Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the "**Applicants**")

MOTION RECORD
(MOTION FOR DISTRIBUTION, STAY EXTENSION AND EXPANSION OF POWERS ORDER)

December 7, 2023

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TO: SERVICE LIST

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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(as of December 7, 2023)

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Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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(the "**Applicants**")

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TAB 1

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NOTICE OF MOTION
(returnable December 14, 2023)

The Applicants will make a motion before the Honourable Madam Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") on December 14, 2023 at 11 a.m., or as soon after that time as the Motion can be heard by judicial videoconference via Zoom at Toronto, Ontario. A link to access the videoconference will be circulated to the Service List.

PROPOSED METHOD OF HEARING: The Motion is to be heard

[ ] In writing under subrule 37.12.1(1) because it is;

[ ] In writing as an opposed motion under subrule 37.12.1(4);

[ ] In person;

[ ] By telephone conference;

[X] By video conference;

at a Zoom link to be provided by the Court.

THE MOTION IS FOR

(a) An order (the "**Distribution, Stay Extension and Expansion of Powers Order**") substantially in the form attached at Tab 3 of the Applicants' Motion Record, *inter alia*:

(i) authorizing BioSteel Canada to make a distribution or distributions to Canopy[1] of cash and proceeds held by BioSteel Canada from time to time (the "**BioSteel Canada Distribution**");

(ii) authorizing BioSteel Manufacturing and BioSteel US to make a distribution or distributions to the Administrative Agent of cash and proceeds held by BioSteel Manufacturing and BioSteel US, from time to time (the "**US BioSteel Entities Distribution**", together with the BioSteel Canada Distribution, the "**Distributions**");

(iii) authorizing the Monitor's powers to be enhanced; and

(iv) extending the Stay Period (as defined in the ARIO) until and including April 30, 2024; and;

(b) Such further and other relief as to this Court may deem just.

[1] Unless otherwise noted, capitalized terms not defined herein have the meanings set out in the Sarah S. Eskandari Affidavit sworn December 7, 2023.

THE GROUNDS FOR THE MOTION ARE

Background

(c) BioSteel was a sports nutrition and hydration company, focused on high quality ingredients and with a strong presence in professional sports markets. BioSteel Canada, along with its US affiliates, BioSteel Manufacturing and BioSteel US (the "**US BioSteel Entities**"), operated on a fully integrated basis to manufacture, market, and distribute BioSteel products.

(d) The Applicants have sold substantially all of their assets through the BioSteel Canada Transaction and the Manufacturing Transaction, which were approved by this Court at the AVO Hearing on November 16, 2023. On that date, the Ancillary Order was also granted, which, among other things, added BioSteel Manufacturing and BioSteel US (the "**US BioSteel Entities**") as applicants in this CCAA Proceeding.

(e) On November 30, 2023, the US Bankruptcy Court entered orders: (i) recognizing the Canadian proceeding for BioSteel Manufacturing and BioSteel US as foreign main proceedings and giving effect to the Ancillary Order in the United States, (ii) approving the BioSteel Canada Transaction, and (iii) approving the Manufacturing Transaction.

(f) The next steps in this proceeding are the distribution of the cash and proceeds of the Transactions to Canopy and the Administrative Agent. In furtherance of these efforts, the Applicants are seeking an order authorizing one or more distributions of cash and proceeds held by BioSteel Canada and the US BioSteel Entities on

the terms set out in the proposed Distribution, Stay Extension and Expansion of Powers Order and an extension of the Stay Period until and including April 30, 2024, in order to provide the Applicants with time to make the proposed Distributions, wind down the remaining business and eventually bankrupt the Applicants.

Proposed Distributions

BioSteel Canada Distribution

(g) Pursuant to the Loan Agreement, as of September 11, 2023, BioSteel Canada owes the Lenders approximately $366 million, plus interest.

(h) Substantially all of the assets of BioSteel Canada were sold in the BioSteel Canada Transaction which closed on November 30, 2023, and the proceeds are being held by the Monitor on BioSteel Canada's behalf. Proceeds of CAD$10 million less BioSteel Canada's pro rata split of the Transaction Fee Payment (as defined in the Ancillary Order) are expected to be transferred to BioSteel Canada.

US BioSteel Entities Distribution

(i) As at November 1, 2023, an aggregate principal amount of approximately $430 million was outstanding under the Canopy Credit Agreement. The US BioSteel Entities have unconditionally guaranteed to the Administrative Agent the payment and performance of all Obligations (as defined in the Canopy Credit Agreement).

(j) On November 8, 2023, the Administrative Agent and Canopy entered into a Limited Waiver Agreement that, among other things, waived any default that may arise as

a result of the commencement of insolvency proceedings by the US BioSteel Entities, and provides that (i) all cash proceeds from the sale or disposition of the US BioSteel Entities or their respective assets, net of a reserve for any remaining court-ordered charges (as applicable) and the reasonable costs and expenses necessary to complete an orderly wind down of the estates of the US BioSteel Entities, and (ii) subject to the requirements of the Canopy Credit Agreement, a percentage of certain proceeds from the sale or disposition of BioSteel Canada or its assets received by Canopy, net of any fees, costs and expenses incurred in connection with these CCAA Proceedings, be distributed to the Administrative Agent, and applied against the Obligations.

(k) Substantially all of the assets of BioSteel Manufacturing were sold in the BioSteel Manufacturing Transaction which closed on November 30, 2023, and the proceeds are being held by the Monitor on BioSteel Manufacturing's behalf. Proceeds of US$15 million less BioSteel Manufacturing's pro rata split of the Transaction Fee Payment (as defined in the Ancillary Order) are expected to be transferred to BioSteel Manufacturing. BioSteel Manufacturing also holds approximately $300,000 in cash from the security deposit returned to BioSteel Manufacturing due to the assignment of the Verona Lease to GPI. In addition, BioSteel US has cash of approximately US$3.3 million in its bank account, which cash represents proceeds of the sale of assets and collection of receivables by BioSteel US.

(l) The Applicants are now requesting authority from this Court to make the BioSteel Canada Distribution to Canopy in an amount that will not exceed the full amount of BioSteel Canada's obligations under the Loan Agreement, and to make the US

BioSteel Entities Distribution to the Administrative Agent in an amount that will not exceed the full amount of obligations under the Canopy Credit Agreement.

(m) The proposed Distribution, Stay Extension and Expansion of Powers Order also contemplates that the Applicants shall collectively retain sufficient funds to satisfy any obligations in connection with applicable Charges granted by this Court and any obligations in priority thereto, as well as reserve an amount of $2 million to fund the continued costs of this CCAA Proceeding and the costs to wind down the Applicants.

Proposed Enhancement of the Monitor's Powers

(n) As a result of the closing of the Transactions, it is anticipated that the various current directors of the Applicants will resign or have their terms come to an end without further extension.

(o) Accordingly, the Distribution, Stay Extension and Expansion of Powers Order, if granted, will authorize and empower the Monitor, to exercise any powers which may be properly exercised by a board of directors or any officer of the Applicants to cause the Applicants, through the Applicants' Assistants (as defined in the ARIO) to, among other things: (i) oversee any remaining business and activities of the Applicants, including a wind-down of the entities; (ii) liquidate any remaining assets of the Applicants; and (iii) attend to post-closing matters in respect of the Transactions.

Proposed Stay Extension

(p) The Applicants require additional time to make the proposed Distributions and to wind down the remaining business in an efficient manner and eventually bankrupt each of the Applicants.

(q) As a result, the Applicants are seeking an extension of the Stay Period until and including April 30, 2024.

Other Grounds

(r) In addition to the other grounds discussed in this Notice of Motion, the Applicants rely on:

(i) The provisions of the CCAA, including ss. 11 and 36, and the inherent and equitable jurisdiction of this Honourable Court;

(ii) Rules 1.04, 1.05, 2.03, 3.02, 16 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended, and section 106 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended; and

(iii) Such further and other grounds as the lawyers may advise.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

(a) The Affidavit of Sarah S. Eskandari sworn December 7, 2023 and the exhibits attached thereto;

(b) The Third Report of the Monitor and the exhibits attached thereto, to be filed; and

(c) Such further and other evidence as the lawyers may advise and this Court may permit.

December 7, 2023

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ONTARIO
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PROCEEDING COMMENCED AT
TORONTO

NOTICE OF MOTION

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TAB 2

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AFFIDAVIT OF SARAH S. ESKANDARI

I, Sarah S. Eskandari, of the City of Napa, in the State of California, MAKE OATH AND SAY:

1. I am the General Counsel of the Applicants. I have served in this position since December 2022. In that capacity, I have consulted with members of the Applicants' finance, accounting, legal, and operational teams, as well as the Applicants' Financial Advisor and other external advisors. As such, I have knowledge of matters contained in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information therein, or believe it to be true based upon my consultations with the parties listed above. Nothing in this Affidavit, or the making of this Affidavit, is intended to waive any legal or other privilege in favour of the Applicants.

2. Unless otherwise noted, capitalized terms not defined herein have the meanings set out in my Affidavit sworn November 10, 2023 (the "**Third Eskandari Affidavit**"). A copy of the Third Eskandari Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

I. Overview

3. I swear this Affidavit in support of the motion by the Applicants for an order (the "**Distribution, Stay Extension and Expansion of Powers Order**"), among other things:

(a) authorizing BioSteel Canada to make a distribution or distributions to Canopy of cash and proceeds held by BioSteel Canada from time to time (the "**BioSteel Canada Distribution**");

(b) authorizing BioSteel Manufacturing and BioSteel US to make a distribution or distributions to the Administrative Agent of cash and proceeds held by BioSteel Manufacturing, and BioSteel US, from time to time (the "**US BioSteel Entities Distribution**", together with the BioSteel Canada Distribution, the "**Distributions**");

(c) authorizing the Monitor's powers to be enhanced; and

(d) extending the Stay Period (as defined in the ARIO) until and including April 30, 2024.

