, “**money**” and “**proceeds**” have the meanings given to them in the PPSA; and the terms “**certificated security**”, “**control**”, “**deliver**”, “**entitlement holder**”, “**financial asset**”, “**securities account**”, “**securities intermediary**”, “**security**”, “**security entitlement**” and “**uncertificated security**” have the meanings given to them in the STA. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Loan Agreement.
- (2) Any reference in any Credit Document to Liens permitted by the Loan Agreement and any right of the Obligor to create or suffer to exist Liens permitted by the Loan Agreement are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any Person over the Collateral Agent and the Secured Parties.
- (3) In this Agreement the words “**including**”, “**includes**” and “**include**” mean “**including (or includes or include) without limitation**”. The expressions “**Section**” and other subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement.
- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.

- (7) Any reference to this Agreement, or any other Credit Document refers to this Agreement or such other Credit Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

### **Section 3 Grant of Security**

The Obligor grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in, and assigns, mortgages, charges, hypothecates and pledges to the Collateral Agent, for the benefit of the Secured Parties (collectively, the **“Collateral”**):

- (a) all Securities now owned or hereafter acquired by the Obligor, including the Securities listed in Schedule “A”, as such schedule may be amended, supplemented or modified from time to time, all security certificates and other instruments representing such Securities and all rights and claims of the Obligor in such Securities;
- (b) all substitutions and replacements of, increases and additions to the property described in Section 3(a); including any consolidation, subdivision, reclassification or stock dividend; and
- (c) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a) and Section 3(b), including the proceeds of such proceeds.

### **Section 4 Secured Obligations**

The security interest, assignment, mortgage, charge, hypothecation and pledge granted by this Agreement (collectively, the **“Security Interest”**) secures the payment and performance of:

- (a) all Secured Obligations (as defined in the Loan Agreement) of the Obligor (collectively, and together with the Expenses, the **“Secured Obligations”**); and
- (b) all expenses, costs and charges incurred by or on behalf of the Collateral Agent or any Secured Party in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver’s or agent’s remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Collateral Agent’s or any Secured Party’s interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Credit Document (collectively, the **“Expenses”**).

### **Section 5 Attachment**

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer rights in the Collateral to the Collateral Agent (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Obligor (i) acquires any Securities, (ii) acquires any other financial assets that have not been credited to a Securities account specified in Schedule “A” or (ii) establishes or maintains a securities account that is not specified in Schedule “A”, the Obligor will notify the Collateral Agent

in writing and provide the Collateral Agent with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Securities, financial assets or securities account within 15 days after such acquisition or establishment.

- (3) The Obligor will cause the Collateral Agent to have control over each security and all other investment property that are now or at any time become Collateral, and will take all action that the Collateral Agent deems advisable to cause the Collateral Agent to have control over such Collateral, including (i) upon the occurrence and during the continuance of an Event of Default, causing the securities to be transferred to or registered in the name of the Collateral Agent or its nominee or otherwise as the Collateral Agent may direct, (ii) endorsing any certificated securities to the Collateral Agent or in blank by an effective endorsement, (iii) delivering the Collateral to the Collateral Agent or someone on its behalf as the Collateral Agent may direct, (iv) delivering to the Collateral Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any securities to the Collateral Agent or any third party, and (v) entering into control agreements with the Collateral Agent and the applicable securities intermediary or issuer in respect of any Collateral in form and substance satisfactory to the Collateral Agent. At the request of the Collateral Agent, the Obligor will take similar actions, as applicable, with respect to any other Securities.
- (4) The Obligor irrevocably waives, to the extent permitted by applicable law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Collateral Agent or any Secured Party.

#### **Section 6 Care and Custody of Collateral**

- (1) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, assume control of any dividends, distributions or proceeds arising from the Collateral.
- (2) The Collateral Agent has no obligation to collect dividends, distributions or interest payable on, or exercise any option or right in connection with, any Securities or other financial assets. The Collateral Agent has no obligation to protect or preserve any Securities or other financial assets from depreciating in value or becoming worthless and is released from all responsibility for any loss of value whether such Collateral is in the possession of, is a security entitlement of, or is subject to the control of, the Collateral Agent, a securities intermediary, the Obligor or any other person. In the physical keeping of any Securities, the Collateral Agent is only obliged to exercise the same degree of care as it would exercise with respect to its own Securities kept at the same place.
- (3) The Collateral Agent may, upon the occurrence and during the continuance of an Event of Default, sell, transfer, use or otherwise deal with any investment property included in the Collateral over which the Collateral Agent has control, on such conditions and in such manner as the Collateral Agent in its sole discretion may determine.

#### **Section 7 Rights of the Obligor**

- (1) Until the occurrence of an Event of Default which is continuing, the Obligor is entitled to vote the Securities that are part of the Collateral and to receive all dividends and distributions on such Securities. Upon the occurrence and during the continuance of an Event of Default, all rights of the Obligor to vote (under any proxy given by the Collateral Agent (or its nominee) or otherwise) or to receive distributions or dividends cease and all such rights become vested solely and absolutely in the Collateral Agent.
- (2) Any distributions or dividends received by the Obligor contrary to Section 7(1) or any other moneys or property received by the Obligor after the Security Interest is enforceable will be

received as trustee for the Collateral Agent and the Secured Parties and shall be immediately paid over to the Collateral Agent.

## **Section 8 Enforcement**

The Security Interest becomes and is enforceable against the Obligor upon the occurrence and during the continuance of an Event of Default.

## **Section 9 Remedies**

Whenever the Security Interest is enforceable, the Collateral Agent, for and on behalf of the Secured Parties, may realize upon the Collateral and enforce the rights of the Collateral Agent and the Secured Parties by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Securities as if the Collateral Agent were the absolute owner thereof (including, if necessary, causing the Collateral to be registered in the name of the Collateral Agent or its nominee);
- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction or order to any securities intermediary which has entered into a control agreement with the Collateral Agent in respect of a securities account or security entitlement to transfer all financial assets held by such securities intermediary to an account maintained with, by or on behalf of the Collateral Agent.
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 18(12);
- (f) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (h) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

## **Section 10 Exercise of Remedies**

The remedies under Section 9 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Collateral Agent and the Secured Parties however arising or created. The Collateral Agent and the Secured Parties are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Collateral Agent and the Secured Parties in respect of the Secured Obligations including the right to claim for any deficiency.

## **Section 11 Receiver's Powers**

- (1) Any receiver appointed by the Collateral Agent is vested with the rights and remedies which could have been exercised by the Collateral Agent in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any

supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Collateral Agent.

- (2) Any receiver appointed by the Collateral Agent will act as agent for the Collateral Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Obligor or as agent for the Collateral Agent as the Collateral Agent may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Collateral Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

### **Section 12 Appointment of Attorney**

The Obligor hereby irrevocably constitutes and appoints the Collateral Agent (and any officer of the Collateral Agent) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Collateral Agent has the power to exercise for and in the name of the Obligor with full power of substitution, upon the occurrence and during the continuance of an Event of Default, any of the Obligor's right (including the right of disposal), title and interest in and to the Collateral including the execution, endorsement, delivery and transfer of the Collateral to the Collateral Agent, its nominees or transferees, and the Collateral Agent and its nominees or transferees are hereby empowered to exercise all rights and powers and to perform all acts of ownership with respect to the Collateral to the same extent as the Obligor might do. This power of attorney is irrevocable, is coupled with an interest, has been given for valuable consideration (the receipt and adequacy of which is acknowledged) and survives, and does not terminate upon, the bankruptcy, dissolution, winding up or insolvency of the Obligor. This power of attorney extends to and is binding upon the Obligor's successors and permitted assigns. The Obligor authorizes the Collateral Agent to delegate in writing to another Person any power and authority of the Collateral Agent under this power of attorney as may be necessary or desirable in the opinion of the Collateral Agent, and to revoke or suspend such delegation.