II. BACKGROUND AND HISTORY OF THIS CCAA PROCEEDING

4. BioSteel was a sports nutrition and hydration company, focused on high quality ingredients and with a strong presence in professional sports markets. BioSteel Canada, along with its US affiliates, BioSteel Manufacturing and BioSteel US (the "**US BioSteel Entities**"), operated on a fully integrated basis to manufacture, market, and distribute BioSteel products.

5. On September 14, 2023 (the "**Filing Date**"), BioSteel Canada was granted protection under the CCAA pursuant to an initial order of the Ontario Superior Court of Justice (Commercial

List) (the "**Initial Order**"). Although the US BioSteel Entities were not initially applicants, the Stay of Proceedings was extended to these companies.

6. On September 17, 2023, BioSteel Canada filed a petition for recognition of its CCAA Proceeding pursuant to Chapter 15 of Title 11 of the *United States Bankruptcy Code* (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "**US Bankruptcy Court**") seeking an order recognizing its CCAA Proceeding as a foreign main proceeding, recognizing and enforcing the orders made in this CCAA Proceeding in the United States and staying certain actions in the US against BioSteel Canada and its assets.

7. At the Comeback Hearing on September 21, 2023, the Court granted two additional orders:

(a) the Amended and Restated Initial Order (the "**ARIO**") that, among other things, extended the Stay of Proceedings until November 17, 2023; and

(b) the SISP Approval Order that, among other things, approved the SISP.

8. On October 11, 2023, the US Bankruptcy Court entered an order recognizing this CCAA Proceeding as a foreign main proceeding under Chapter 15 of the Bankruptcy Code.

9. On November 16, 2023, the Court granted the following orders at the Approval and Vesting Order Hearing (the "**AVO Hearing**"):

(a) the Ancillary Order that, among other things:

(i) added BioSteel Manufacturing and BioSteel US as applicants in this CCAA Proceeding; and

(ii) extended the Stay Period until and including January 31, 2024;

(b) the BioSteel Canada AVO that, among other things, approved the BioSteel Canada Transaction and vested the BioSteel Canada Purchased Assets in and to DC Holdings; and

(c) the Manufacturing AVO that, among other things, approved the Manufacturing Transaction, vested the Manufacturing Purchased Assets in GPI and assigned to GPI BioSteel Manufacturing's lease for industrial space in Verona, Virginia (the "**Verona Lease**").

10. On November 30, 2023, the US Bankruptcy Court entered orders: (i) recognizing the Canadian proceeding for BioSteel Manufacturing and BioSteel US as foreign main proceedings and giving effect to the Ancillary Order in the United States, (ii) approving the BioSteel Canada Transaction, and (iii) approving the Manufacturing Transaction. Copies of the orders of the US Bankruptcy Court are attached hereto as **Exhibit** "**B**".

11. On November 30, 2023, the Transactions closed and, accordingly, the Applicants are now seeking authority to make the Distributions and transition to the next phase of this CCAA Proceeding.

12. As a result of the closing of the Transactions, it is anticipated that the various current directors of the Applicants will resign or have their terms come to an end without further extension. Accordingly, the Applicants are requesting that the Monitor's powers be enhanced to fulfill certain obligations of the directors.

III. THE APPLICANTS' ACTIVITIES SINCE THE AVO HEARING

13. Since the Ancillary Order, BioSteel Canada AVO, and Manufacturing AVO were granted, the Applicants, in consultation with the Monitor, have:

(a) negotiated and closed the Transactions;

(b) issued a notice of disclaimer in respect of the office lease agreement dated March 2, 2018 (as amended and renewed from time to time) between BioSteel Canada, as tenant, and 87 WG Corp., as landlord (the "**Office Lease**") because the Office Lease was not an "assumed contract" under any of the Transactions. The Office Lease disclaimer was issued on December 1, 2023;

(c) re-confirmed to contract counterparties whose contracts had not been assumed in the Transactions or were no longer required by BioSteel that the applicable BioSteel entity will not be performing under their contracts. On December 6, 2023, the Applicants delivered a letter to substantially all the contract counterparties, confirming that the applicable BioSteel entities would not perform their contractual obligations under the applicable agreements, the counterparty was free to terminate the contract, and such party would be given the opportunity to submit a proof of claim if a claims process is conducted. The letters were not delivered to counterparties whose contracts were assumed pursuant to the Transactions or vendors whose services are expected to be necessary to complete this CCAA Proceeding;

(d) continued to sell inventory and collect accounts receivable prior to completing the Transactions and as provided for in the BioSteel Canada Purchase Agreement;

(e) prepared to wind down the Applicants following the sale of excluded inventory provided for in the BioSteel Canada Purchase Agreement, which inventory is expected to be sold prior to April 30, 2024;

(f) responded to numerous creditor and stakeholder inquiries regarding this CCAA Proceeding, including communicating with parties to the various Sponsorship Agreements and other commercial agreements, and, in certain circumstances, negotiated terminations or amendments.

IV. THE SECURED OBLIGATIONS OF THE APPLICANTS

The BioSteel Canada Secured Obligations

14. Pursuant to the Loan Agreement (as defined below), as of September 11, 2023, BioSteel Canada owes the Lenders (as defined below) approximately $366 million, plus interest. As noted in the First Report of the Monitor, Canopy and its affiliate are the fulcrum creditors and the only creditors with an economic interest in BioSteel Canada.

15. BioSteel Canada is party to the Tenth Amended and Restated Loan Agreement dated July 13, 2023 (as amended, the "**Loan Agreement**") among BioSteel Canada, as borrower, Canopy and 1106, each as a lender (together the "**Lenders**") and Canopy, in its capacity as agent for and on behalf of the Lenders (in such capacity, the "**Agent**"). The previous amendments and restatements to the Loan Agreement have, among other things, increased the size of and/or added additional tranches of funding available as part of a revolving facility and provided BioSteel Canada the ability to borrow in US dollars.

16. The obligations of BioSteel Canada under the Loan Agreement are secured by a tenth amended and restated general security agreement dated as of July 13, 2023 (as amended, the

"**GSA**"). Pursuant to the GSA, BioSteel Canada granted to the Agent, a security interest in all right, title and interest in and to all real and personal property which is now or hereafter owned by BioSteel Canada or in which BioSteel Canada now has or hereafter acquires any interest or rights of any nature whatsoever, subject to customary limited exclusions. A copy of the GSA is attached hereto as **Exhibit** "**C**".

17. I am advised by Noah Goldstein of KSV Restructuring Inc. ("**KSV**"), that the Monitor's counsel has reviewed the security granted by BioSteel Canada pursuant to the GSA and has confirmed that, subject to customary qualifications and assumptions, the GSA, as continuing security for the obligations of BioSteel Canada under the Loan Agreement and related loan documents, creates a valid security interest in favour of the Agent, in the Collateral (as defined in the GSA).

18. Substantially all of the assets of BioSteel Canada were sold in the BioSteel Canada Transaction which closed on November 30, 2023, and the proceeds are being held by the Monitor on BioSteel Canada's behalf. Proceeds of CAD$10 million less BioSteel Canada's pro rata split of the Transaction Fee Payment (as defined in the Ancillary Order) are expected to be transferred to BioSteel Canada.

The Secured Obligations of the US BioSteel Entities

19. As at November 1, 2023, an aggregate principal amount of approximately $430 million was outstanding under the Canopy Credit Agreement. In connection with the Canopy Credit Agreement, each of the US BioSteel Entities entered into a Guarantee Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the "**Guarantee**") among the Administrative Agent and each of the guarantors party thereto, including each of the US BioSteel Entities (collectively, the "**Guarantors**"). Pursuant to the Guarantee, each of the US BioSteel

Entities unconditionally guarantees to the Administrative Agent, jointly and severally with the other Guarantors, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations (as such term is defined in the Canopy Credit Agreement). A copy of the Guarantee is attached hereto as **Exhibit** "**D**".

20. In connection with the Canopy Credit Agreement and the Guarantee, each of the US BioSteel Entities also entered into: (i) a Canadian Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the "**Canadian Security Agreement**") among the Collateral Agent and each of the pledgors party thereto, including each of the US BioSteel Entities and (ii) a US Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the "**US Security Agreement**" and together with the Canadian Security Agreement, the "**Security Agreements**") among the Collateral Agent and certain of the pledgors party thereto, including each of the US BioSteel Entities. Each Security Agreement grants broad security interests in all right, title and interest in or to the undertakings, assets and properties now owned or at any time thereafter acquired by the pledgors party thereto including each of the US BioSteel Entities. Copies of the US Security Agreement and the Canadian Security Agreement, without schedules, are attached hereto as **Exhibit** "**E**".

21. I am advised by Noah Goldstein of KSV, that the Monitor's counsel has reviewed the security granted by each of the US BioSteel Entities pursuant to the Security Agreements and has confirmed that, subject to customary qualifications and assumptions, the Security Agreements, as continuing security for the Obligations (as such term is defined in the Canopy Credit Agreement), create valid security interests in favour of the Collateral Agent, as agent for each of the Senior Secured Lenders, in all right, title and interest in or to the undertakings, assets and

properties now owned or at any time thereafter acquired by each of the US BioSteel Entities and described as collateral therein.