### **Section 13 Dealing with the Collateral**

- (1) The Collateral Agent and the Secured Parties are not obliged to exhaust their recourse against the Obligor or any other Person or against any other security they may hold in respect of the Secured Obligations before realizing upon or otherwise dealing with the Collateral in such manner as the Collateral Agent may consider desirable.
- (2) The Collateral Agent and the Secured Parties may grant extensions or other indulgences, take and give up securities, accept compositions, grant releases and discharges and otherwise deal with the Obligor and with other Persons, sureties or securities as it may see fit without prejudice to the Secured Obligations, the liability of the Obligor or the rights of the Collateral Agent and the Secured Parties in respect of the Collateral.
- (3) Except as otherwise provided by law or this Agreement, the Collateral Agent and the Secured Parties are not (i) liable or accountable for any failure to collect, realize or obtain payment in respect of the Collateral, (ii) bound to institute proceedings for the purpose of collecting, enforcing, realizing or obtaining payment of the Collateral or for the purpose of preserving any rights of any Persons in respect of the Collateral, (iii) responsible for any loss occasioned by any sale or other dealing with the Collateral or by the retention of or failure to sell or otherwise deal with the Collateral, or (iv) bound to protect the Collateral from depreciating in value or becoming worthless.

#### **Section 14 Standards of Sale**

Without prejudice to the ability of the Collateral Agent to dispose of the Collateral in any manner which is commercially reasonable, the Obligor acknowledges that:

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of such Collateral may be the Collateral Agent, any Secured Party or a customer of any such Person;
- (d) any sale conducted by the Collateral Agent will be at such time and place, on such notice and in accordance with such procedures as the Collateral Agent, in its sole discretion, may deem advantageous;
- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Collateral Agent, in its sole discretion, may deem advantageous; and
- (g) the Collateral Agent may establish an upset or reserve bid or price in respect of the Collateral.

#### **Section 15 Dealings by Third Parties**

- (1) No Person dealing with the Collateral Agent, any Secured Party or an agent or receiver is required to determine (i) whether the Security Interest has become enforceable, (ii) whether the powers which such Person is purporting to exercise have become exercisable, (iii) whether any money remains due to the Collateral Agent or the Secured Parties by the Obligor, (iv) the necessity or expediency of the stipulations and conditions subject to which any sale or lease is made, (v) the propriety or regularity of any sale or other dealing by the Collateral Agent with the Collateral, or (vi) how any money paid to Collateral Agent or the Secured Parties has been applied.
- (2) Any *bona fide* purchaser of all or any part of the Collateral from the Collateral Agent or any receiver or agent will hold the Collateral absolutely, free from any claim or right of whatever kind, including any equity of redemption, of the Obligor, which it specifically waives (to the fullest extent permitted by law) as against any such purchaser together with all rights of redemption, stay or appraisal which the Obligor has or may have under any rule of law or statute now existing or hereafter adopted.

#### **Section 16 ULC Shares**

- (1) Notwithstanding anything else contained in this Agreement or any other document or agreement among all or some of the parties hereto, the Obligor is the sole registered and beneficial owner of all Collateral that is ULC Shares and will remain so until such time as such ULC Shares are

effectively transferred into the name of the Collateral Agent, any Secured Party or any nominee of the foregoing or any other Person on the books and records of such ULC. Accordingly, the Obligor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of ULC Shares that are Collateral and shall have the right to vote such ULC Shares and to control the direction, management and policies of any ULC to the same extent as the Obligor would if such ULC Shares were not pledged to the Collateral Agent, for the benefit of the Secured Parties, pursuant hereto. Nothing in this Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Collateral Agent, any Secured Party or any Person other than the Obligor, a member of any ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia), the *Business Corporations Act* (Alberta) or any other applicable legislation until such time as notice is given to the Obligor and further steps are taken hereunder or thereunder so as to register the Collateral Agent, any Secured Party or any nominee of the foregoing, as specified in such notice, as the holder of shares of such ULC. To the extent any provision hereof would have the effect of constituting the Collateral Agent or any Secured Party a member of a ULC prior to such time, such provision shall be severed herefrom and ineffective with respect to Collateral that is shares of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral that is not shares of such ULC.