22. As described in the Third Affidavit, on November 8, 2023, the Administrative Agent and Canopy entered into a Limited Waiver Agreement that, among other things, waived any default that may arise as a result of the commencement of insolvency proceedings by the US BioSteel Entities, and provides that (i) all cash proceeds from the sale or disposition of the US BioSteel Entities or their respective assets, net of a reserve for any remaining court-ordered charges (as applicable) and the reasonable costs and expenses necessary to complete an orderly wind down of the estates of the US BioSteel Entities, and (ii) subject to the requirements of the Canopy Credit Agreement, a percentage of certain proceeds from the sale or disposition of BioSteel Canada or its assets received by Canopy, net of any fees, costs and expenses incurred in connection with these CCAA Proceedings, be distributed to the Administrative Agent and applied against the Obligations. A version of the Limited Waiver Agreement that is redacted for certain confidential information, and without signature pages, is attached hereto as **Exhibit** "**F**".

23. Substantially all of the assets of BioSteel Manufacturing were sold in the BioSteel Manufacturing Transaction which closed on November 30, 2023, and the proceeds are being held by the Monitor on BioSteel Manufacturing's behalf. Proceeds of US$15 million less BioSteel Manufacturing's pro rata split of the Transaction Fee Payment (as defined in the Ancillary Order) are expected to be transferred to BioSteel Manufacturing. BioSteel Manufacturing also holds approximately $300,000 in cash from the security deposit returned to BioSteel Manufacturing due to the assignment of the Verona Lease to GPI. In addition, I am advised that as of December 7, 2023, BioSteel US has cash of approximately US$3.3 million in its bank account, which cash represents proceeds of the sale of assets and collection of receivables by BioSteel US.

V. REQUESTED RELIEF

A. Distributions

24. The Applicants are requesting authority from this Court to make the BioSteel Canada Distribution to Canopy in an amount that will not exceed the full amount of BioSteel Canada's obligations under the Loan Agreement and to make the US BioSteel Entities Distribution to the Administrative Agent in an amount that will not exceed the full amount of obligations under the Canopy Credit Agreement.

25. The Applicants may be seeking an agreement, comfort letter, clearance certificate and/or other form of written and binding comfort from the appropriate governmental authority prior to making the Distributions.

26. Furthermore, as provided in the Sale and Investment Solicitation Process approved by this Court through the SISP Approval Order dated September 21, 2023, the proposed Distribution, Stay Extension and Expansion of Powers Order contemplates that the Applicants shall collectively retain sufficient funds in an amount satisfactory to the Monitor to satisfy any obligations in connection with applicable Charges granted by this Court and any obligations in priority thereto, as well as reserve an amount of $2 million to fund the continued costs of this CCAA Proceeding and the costs to wind down the Applicants.

B. Expansion of the Monitor's Powers

27. To deal with the anticipated resignation of all directors, the Distribution, Stay Extension and Expansion of Powers Order, if granted, will authorize and empower the Monitor, to exercise any powers which may be properly exercised by a board of directors or any officer of the Applicants to cause the Applicants, through the Applicants' Assistants (as defined in the ARIO)

to, among other things: (i) oversee any remaining business and activities of the Applicants, including a wind-down of the entities; (ii) liquidate any remaining assets of the Applicants; and (iii) attend to post-closing matters in respect of the Transactions.

C. Extension of the Stay Period

28. The Stay Period currently expires on January 31, 2024. The Applicants are seeking to extend the Stay Period until and including April 30, 2024. The extension of the Stay Period to that date is necessary and appropriate to allow the Applicants to make the proposed Distributions and to wind down the remaining business in an efficient manner and eventually bankrupt the Applicants.

29. I am advised by Noah Goldstein of KSV that a projected cash flow statement for the Applicants for period ending April 30, 2024 (the "**Cash Flow Statement**") will be attached to the Third Report. The Cash Flow Statement, which has been prepared on a consolidated basis for the Applicants, demonstrates that the Applicants will have sufficient liquidity to meet their obligations as they come due during the Stay Period.

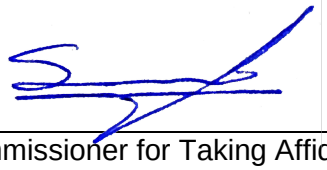
30. I believe the Applicants continue to work in good faith and with due diligence to advance this CCAA Proceeding.

VI. CONCLUSION

31. The Applicants have been working in good faith and with due diligence to complete the Transactions, collect receivables and liquidate inventory for the benefit of all stakeholders. The Applicants believe that the relief requested in this motion is reasonable in the circumstances, and necessary to complete this CCAA Proceeding.

32. I swear this Affidavit in support of the Applicants' motion returnable December 14, 2023, and for no other or improper purpose.

SWORN BEFORE ME by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits
(or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

Sarah Eskandari

Sarah S. Eskandari

This is Exhibit “A” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC.

(the "**Applicant**")

AFFIDAVIT OF SARAH S. ESKANDARI

I, Sarah S. Eskandari, of the City of Napa, in the State of California, MAKE OATH AND SAY:

1. I am the General Counsel of BioSteel Sports Nutrition Inc. ("**BioSteel Canada**" or the "**Applicant**"). I also serve as the General Counsel for BioSteel Canada's affiliates, BioSteel Sports Nutrition USA LLC ("**BioSteel US**") and BioSteel Manufacturing LLC ("**BioSteel Manufacturing**", and collectively with BioSteel US and BioSteel Canada, "**BioSteel**"). I have served in this position since December 2022. In that capacity, I have consulted with members of the Applicant's finance, accounting, legal, and operational teams, as well as the Applicant's Financial Advisor (as defined below) and other external advisors. As such, I have knowledge of matters contained in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information therein, or believe it to be true based upon my consultations with the parties listed above. Nothing in this Affidavit, or the making of this Affidavit, is intended to waive any legal or other privilege in favour of BioSteel.

2. Unless otherwise noted, capitalized terms not defined herein have the meanings set out in my Affidavit sworn September 13, 2023 (the "**Initial Eskandari Affidavit**") and the SISP Approval Order, as applicable. A copy of the Initial Eskandari Affidavit (without exhibits) is attached hereto as **Exhibit "A"**.

I. Overview

3. I swear this Affidavit in support of the motion by the Applicant and the Additional Applicants (as defined below):

(a) an order (the "**Ancillary Order**"), among other things:

(i) adding BioSteel Manufacturing and BioSteel US (collectively, the "**US BioSteel Entities**" or the "**Additional Applicants**") as applicants in this proceeding with such rights, protections, and obligations as are afforded to the Applicant in these proceedings and extending the Charges to the Property of BioSteel Manufacturing and BioSteel US;

(ii) extending the Stay of Proceedings set out in the Amended and Restated Initial Order (the "**ARIO**") through and including January 31, 2024;

(iii) appointing BioSteel Canada as the foreign representative in respect of the Additional Applicants;

(iv) authorizing continued intercompany transactions between the BioSteel Entities and their affiliates;

(v) authorizing the payment of the Transaction Fee on a pro rata basis by BioSteel Canada and BioSteel Manufacturing;

(vi) authorizing BioSteel to discontinue its loyalty program; and

(vii) temporarily sealing the Confidential Appendix to the Second Report (each as defined below);

(b) an approval and vesting order (the "**BioSteel Canada AVO**"), among other things:

(i) approving the sale of certain intellectual property, inventory, and related assets (the "**BioSteel Canada Transaction**") contemplated by the Asset Purchase Agreement dated November 9, 2023, as amended (the "**BioSteel Canada Purchase Agreement**"), between DC Holdings LTD., dba Coachwood Group of Companies as buyer ("**DC Holdings**"), and BioSteel Canada, as seller; and

(ii) vesting the purchased assets described in the BioSteel Canada Purchase Agreement (the "**BioSteel Canada Purchased Assets**") in and to DC Holdings; and

(c) an approval and vesting order (the "**Manufacturing AVO**"):

(i) approving the sale of assets (the "**Manufacturing Transaction**") contemplated by the Asset Purchase Agreement dated November 9, 2023, as amended (the "**Manufacturing Purchase Agreement**", together with the BioSteel Canada Purchase Agreement, the "**Purchase Agreements**"), between Gregory Packaging, Inc., as buyer ("**GPI**"), and BioSteel Manufacturing, as seller;

(ii) vesting the purchased assets described in the Manufacturing Purchase Agreement (the "**Manufacturing Purchased Assets**") in GPI; and

(iii) assigning to GPI the lease for industrial space in Verona, Virginia (the "**Lease**") in connection with BioSteel Manufacturing's operations.

4. On October 31, 2023, the BioSteel Canada Transaction and the Manufacturing Transaction (collectively, the "**Transactions**") were selected as the Successful Bids in the sales and investment solicitation process (the "**SISP**") approved by this Court pursuant to the SISP Approval Order (as defined below). The Transactions collectively provide the best outcome to BioSteel's stakeholders, when taking into account, among other factors, the price, certainty of closing and overall benefits to stakeholders, including employees. I understand that the Transactions are supported by the Monitor, and that the Monitor intends to file a report in connection with this motion (the "**Second Report**").

II. BACKGROUND

5. BioSteel is a sports nutrition and hydration company, focused on high quality ingredients and with a strong presence in professional sports markets. BioSteel products, including RTDs, hydration mixes and supplements, are available at retailers across Canada, the United States and online. The Additional Applicants operate on a fully integrated basis with the Applicant to manufacture, market, and distribute BioSteel products.

6. As noted in my prior affidavits, beginning in late 2022, BioSteel and Canopy cooperatively undertook a broad marketing process to seek an additional investment in, or sale of, BioSteel. That process returned no actionable bids. A subsequent process directed by the Special Committee of BioSteel and its independent legal counsel in August and early September of 2023 also returned no bids that could be executed on a timely basis.