- (2) Except upon the exercise of rights to sell or otherwise dispose of Collateral that is ULC Shares once the Security Interest is enforceable, the Obligor shall not cause or permit, or enable any ULC in which it holds ULC Shares that are Collateral to cause or permit, the Collateral Agent to: (a) be registered as a shareholder or member of a ULC; (b) have any notation entered in its favour in the share register of a ULC; (c) be held out as a shareholder or member of a ULC; (d) receive, directly or indirectly, any dividends, property or other distributions from a ULC by reason of the Collateral Agent holding a security interest in a ULC or ULC Shares; or (e) act as a shareholder or member of a ULC, or exercise any rights of a shareholder or member including the right to attend a meeting of, or to vote the shares of, a ULC.

## **Section 17 Representations, Warranties and Covenants**

The Obligor represents and warrants and covenants and agrees, acknowledging and confirming that the Collateral Agent and each Secured Party are relying on such representations, warranties, covenants and agreements, that:

- (a) The Obligor will not sell, assign, convey, exchange, lease, release or abandon, or otherwise dispose of, any Collateral except as expressly permitted in Section 6.2(g) of the Loan Agreement.
- (b) The Obligor will not create or suffer to exist, any Lien on the Collateral, except for Liens permitted by the Loan Agreement, and will not grant control over any investment property to any Person other than the Collateral Agent.
- (c) Schedule "A" lists all Securities owned or held by the Obligor and all securities accounts of the Obligor on the date of this Agreement. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class and whether the Securities are certificated securities or uncertificated securities.
- (d) The Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (e) Except as described in Schedule "A", no transfer restrictions apply to the Securities listed in Schedule "A". The Obligor has delivered to the Collateral Agent copies of all

shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Obligor's possession and confirms that any interest in a partnership or limited liability company that now, or at any time, forms part of the Collateral is, and will be, a "security" for the purposes of the STA.

- (f) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.
- (g) The Securities that are Collateral constitute, where applicable, the legal, valid and binding obligation of the Obligor, enforceable in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, fraudulent conveyance, arrangement, reorganization or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (h) The pledge, assignment, delivery to and control by the Collateral Agent of the Collateral pursuant to this Agreement creates a valid and perfected first ranking security interest in such Collateral and the proceeds of it. Such Collateral and the proceeds from it are not subject to any prior Lien or any agreement purporting to grant to any third party a Lien on or control of the property or assets of the Obligor which would include the Collateral. The Collateral Agent is entitled to all the rights, priorities and benefits afforded by the PPSA or other relevant personal property securities legislation as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral.
- (i) The Obligor does not know of any claim to or interest in any Collateral, including any adverse claims. If any Person asserts any Lien, encumbrance or adverse claim against any of the Collateral, the Obligor will promptly notify the Collateral Agent.
- (j) The Obligor has not consented to, will not consent to, and has no knowledge of any control by any person with respect to any Collateral, other than the Collateral Agent.
- (k) The Obligor will notify the Collateral Agent immediately upon becoming aware of any change in an "issuer's jurisdiction" in respect of any Collateral that are uncertificated securities or any change in a "securities intermediary's jurisdiction" in respect of any security entitlements, financial assets or securities accounts that are Collateral.
- (l) The Obligor will not, after the date of this Agreement, establish and maintain any securities accounts with any securities intermediary unless (i) it gives the Collateral Agent 30 days' prior written notice of its intention to establish such new securities account, (ii) such securities intermediary is reasonably acceptable to the Collateral Agent, and (iii) the securities intermediary and the Obligor (A) execute and deliver a control agreement with respect to such securities account that is in form and substance, satisfactory to the Collateral Agent, or (B) transfer the financial assets in such securities account into a securities account in the name of the Collateral Agent.
- (m) The Obligor will grant to the Collateral Agent, for the benefit of the Secured Parties, security interests, assignments, mortgages, charges, hypothecations and pledges in such property and undertaking of the Obligor that is not subject to a valid and perfected first ranking security interest (subject only to Permitted Liens) constituted by the Security Documents, in each relevant jurisdiction as determined by the Collateral Agent. The Obligor will perform all acts, execute and deliver all agreements, documents and instruments and take such other steps as are requested by the Collateral Agent at any time to register, file, signify, publish, perfect, maintain, protect, and enforce the Security Interest including: (i) executing, recording and filing of financing or other statements, and

paying all taxes, fees and other charges payable, (ii) placing notations on its books of account to disclose the Security Interest, (iii) delivering acknowledgements, confirmations and subordinations that may be necessary to ensure that the Security Documents constitute a valid and perfected first ranking security interest (subject only to Permitted Liens), (iv) executing and delivering any certificates, endorsements, instructions, agreements, documents and instruments, and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Collateral Agent.