7. As described in detail in the Initial Eskandari Affidavit, the Applicant sought CCAA protection on an urgent basis to prevent enforcement actions against it and to allow for an orderly sale of the of the business of the Applicant. The Initial Order (as amended) extended the Stay of Proceedings to include the US BioSteel Entities. At that time, the boards of the Additional Applicants determined not to immediately seek CCAA protection as applicants.

8. The SISP was approved by an Order of this Court dated September 21, 2023 (the "**SISP Approval Order**"). The SISP permitted the Applicant, working with its professional advisors, to solicit bids for the business or assets of the Applicant and for all or substantially all of the assets and/or shares of each of the US BioSteel Entities. I am advised by Natalie Levine of Cassels Brock & Blackwell LLP, counsel to BioSteel, that the SISP Approval Order was granted on notice to the service list for these proceedings, and that no objection was raised by any party at the hearing.

9. Since the issuance of the SISP Approval Order, the Applicant with the assistance of its advisors and under the oversight of the Monitor, has conducted the SISP in accordance with its terms and in good faith.

10. The SISP resulted in various bids being submitted including for the entirety of the business of the BioSteel Entities (the "**Business**") and for substantially all of the assets of BioSteel Canada and BioSteel Manufacturing. Following the binding bid deadline, and after carefully reviewing all of the bids submitted with BioSteel's legal advisors (including independent counsel to the Special Committee), the Financial Advisor and the Monitor, BioSteel's applicable boards determined that the BioSteel Canada Transaction and the Manufacturing Transaction collectively represent the best and highest offer submitted pursuant to the SISP and selected those transactions as

"Successful Bids" in accordance with the SISP. The boards also selected two back up bidders, which I understand will be described in further detail in the Second Report.

11. To facilitate the approval and implementation of the Manufacturing Transaction, distribution of sale proceeds and the ultimate wind down of the Business, the Applicant is now seeking to add the Additional Applicants as applicants in this CCAA Proceeding, along with other ancillary relief that will be required to complete this CCAA Proceeding.

III. HISTORY OF THIS CCAA PROCEEDING

12. On September 14, 2023 (the "**Filing Date**"), the Applicant was granted protection under the CCAA pursuant to an initial order of the Ontario Superior Court of Justice (Commercial List) (the "**Initial Order**").

13. On September 19, 2023, the Applicant commenced the Chapter 15 Case before the United States Bankruptcy Court for the Southern District of Houston (the "**Bankruptcy Court**") seeking an order to recognize and enforce the orders made in this CCAA Proceeding in the United States and protect against any potential adverse action taken by US-based parties.

14. At the Comeback Hearing on September 21, 2023, the Court granted two additional orders:

(a) the ARIO that, among other things:

(i) extended the Stay of Proceedings until November 17, 2023;

(ii) increased the maximum amount of the Administration Charge to US$1 million;

(iii) increased the maximum amount of the Directors' Charge to US$2,198,000; and

(iv) approved the Financial Advisor's engagement letter (the "**Financial Advisor Engagement Letter**") and granted the Transaction Fee Charge up to the maximum amount of US$2.5 million; and

(b) the SISP Approval Order that, among other things:

(i) approved the SISP, and authorized the Applicant to implement the SISP pursuant to its terms; and,

(ii) authorized and directed the Applicant, Greenhill & Co. Canada Ltd., as financial advisor to the Applicant in this CCAA Proceeding (in such capacity, the "**Financial Advisor**"), and the Monitor, to perform their respective obligations and do all things reasonably necessary to perform their obligations under the SISP.

IV. THE APPLICANT'S ACTIVITIES SINCE THE COMEBACK HEARING

15. As described in the Initial Eskandari Affidavit, immediately prior to the commencement of the proceedings, each of the BioSteel Entities placed its respective business into hibernation in order to limit go forward costs during the SISP. Notwithstanding this hibernation, limited staff has remained at the expense of Canopy Growth Corporation ("**Canopy**") and its affiliates, to maintain limited operations and to facilitate the SISP.

16. Since the granting of the ARIO and the SISP Approval Order at the Comeback Hearing, the Applicant has been working in good faith and with due diligence to:

(a) respond to numerous creditor and stakeholder inquiries regarding this CCAA Proceeding, including communicating with parties to the various Sponsorship Agreements and other commercial agreements, and, in certain circumstances, negotiating terminations or variations thereto, including any active or ongoing promotional contests related to the Sponsorship Agreements;

(b) negotiate an agreement with the NHL and certain other parties to, in exchange for continued supply of BioSteel products, facilitate the continued sale of co-branded product and BioSteel marketing during the SISP to maintain the value of the BioSteel brand;

(c) conduct its duties and obligations under the Court-approved SISP with a view to ultimately identifying and facilitating value-maximizing sale transactions for the benefit of stakeholders, including working with the Financial Advisor and the Monitor to conduct the SISP;

(d) engage with various bidders in the SISP, with the assistance of the Financial Advisor and under the oversight of the Monitor, to address issues raised in the bids submitted in the SISP and select the “Successful Bids” and “Back-Up Bids”;

(e) continue to sell inventory in the ordinary course in order to maintain the brand value and presence in retail locations and online for direct consumers during the CCAA Proceeding;

(f) pause its loyalty program (described in more detail below) pending the completion of the SISP; and

(g) work with its US counsel to obtain appropriate recognition orders in the United States and to respond to inquiries and/or potential actions from US stakeholders.

17. With a view to maintaining the brand value during the SISP, BioSteel worked with its affiliates to ensure that products could continue to be sold in the ordinary course, including direct to consumers online, to businesses in Canada, and to businesses in the United States through BioSteel US. Continued sales allowed BioSteel to maintain its "shelf space" at retailers and to remain top of mind for consumers. As described below, the strong consumer demand is among the reasons the purchaser of the BioSteel intellectual property is willing to make a substantial cash investment in the intellectual property of the business.

18. Now that the Court-approved SISP has been conducted and the successful bidders have been selected, BioSteel is seeking to close the Transactions described below and wind down the remaining Business, all subject to Court approval.

V. CONDUCT AND OUTCOME OF THE SISP

19. The Applicant developed the SISP in consultation with its professional advisors and the Monitor, in order to build on the marketing process that began prior to the Filing Date.

20. The SISP was developed based on advice of the Financial Advisor and the Monitor to balance BioSteel's cash needs with the desire to thoroughly canvass the market. The SISP provided for a period of 25 days to solicit interest (the "**Solicitation Period**"), with such period commencing no later than September 21, 2023, and ending on the Qualified Bid Deadline of October 16, 2023. The Financial Advisor contacted 78 potentially interested parties during the SISP, including 20 parties who had shown interest in BioSteel before the commencement of the SISP. The majority of those parties executed non-disclosure agreements and 32 parties received

access to the virtual data room prepared in connection with the SISP to provide parties an opportunity to conduct additional due diligence on BioSteel. By the Qualified Bid Deadline, BioSteel had received eight bids, six of which substantially complied with the terms of the SISP and qualified as Qualified Bids as determined by the Applicant in consultation with the Financial Advisor and the Monitor. Nearly two weeks after the Qualified Bid Deadline, on October 30, 2023, BioSteel received another bid which did not comply with the Qualified Bid terms of the SISP and was not competitive from a financial perspective.

21. Based on the number and complex nature of the bids received, the Financial Advisor, on behalf of the Applicant, in consultation with the Monitor, notified bidders on three occasions that it had extended the deadline to select a Successful Bid (as defined in the SISP), first from October 23, 2023 to October 30, 2023 and subsequently to October 31, 2023 at 5:00 p.m. and then 11:59 p.m. on that date. I understand that the extensions, as permitted by the SISP, were made to allow the Applicant, with the assistance of the Financial Advisor and under the supervision of the Monitor, to continue to clarify and finalize the terms of the bids. During the time between the Qualified Bid Deadline of October 16, 2023 and October 31, 2023, bidders revised their bids following discussions with the Financial Advisor, on behalf of the Applicant.

22. In connection with the extension of the deadline to select a Successful Bid, the Applicant also notified bidders that (a) the milestone date for the motion to the Court for a transaction approval order was amended from November 3, 2023 to November 16, 2023 and (b) the milestone date for the outside date to close the Successful Bid was amended from November 15, 2023 to November 30, 2023.

23. After careful consideration of the bids received, including advice from BioSteel's legal advisors and the Financial Advisor, and with input from the Monitor and, as applicable, BioSteel

Canada's secured lender, the final bids from GPI and DC Holdings were selected as the Successful Bids. In accordance with the terms of the SISP, Back-Up Bids were also selected should the transactions provided for in the Successful Bids not close in accordance with their terms. I am advised by Noah Goldstein of KSV that the Monitor will provide additional information regarding the SISP, the Successful Bids and the Back-Up Bids in a confidential appendix to the Second Report (the "**Confidential Appendix**").

24. BioSteel is seeking an order sealing the Confidential Appendix until the Closing Date (as defined in each of the Purchase Agreements). I understand the Confidential Appendix will contain detailed and competitively sensitive information regarding the bids received pursuant to the SISP, the disclosure of which prior to the closing of the Successful Bids would be harmful to the process and the ability to maximize value for stakeholders, including the Applicant's ability to close an alternate transaction if the Successful Bids do not close.

25. Following additional negotiations on the form of documentation, on November 9, 2023, BioSteel Canada and BioSteel Manufacturing signed the transaction agreements described below.

VI. THE TRANSACTIONS

A. The BioSteel Canada Transaction[1]

[2]Term	Details
Vendor	BioSteel Canada
Purchaser	DC Holdings
Purchase Price	As described in the Confidential Appendix (the "**Purchase Price**").
Deposit	In accordance with the SISP procedures, a deposit equal to 10% of the Purchase Price (the "**Deposit**") was paid by DC Holdings to the Monitor, in trust. The Deposit is refundable if the BioSteel Canada Purchase Agreement is terminated in accordance with the provisions of section 8.1 on or prior to the Closing Date, except where the BioSteel Canada Purchase Agreement is terminated by BioSteel Canada in circumstances where there has been a material breach by DC Holdings of any material representation, warranty or covenant, and such breach is not cured on or before the Outside Date.
Transaction Structure	The transaction shall be structured as a sale of substantially all of the assets of BioSteel Canada (other than certain inventory, accounts receivable and contracts).
Purchased Assets	DC Holdings shall acquire the BioSteel Canada Purchased Assets, including but not limited to the following: (a) all intangible assets and intellectual property; (b) all of BioSteel Canada's formulas and recipes; (c) all inventory of BioSteel Canada, other than Excluded Inventory (as defined in the BioSteel Canada Purchase Agreement); and (d) certain specified fixed assets, furniture and fixtures.
Assumed Liabilities	DC Holdings shall not assume any liabilities of BioSteel Canada other than the costs and fees associated with recording the transfer and assignment of any registered Intellectual Property comprising a part of the BioSteel Canada Purchased Assets and all Liabilities from and after Closing in respect of any contracts underlying the intangible assets and intellectual

[1] Capitalized terms used in this section and not otherwise defined in this Affidavit have the meaning given to them in the BioSteel Canada Purchase Agreement. The BioSteel Canada Purchase Agreement (without schedules and redacted for confidential information) is attached hereto as **Exhibit "B"**. An unredacted copy of the BioSteel Canada Purchase Agreement will be included in the Confidential Appendix.

[2]Term	Details
	property included in the Purchased Assets which the Purchaser elects to assume (the "**Assumed Contracts**").
Excluded Assets	The following assets shall not be acquired by DC Holdings: (a) all Excluded Inventory; (b) all pending and executory contracts or agreements to which BioSteel Canada is a party or by which BioSteel Canada is bound or in which BioSteel Canada has, or will at Closing have, any rights or by which any of its property or assets are or may be affected, other than the Assumed Contracts, if any; and (c) all accounts receivable owing to BioSteel Canada as of the Closing Date.
Excluded Liabilities	Excluded Liabilities means all Liabilities of BioSteel Canada relating to the operation of its business prior to the Closing, including any cure costs in respect of the Excluded Assets, other than the Assumed Liabilities, if any.
Employee Matters	The Purchaser shall not hire or assume any Employees related to the BioSteel Canada business.
Post-Closing Covenants	For the period commencing on the Closing Date until the three month anniversary of the Closing Date (the "**Sale Period**"), DC Holdings shall have the exclusive right to sell any Excluded Inventory that has greater than 19 months of shelf life from the Closing Date and is not subject to any Encumbrance (the "**Qualified Inventory**") on behalf of BioSteel Canada through DC Holdings' distribution channels at a price as may be agreed upon by BioSteel Canada and DC Holdings, each acting reasonably (a "**Qualified Sale**"). Subject to the following paragraph, the Proceeds of each Qualified Sale shall be remitted directly to BioSteel Canada. DC Holdings shall be entitled to receive a percentage of the Net Sales of the Qualified Inventory subject to the applicable Qualified Sale (the "**Qualified Sale Fee**"), which Qualified Sale Fee shall be payable by BioSteel Canada to DC Holdings on a monthly basis. On or prior to the end of the Sale Period, DC Holdings shall have the right to acquire any of the remaining Qualified Inventory at the applicable cost of the Qualified Inventory. If DC Holdings does not notify BioSteel Canada of its intention to purchase the remaining Qualified Inventory by the end of the Sale Period, BioSteel Canada shall be permitted to sell such Qualified Inventory in its sole and absolute discretion. BioSteel Canada shall be permitted to sell any Excluded Inventory that is not Qualified Inventory ("**Unqualified Inventory**") from and after the Cloising Date to any party, in its sole and absolute discretion (other than to consumers within Canada or to wholesalers whose stated purpose at the time of sale is to resell such inventory in Canada).

[2]Term	Details
	In certain circumstances where the Purchaser accepts any returns of Unqualified Inventory during the Sale Period, the Vendor shall pay the Purchaser 5% of the proceeds of the initial sale of such inventory.
Outside Date	November 30, 2023, or such later date as BioSteel Canada, with the consent of the Monitor, and DC Holdings may agree to in writing, each acting reasonably.
Material Conditions to be Satisfied before Closing	Conditions to Closing in favour of the Parties: BioSteel Canada AVO. The Court shall have issued and entered the BioSteel Canada AVO, which BioSteel Canada AVO shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the parties, each acting reasonably. U.S Recognition Order. The U.S. Court shall have issued and entered the U.S. Recognition Order, which U.S. Recognition Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the parties, each acting reasonably.

B. The Manufacturing Transaction[3]

Term	Details
Vendor	BioSteel Manufacturing
Purchaser	Gregory Packaging, Inc. ("**GPI**")
Purchase Price	As described in the Confidential Appendix (the "**GPI Purchase Price**").
Deposit	In accordance with the SISP procedures, a deposit equal to 10% of the cash component of the GPI Purchase Price (the "**Deposit**") was paid by GPI to the Monitor, in trust. The Deposit is refundable if the Manufacturing Purchase Agreement is terminated in accordance with the provisions of section 8.1 on or prior to the Closing Date, except where the Manufacturing Purchase Agreement is

[3] Capitalized terms used in this section and not otherwise defined in this Affidavit have the meaning given to them in the Manufacturing Purchase Agreement. The Manufacturing Purchase Agreement (without schedules and redacted for confidential information) is attached hereto as **Exhibit "C".** An unredacted copy of the Manufacturing Purchase Agreement will be included in the Confidential Appendix.

Term	Details
	terminated by BioSteel Manufacturing in circumstances where there has been a material breach by GPI of any material representation, warranty or covenant, and such breach is not cured on or before the Outside Date.
Transaction Structure	The transaction is structured as a sale of all or substantially all of the assets owned by BioSteel Manufacturing.
Purchased Assets	GPI shall acquire the Manufacturing Purchased Assets which are comprised of all or substantially all of the assets of BioSteel Manufacturing being: (a) the property, plant and equipment and other fixed assets listed in Exhibits B(1), B(2) and B(3) to the Manufacturing Purchase Agreement; (b) all inventories of BioSteel Manufacturing, including spare parts located at the Property; and (c) all production reports and records, equipment logs, operating guides and manuals relating to the above-noted assets.
Assumed Liabilities	GPI shall not assume any liabilities of BioSteel Manufacturing other than the Liabilities of BioSteel Manufacturing in respect of the Lease for the period from and after Closing, which shall be assigned by BioSteel Manufacturing to GPI pursuant to the terms of a lease assignment and landlord consent in form and substance satisfactory to the Parties, acting reasonably (the "**Lease Assignment and Landlord Consent**") or an Assignment Order, as applicable.
Excluded Assets	GPI shall not acquire any assets of BioSteel Manufacturing other than the Manufacturing Purchased Assets.
Excluded Liabilities	Excluded Liabilities means all Liabilities of BioSteel Manufacturing and its affiliates relating to the operation of their respective businesses or assets (including the Manufacturing Purchased Assets) prior to the Closing (including any cure costs in respect of the Excluded Assets), other than all Liabilities of BioSteel Manufacturing in respect of the Lease for the period from and after Closing.
Employee Matters	During the Interim Period, BioSteel Manufacturing and its affiliates shall provide GPI such information with respect to the Employees as may be reasonably required for GPI to assess whether it will offer employment to such Employees on Closing. Following the Closing, GPI shall have the right, but not any obligation, to make written offers of employment to any Employees that GPI wishes to employ on terms acceptable to GPI in its sole discretion.
Outside Date	November 30, 2023, or such later date as BioSteel Manufacturing, with the consent of the Monitor, and GPI may agree to in writing, each acting reasonably; provided, however, that if the Bankruptcy Court determines not to hear the petition for entry of the BioSteel Recognition Order and the

Term	Details
	motion for entry of the Bankruptcy Court Sale Order on an expedited basis, the Outside Date will be extended to the date that is 10 business days after the date of the Bankruptcy Court's ruling on such petition and motion; provided that in no event should the Outside Date be extended beyond December 15, 2023.
Material Conditions to Closing to be Satisfied	Conditions to Closing in favour of the Parties: CCAA Proceedings. BioSteel Manufacturing shall be added as an Applicant in the CCAA Proceeding. Manufacturing AVO. The Court shall have issued and entered the Manufacturing AVO, which Manufacturing AVO shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably. Bankruptcy Court Orders in the Chapter 15 Proceedings. The Bankruptcy Court shall have issued and entered the following: (a) the BioSteel Recognition Order (as defined below); and (b) the Bankruptcy Court Sale Order (as defined below), which Orders shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably Conditions to Closing in favour of BioSteel Manufacturing: Assignment Order. If the Assignment Order is required, the Court shall have issued and entered the Assignment Order, which Assignment Order shall not have been stayed, set aside or vacated, and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved. For greater certainty, if the Lease Assignment and Landlord Consent is obtained, this condition shall be deemed to be satisfied.