**Section 18      General**

- (1) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Loan Agreement.
- (2) The Security Interest will be discharged in accordance with Section 3.7 of the Loan Agreement.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Collateral Agent or any Secured Party will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Collateral Agent and the Secured Parties in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Loan Agreement. Notwithstanding any investigation made by or on behalf of the Collateral Agent or the Secured Parties the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Collateral Agent may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Collateral Agent may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Collateral Agent. After the Security Interest becomes enforceable, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Collateral Agent may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Collateral Agent or the Secured Parties.
- (6) This Agreement is binding on the Obligor, its successors and assigns, and enures to the benefit of the Collateral Agent, the Secured Parties and their respective successors and assigns. This Agreement may be assigned by the Collateral Agent without the consent of, or notice to, the Obligor, to such Person as the Collateral Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Collateral Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Collateral Agent or any Secured Party. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Collateral Agent which may be unreasonably withheld.
- (7) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Securities that any of the amalgamating corporations then own, (B) all of the Securities that the amalgamated corporation thereafter acquires, (C) all of the Securities in which any of the amalgamating corporations then has any interest, and (D) all of the Securities in which

the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Collateral Agent and the Secured Parties in any currency, under, in connection with or pursuant to the Loan Agreement and any other Credit Document, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such becomes owned or is acquired. Upon any such amalgamation, the defined term "**Obligor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property and undertaking and interests described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.

- (8) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (9) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Collateral Agent, the Secured Parties and the Obligor.
- (10) No consent or waiver by the Collateral Agent or the Secured Parties in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Collateral Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (11) A failure or delay on the part of the Collateral Agent or the Secured Parties in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Collateral Agent or the Secured Parties however arising. A single or partial exercise of a right on the part of the Collateral Agent or the Secured Parties does not preclude any other or further exercise of that right or the exercise of any other right by the Collateral Agent or the Secured Parties.
- (12) All monies collected by the Collateral Agent upon the enforcement of its or the Secured Parties' rights and remedies under the Security Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Collateral Agent and the Secured Parties under the Security Documents, will be applied as provided in the Loan Agreement. To the extent any other Credit Document requires proceeds of collateral under such Credit Document to be applied in accordance with the provisions of this Agreement, the Collateral Agent shall apply such proceeds in accordance with this Section.
- (13) In the event of any conflict between the provisions of this Agreement and the provisions of the Loan Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Loan Agreement will prevail to the extent of such conflict.
- (14) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (15) The Obligor irrevocably attorns and submits to the non-exclusive jurisdiction of any court of competent jurisdiction of the Province of Alberta sitting in Calgary, Alberta in any action or proceeding arising out of or relating to this Agreement and the other Credit Documents to which it is a party. The Obligor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Collateral Agent to bring proceedings against the Obligor in the courts of any other jurisdiction.

- (16) The Obligor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Obligor in accordance with Section 9.3 of the Loan Agreement. Nothing in this Section affects the right of the Collateral Agent to serve process in any manner permitted by law.
- (17) This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

*[The remainder of this page is intentionally blank.]*

**IN WITNESS WHEREOF** the Obligor has executed this Agreement.

**GRIFFON PARTNERS HOLDING CORP.**

Per:  \_\_\_\_\_  
Name: Daryl Stepanic  
Title: Chief Executive Officer

**SCHEDULE "A"**

**SECURITIES**

<b>Issuer</b>	<b>Class of Securities</b>	<b>Number of Securities</b>	<b>% of issued Securities</b>	<b>Certificated or Uncertificated</b>	<b>Certificate Number</b>
Griffon Partners Operation Corp.	Common Shares	1,000	100%	Certificated	C-2

**TRANSFER RESTRICTIONS**

No shares of Griffon Partners Operation Corp. shall be transferred without the approval of the directors of Griffon Partners Operation Corp.

**OTHER INVESTMENT PROPERTY**

Nil.