VII. THE ADDITIONAL APPLICANTS

A. The Business of the Additional Applicants

26. In order to facilitate the Manufacturing Transaction and the ultimate wind-up of the remaining Business following the completion of the Transactions, the Applicant and the Additional

Applicants are seeking to add the Additional Applicants as applicants in this CCAA Proceeding. As noted in the Initial Eskandari Affidavit, notwithstanding the fact that the Additional Applicants are not subsidiaries of the Applicant, they function in a supportive role and are entirely dependent upon the Applicant for their operations, management and business. The Additional Applicants operate on a fully integrated basis with the Applicant to manufacture, market, and distribute BioSteel products. Additional information regarding the Additional Applicants is provided in the Initial Eskandari Affidavit and summarized and supplemented herein.

27. BioSteel US was incorporated in Delaware on October 27, 2020, to engage in the marketing and distribution of BioSteel branded products (produced for BioSteel Canada) to businesses in the United States. BioSteel Canada previously entered into its own distribution agreements with US based distributors, but following the incorporation of BioSteel US, the agreements were assigned to BioSteel US. BioSteel US fulfils business customer purchase orders by way of a supply and distribution agreement between BioSteel Canada and BioSteel US. BioSteel Canada provides all order processing, shipping and billing services and BioSteel US acquires title immediately before the onward sale to its customer. BioSteel US earns revenue from the sale of products in business-to-business transactions with customers in the United States. BioSteel US functions as a limited risk distributor, distributing only the Applicant's products. BioSteel US's assets generally comprise cash, third party trade accounts receivable, prepaid expenses and may also include amounts due from affiliates, including the Applicant and BioSteel Manufacturing.

28. BioSteel Manufacturing was incorporated in Delaware on October 8, 2019 as Coldstream Manufacturing I LLC. Prior to October 2022 it had no assets or operations. In October 2022, it changed its name to BioSteel Manufacturing LLC in connection with the acquisition of the plant where BioSteel's RTDs were produced in Verona, Virginia. BioSteel Manufacturing produced

RTDs for BioSteel Canada. In addition, pursuant to a manufacturing agreement dated November 8, 2022, BioSteel Manufacturing manufactured and supplied products to Flow Beverages Inc. The negotiated tolling fees charged by BioSteel Manufacturing to Flow Beverages ultimately resulted in BioSteel Manufacturing realizing a loss in servicing this contract, and since this same tolling fee was used to benchmark the tolling fees charged to BioSteel Canada, this contract also produced a loss, ultimately resulting in BioSteel Manufacturing operating at an overall loss. BioSteel Manufacturing owns certain valuable manufacturing equipment and is the tenant under the Lease.

29. The registered office of each of the Additional Applicants is 1209 Orange Street, in the City of Wilmington, Delaware, which is the office of its registered agent. However, the headquarters for the integrated BioSteel operations and the address from which corporate communications are sent on behalf of BioSteel is in Toronto.

30. As described in the Initial Eskandari Affidavit, Canopy and its affiliate 11065220 Canada Inc. ("**1106**") have advanced over $366 million to BioSteel Canada. In the ordinary course, BioSteel Canada contracted for the manufacture of RTDs (both with BioSteel Manufacturing and through third parties), Hydration Mix (through third party CMOs) and other products and sells products both within Canada and online. Since the Filing Date, BioSteel Canada has not requested any production of product from BioSteel Manufacturing and has not paid for the supply of any goods. However, due to BioSteel Manufacturing's limited cash resources, BioSteel Canada has paid certain limited obligations of BioSteel Manufacturing to maintain the value of its assets and comply with applicable laws and Canopy Growth USA LLC ("**CG USA**") has paid certain employee and other obligations on BioSteel's behalf.

31. In the ordinary course, funds have been moved between BioSteel US, BioSteel Manufacturing and BioSteel Canada to meet the needs of the Business and reconciled for purposes of financial reporting and tax returns on an annual basis. The Initial Eskandari Affidavit attached a schedule of the bank accounts for BioSteel Canada. Attached hereto as **Exhibit "D"** is a summary of all the BioSteel bank accounts used in the operation of the Business, including one account for each of BioSteel US and BioSteel Manufacturing. The BioSteel bank accounts and the intercompany movement of funds in accordance with past practices between the BioSteel Entities and Canopy constitute the cash management system of BioSteel (the "**Cash Management System**").

32. Prior to the commencement of the CCAA Proceeding, each of the Additional Applicants deposited a retainer with counsel to BioSteel in Toronto, Ontario.

33. Subject to the Additional Applicants being added as applicants to this CCAA Proceeding and to BioSteel Canada being appointed as the foreign representative of the Additional Applicants, BioSteel Canada intends to commence a proceeding under Chapter 15 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Houston and seek recognition of the CCAA proceedings with respect to each of the Additional Applicants (the "**BioSteel Recognition Order**"). BioSteel Canada also intends to seek an order, among other things, (i) recognizing the CCAA proceeding of each of the Additional Applicants, (ii) recognizing and enforcing the Manufacturing AVO and the BioSteel Canada AVO and (iii) approving, under section 363 of the Bankruptcy Code, the sale of BioSteel Manufacturing's right, title, and interests in and to the Manufacturing Purchased Assets (the "**Bankruptcy Court Sale Order**").

34. Notwithstanding that the Additional Applicants' registered offices are in the United States, their centre of main interests for purposes of insolvency proceedings is in Canada for the following reasons:

(a) the Additional Applicants' only function is to further the business of BioSteel Canada including producing goods to be sold in the US and Canada and facilitating such sale, and they cannot function without the critical support from BioSteel Canada, Canopy, and its affiliates provided from Canada, and continued operation of BioSteel Canada;

(b) many operational elements of the integrated Business are carried out by personnel that are located in Canada, including accounting, legal, human resources, insurance, payroll, regulatory, taxes, and records of maintenance and management;

(c) historically, the Head of Operations, Contract Manufacturing Manager and Director of Quality Assurance were all based at the Toronto headquarters and directed and supervised the entire North American product development. Following the hibernation, the limited staff supervising these functions is almost entirely in Canada;

(d) sales strategy was directed, both historically and during the CCAA, from Toronto, with any US sales personnel reporting to sales managers in Canada and seeking approvals for significant commitments. In person meetings to discuss US strategy and business plans for US distributors and customers including with the US-based sales team were held in Toronto;

(e) each of the Additional Applicants has entered into contracts with the notice provisions requiring notice to be delivered in Ontario. For example, the majority of the BioSteel US distributor agreements list the BioSteel office in Ontario as the place for service of notice and counterparties accepted instructions from BioSteel personnel located in Toronto; and

(f) the boards of directors of each of the BioSteel Entities are substantially similar and each currently include a board member that is resident in Canada (and have historically included a Canadian board member).

35. The Additional Applicants will not be able to continue to operate after the closing of the Transactions. More specifically:

(a) All of the employees providing services to the Additional Applicants are employees of Canopy or its US affiliate. The Additional Applicants have no employees of their own and certain these employee costs incurred by Canopy or its affiliates since March of 2023 remain unreimbursed by the Additional Applicants. Canopy has already advised that it is unwilling to continue providing employee services to the Additional Applicants other than as needed to facilitate this proceeding and wind down BioSteel.

(b) Since BioSteel Canada ceased placing orders for RTD production and Canopy gave notice of its intent to terminate most employees providing services to BioSteel, BioSteel Manufacturing has had no operating income. Following the closing of the Manufacturing Transaction, BioSteel Manufacturing will have no operating assets.

(c) Upon closing of the BioSteel Canada Transaction, BioSteel US will have no go forward operations and will need to wind down. BioSteel US is party to over 200 distribution agreements, as well as a limited number of Sponsorship Agreements. Without go-forward employees or access to its single source of products (BioSteel Canada), BioSteel US will have no ability to continue to operate.

36. In light of the foregoing, following the closing of the Transactions, the Additional Applicants will have limited assets remaining and will need to wind down their operations.

B. The Additional Applicants are Insolvent

i. Secured Obligations

37. Canopy and 1106, each in their respective capacities as a co-borrower, entered into a Credit Agreement (the "**Canopy Credit Agreement**") dated as of March 18, 2021 as amended on October 24, 2022 and July 13, 2023 among Canopy, 1106, the lenders party thereto (the "**Senior Secured Lenders**") and Wilmington Trust, National Association, as administrative agent (in such capacity, the "**Administrative Agent**") and collateral agent (in such capacity, the "**Collateral Agent**"). Under the Canopy Credit Agreement, the Senior Secured Lenders established a non-revolving term loan facility in an initial principal amount of up to US$750,000,000.

38. On March 18, 2021, the Senior Secured Lenders to the Canopy Credit Agreement advanced an initial aggregate principal amount equal to US$750,000,000. As at November 1, 2023, approximately US$430 million in principal was outstanding under the Canopy Credit Agreement.

39. In connection with the Canopy Credit Agreement, BioSteel US and BioSteel Manufacturing entered into a Guarantee Agreement dated as of March 18, 2021 (as amended and supplemented

from time to time, the "**Guarantee**") among the Administrative Agent and each of the guarantors party thereto, including each of BioSteel US and BioSteel Manufacturing (collectively, the "**Guarantors**"). Pursuant to the Guarantee, each of BioSteel US and BioSteel Manufacturing unconditionally guarantees to the Administrative Agent, jointly and severally with the other Guarantors, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations (as such term is defined in the Canopy Credit Agreement).

40. In connection with the Canopy Credit Agreement and the Guarantee, BioSteel US and BioSteel Manufacturing, each in their respective capacities as pledgors, entered into: (i) a Canadian Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the "**Canadian Security Agreement**") among the Collateral Agent and each of the pledgors party thereto, including each of BioSteel US and BioSteel Manufacturing (collectively, the "**Pledgors**"), and (ii) a US Pledge and Security Agreement dated as of March 18, 2021 (as amended and supplemented from time to time, the "**US Security Agreement**" and together with the Canadian Security Agreement, the "**Security Agreements**") among the Collateral Agent and certain of the Pledgors party thereto, including each of BioSteel US and BioSteel Manufacturing. The Security Agreements grant broad security interests in all right, title and interest in or to each Pledgor's undertakings, assets and properties now owned or at any time thereafter acquired by such Pledgor in which such Pledgor now has or at any time in the future may acquire any right, title or interest.

41. I understand that on November 8, 2023, the Administrative Agent and Canopy entered into a Limited Waiver Agreement that, among other things, waives any default that may arise as a result of the commencement of proceedings by BioSteel and preserves the rights of the Administrative Agent and Senior Secured Lenders to enforce and collect on their claims as secured creditors against the Additional Applicants in these proceedings or to take actions in

furtherance of same. The Limited Waiver Agreement gives the Additional Applicants the flexibility necessary to commence these proceedings, while preserving the rights of the Administrative Agent and the Senior Secured Lenders to enforce and collect on their claims as secured creditors and to receive all of the net proceeds received by the Additional Applicants in connection with the disposition of their respective assets pursuant to the Manufacturing Transaction.

42. I am advised by Ms. Levine that searches were conducted against the Additional Applicants on November 3, 2023 under the *Personal Property Security Act* (Ontario). The only registrations identified were in favour of the Administrative Agent in respect of the Canopy Credit Agreement. I am further advised by Rachel Biblo Block of Akin Gump Strauss Hauer & Feld LLP, US counsel to BioSteel, that lien searches run in the applicable jurisdictions in the United States returned only registrations in favour of the Administrative Agent.

ii. Unsecured Obligations

43. BioSteel US's unsecured creditors include distributors and retailers, BioSteel Canada in respect of product purchased from BioSteel Canada, a limited number of Sponsors, and CG USA pursuant to a master services agreement. The amounts currently owed to distributors are estimated to be under US$1 million, but claims associated with the Sponsorship Agreements have been or may be asserted in excess of US$12.3 million. In addition, BioSteel US estimates that the total amount owing to CG USA as of September 30, 2023 was approximately US$5.6 million and additional amounts are owed to BioSteel Canada in connection with the inventory sales described above. BioSteel US also has claims against BioSteel Canada.

44. BioSteel Manufacturing's unsecured creditors include service providers, suppliers and other contract counterparties. As at November 1, 2023, BioSteel Manufacturing estimates that it owes unsecured creditors approximately US$ 3.4 million in addition to the approximately US$4.4

million it owes to CG USA in respect of intercompany services (including employees). BioSteel Manufacturing owes additional amounts to BioSteel US and BioSteel Canada in connection with advances made in the course of its operations.

45. The Additional Applicants do not have audited financial statements. Financial statements for the Additional Applicants for the period ending March 31, 2023, prepared by the BioSteel finance team, are attached hereto as **Exhibit "E"**.

VIII. THE REQUESTED STAY EXTENSION

46. I am advised by Noah Goldstein of KSV that a projected cash flow statement for the Applicant for period ending January 31, 2024 (the "**Cash Flow Statement**") will be attached to the Second Report. The Cash Flow Statement, which has been prepared on a consolidated basis for BioSteel, demonstrates that BioSteel will have sufficient liquidity to meet its obligations as they come due during the Stay Period.

47. I am advised by Noah Goldstein of KSV that the Cash Flow Statement contemplates that during the Stay Period:

(a) BioSteel will close the BioSteel Canada Transaction and the Manufacturing Transaction prior to the end of the requested stay extension;

(b) BioSteel will not make payments under the Sponsorship Agreements and will consent to termination of such agreements as and when requested by the counterparties;

(c) BioSteel will continue to sell any remaining inventory on hand as permitted under the agreements and will continue to collect accounts receivable in the ordinary course;

(d) BioSteel will return to Court to seek appropriate distribution orders in respect of the net proceeds received from the Transactions; and

(e) BioSteel will work with its advisors to plan for an orderly wind down in an efficient manner.

48. I believe BioSteel continues to work in good faith and with due diligence to advance the CCAA Proceeding.

IX. THE BIOSTEEL LOYALTY PROGRAM

49. BioSteel has historically operated a loyalty program in the United States and Canada which allowed individual customers to collect points redeemable for, among other things, discounts on BioSteel products and merchandise associated with certain BioSteel sponsors under its Sponsorship Agreements. Approximately 45,000 individuals registered to participate in the Loyalty Program. A copy of the FAQ in respect of the Loyalty Program is attached hereto as **Exhibit "F"**. BioSteel estimates that the liability in respect of the Loyalty Program could reach over $2 million, although its internal estimates of point redemptions were substantially lower, based on historical trends.

50. Immediately following the commencement of the CCAA Proceeding, BioSteel received an influx of requests to redeem points. In light of BioSteel's commitment not to request any services under its Sponsorship Agreements, BioSteel immediately disabled any redemptions related to products and merchandise associated with athletes or sports leagues subject to Sponsorship Agreements. At the same time, consistent with the ARIO's provisions regarding setoff, BioSteel paused redemption of points earned pre-filing against post-filing redemptions and accrual of additional points on purchases. After consultation with the Monitor, BioSteel determined that it

could not, without further order of the Court, continue to honour these pre-filing obligations. Instead, BioSteel sought to have the loyalty program assumed through a transaction in the SISP. Unfortunately, the Loyalty Program is not an assumed liability under either of the Successful Bids.

51. Accordingly, the Applicant is seeking specific authorization to terminate the Loyalty Program. Although the Applicant does not expect to conduct a claims process in respect of unsecured claims, if such a process is conducted, Loyalty Program participants would be entitled to file a proof of claim in respect of any amounts owed.

X. PAYMENT OF THE TRANSACTION FEE

52. Among other things, the ARIO approves the retention of the Financial Advisor by BioSteel Canada to conduct a sales process for all of the Business. The ARIO also granted the Transaction Fee Charge up to amount of US$2.5 million. Pursuant to the Financial Advisor Engagement Letter, the Transaction Fee is payable upon (i) consummation of a Restructuring (as defined in the Financial Advisor Engagement Letter); (ii) consummation of an M&A Transaction (as defined in the Financial Advisor Engagement Letter); or (iii) the Special Committee or BioSteel Canada determine to wind up the business following either an M&A Transaction or a Restructuring.

53. Following the closing of the Transactions, BioSteel will have completed an M&A Transaction by selling all or a material portion of its assets and the Transaction Fee will become payable. The Financial Advisor Engagement Letter also provides for crediting of the Monthly Advisory Fees (as defined in the Financial Advisor Engagement Letter), against the Transaction Fee. I am advised by Noah Goldstein of the Monitor that the calculation of the Transaction Fee will be described in the Second Report.

54. The Financial Advisor has been retained to pursue a sale of the Business of all of the BioSteel Entities and its retention was approved by each of the BioSteel Entities. As such, I understand that the Financial Advisor has agreed with BioSteel that the Transaction Fee will be split proportionally as between BioSteel Canada and BioSteel Manufacturing based on the purchase price for each transaction, subject to the granting of the Ancillary Order and the application of the Charges to all of the BioSteel Entities as set out therein.

XI. RELIEF SOUGHT

A. Ancillary Order

55. In order to facilitate the Transactions, BioSteel is seeking the Ancillary Order. The relief sought in the Ancillary Order will assist with (i) the consummation of the proposed Transactions consistent with the requirements of the BioSteel Canada Purchase Agreement, the Manufacturing Purchase Agreement and the existing orders of this Court and (ii) the next steps in the CCAA Proceeding. As described above, the Ancillary Order provides for the sealing of the Confidential Appendix to protect against the disclosure of commercially sensitive information prior to the closings.

B. Approval and Vesting Orders

56. Each of the proposed Transactions requires that BioSteel seek an approval and vesting order to consummate the applicable Transaction.

57. Consistent with the BioSteel Canada Purchase Agreement, BioSteel is seeking an the BioSteel Canada AVO in respect of the BioSteel Canada Purchased Assets. The BioSteel Canada Purchase Agreement does not require an assignment order in respect of contracts and does not require recognition by the United States Bankruptcy Court.

58. The Manufacturing Purchase Agreement requires, among other things, (i) the Manufacturing AVO in respect of the Manufacturing Purchased Assets, (ii) an assignment of the Lease to the extent that another resolution is not reached with the landlord, (iii) orders of the US Bankruptcy Court recognizing CCAA proceeding of BioSteel Manufacturing, and the Ancillary Order, among other things, adding BioSteel Manufacturing as an applicant in this CCAA Proceeding (i.e., the BioSteel Recognition Order), and (iv) the Manufacturing AVO.

59. The assignment of the Lease is an integral component of the Manufacturing Transaction because it ensures that, on closing of the Manufacturing Transaction, the landlord will not have any monetary claims in connection with the Lease against BioSteel Manufacturing or the Manufacturing Purchased Assets, thereby facilitating the sale. Following completion of the Manufacturing Transaction, GPI will own all of the assets located at the Verona Facility and BioSteel Manufacturing will no longer be leasing or occupying the premises. I understand that GPI intends to continue to use the leased facility in connection with operating the Manufacturing Purchased Assets from that location. I understand that since entering into the Manufacturing Purchase Agreement, BioSteel Manufacturing and GPI have made efforts to engage with the landlord to negotiate a consensual assignment of the Lease but as of the date of swearing this affidavit, no agreement has been reached. The Manufacturing Transaction is conditional upon the assignment of the Lease and therefore such assignment is essential to closing the highest and best offer obtained in the SISP for the Manufacturing Purchased Assets. I am advised by Michael Nessim of the Financial Advisor that GPI, as part of its bid, has provided evidence that it has and will continue to have the financial wherewithal to perform the obligations under the Lease. I also understand that rent has been paid through November 30, 2023.

XII. CONCLUSION

60. The Applicant has been working in good faith and with due diligence to advance the Transactions for the benefit of all stakeholders. The Applicant believes that the relief requested in the Motion is the best available option for the Applicant, the Additional Applicants, and their stakeholders in the circumstances.

61. I swear this Affidavit in support of BioSteel's motion returnable November 16, 2023 and for no other or improper purpose.

SWORN BEFORE ME by videoconference on November 10, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits
(or as may be)

Commissioner: Natalie E. Levine
LSO#: 64908K

Sarah Eskandari

Sarah S. Eskandari

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC.

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF SARAH S. ESKANDARI

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This is Exhibit “B” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 15
BIOSTEEL SPORTS NUTRITION INC., *et al.*,[1]	)	Case No. 23-90777 (CML)
Debtors in a Foreign Proceeding.	)	(Jointly Administered)
	)	**Re: Docket No. 56**

ORDER GRANTING PETITION OF ADDITIONAL FOREIGN DEBTORS FOR (I) RECOGNITION OF FOREIGN MAIN PROCEEDINGS, (II) RECOGNITION OF THE FOREIGN REPRESENTATIVE, AND (III) RELIEF UNDER CHAPTER 15 OF THE BANKRUPTCY CODE

Upon consideration of the *Emergency Verified Petition of Additional Foreign Debtors for (I) Recognition of Foreign Main Proceedings, (II) Recognition of the Foreign Representative, and (III) Related Relief under Chapter 15 of the Bankruptcy Code* (together with the form petitions filed concurrently therewith, the "Subsequent Petition"),[2] filed by the Foreign Representative as a "foreign representative" of BioSteel Manufacturing LLC ("BioSteel Manufacturing") and BioSteel Sports Nutrition USA LLC ("BioSteel US" and, together with BioSteel Manufacturing, the "Additional Foreign Debtors"); and upon this Court's review and consideration of the Subsequent Petition, and the Eskandari Declaration, IT IS HEREBY FOUND AND DETERMINED THAT:[3]

[1] The Foreign Debtors in these chapter 15 cases, along with the last four digits of each Foreign Debtor's federal tax identification number or other identifier, are as follows: BioSteel Sports Nutrition Inc. (0866), BioSteel Manufacturing LLC (1553) and BioSteel Sports Nutrition USA LLC (2242). The Foreign Representative's address is: 87 Wingold Avenue, Unit 1, Toronto, ON M6B 1P8 Canada.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Subsequent Petition.

[3] The findings and conclusions set forth herein and in the record of the hearing on the Subsequent Petition constitute this Court's findings of fact and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such.

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

B. Venue is proper before this Court pursuant to 28 U.S.C. § 1410. This Court may enter a final order consistent with Article III of the United States Constitution.

C. Good, sufficient, appropriate and timely notice of the filing of the Subsequent Petition and the hearing on the Subsequent Petition has been given by the Foreign Representative, pursuant to Bankruptcy Rules 1011(b) and 2002(q), via email and/or first class mail to: (a) the Office of the United States Trustee; (b) the United States Attorney for the Southern District of Texas; (c) all persons or bodies authorized to administer the Canadian Proceedings; (d) all parties to litigation pending in the United States in which any of the Foreign Debtors is a party as of the date hereof; (e) Wilmington Trust, National Association, as administrative and collateral agent under that certain Credit Agreement, dated as of March 18, 2021; (f) all known creditors of the Foreign Debtors; (g) all known equity holders of the Foreign Debtors; and (h) such other parties in interest that have requested notice pursuant to Bankruptcy Rule 2002.

D. No objections or other responses were filed that have not been overruled, withdrawn, or otherwise resolved.

E. These chapter 15 cases were properly commenced pursuant to Bankruptcy Code sections 1504, 1509 and 1515.

F. The Foreign Representative is the duly appointed "foreign representative" of the Additional Foreign Debtors as such term is defined in Bankruptcy Code section 101(24). The Foreign Representative has satisfied the requirements of Bankruptcy Code section 1515 and Bankruptcy Rule 1007(a)(4).

G. The Additional Canadian Proceedings are entitled to recognition by this Court pursuant to Bankruptcy Code section 1517.

H. The Additional Canadian Proceedings are pending in Canada, where each of the Additional Foreign Debtors has its "center of its main interests" as referred to in Bankruptcy Code section 1517(b)(1). Accordingly, the Additional Canadian Proceedings are "foreign main proceeding" pursuant to Bankruptcy Code section 1502(4) and are entitled to recognition as foreign main proceedings pursuant to Bankruptcy Code section 1517(b)(1).

I. The relief granted hereby is necessary to effectuate the purposes and objectives of chapter 15 and to protect the Additional Foreign Debtors and their interests.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Subsequent Petition is granted.

2. The Additional Canadian Proceedings are recognized as foreign main proceedings pursuant to Bankruptcy Code section 1517, and all the effects of recognition as set forth in Bankruptcy Code section 1520 shall apply.

3. Upon entry of this order (this "Order"), the Additional Canadian Proceedings and all prior orders of the Canadian Court shall be and hereby are granted comity and given full force and effect in the United States and, pursuant to Bankruptcy Code section 1520, among other things:

a. the protections of Bankruptcy Code sections 361 and 362 apply to the Additional Foreign Debtors;

b. all persons and entities are enjoined from seizing, attaching and enforcing or executing liens or judgments against the Additional Foreign Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Additional Foreign Debtors' assets or agreements in the United States without the express consent of the Foreign Representative; and

c. all persons and entities are enjoined from commencing or continuing, including the issuance or employment of process of, any judicial, administrative, or any other action or proceeding involving or against the Additional Foreign Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or

other judgment, assessment, order, lien or arbitration award against the Additional Foreign Debtors or their assets or proceeds thereof.

4. The Foreign Representative is hereby established as the representative of the Additional Foreign Debtors with full authority to administer the Additional Foreign Debtors' assets and affairs in the United States.

5. The Foreign Representative and the Additional Foreign Debtors and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or the Bankruptcy Local Rules of this Court.

6. No action taken by the Foreign Representative or the Additional Foreign Debtors or their respective successors, agents, representatives, advisors or counsel in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of or in connection with the Additional Canadian Proceedings, this Order, these chapter 15 cases or any adversary proceeding herein, or contested matters in connection therewith, will be deemed to constitute a waiver of any immunity afforded the Foreign Representative, including, without limitation, pursuant to Bankruptcy Code section 1510.

7. Upon the addition of the Additional Foreign Debtors as applicants in the Canadian Proceedings pursuant to the Ancillary Relief Order and as Foreign Debtors in these chapter 15 cases, any and all relief granted by, and findings of this Court with respect to, BioSteel Inc. since the Initial Petition Date shall apply to the Additional Foreign Debtors to the same extent as such relief and findings apply to BioSteel Inc.

8. The banks and financial institutions with which the Additional Foreign Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Additional Foreign Debtors' bank accounts without interruption and in the

ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Subsequent Petition Date and drawn on the Additional Foreign Debtors' bank accounts by respective holders and makers thereof and at the direction of the Foreign Representative or the applicable Additional Foreign Debtor, as the case may be.

9. The Foreign Representative is authorized to take all actions necessary to effectuate the relief granted pursuant to this Order.

10. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through these chapter 15 cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

12. This Order applies to all parties in interest in these chapter 15 cases and all of their agents, employees and representatives, and all those who act in concert with them who receive notice of this Order.

Signed: November 30, 2023

Christopher Lopez
United States Bankruptcy Judge

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 15
BIOSTEEL SPORTS NUTRITION INC., *et al.*,[1]	)	Case No. 23-90777 (CML)
Debtors in a Foreign Proceeding.	)	(Jointly Administered)
	)	**Re: Docket No.** 62

ORDER (I) RECOGNIZING AND ENFORCING THE MANUFACTURING VESTING ORDER; (II) APPROVING THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES; (III) AUTHORIZING THE ASSUMPTION AND ASSIGNMENT OF THE LEASE; AND (IV) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of BioSteel Sports Nutrition Inc., in its capacity as the Foreign Representative, seeking entry of an order (a) recognizing and enforcing the Manufacturing Vesting Order; (b) approving, pursuant to Bankruptcy Code section 363, the sale of the Foreign Debtors' rights, title and interests in and to the Manufacturing Purchased Assets pursuant to the Manufacturing Purchase Agreement, free and clear of all liens, claims, encumbrances and other interests; (c) authorizing, pursuant to Bankruptcy Code section 365, the assumption and assignment of the Lease; and (d) granting such other relief as the Court deems just and proper, as more fully set forth in the Motion; and upon consideration of the Eskandari Declarations; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the relief requested in the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and that this Court may enter a final order consistent with Article III

[1] The Foreign Debtors in these chapter 15 cases, along with the last four digits of each Debtor's federal tax identification number or other identifier, are as follows: BioSteel Sports Nutrition Inc. (0866), BioSteel Manufacturing LLC (1553) and BioSteel Sports Nutrition USA LLC (2242). The Foreign Representative's address is: 87 Wingold Avenue, Unit 1, Toronto, ON M6B 1P8 Canada.

[2] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

of the United States Constitution; venue being proper before the Court pursuant to 28 U.S.C. § 1410; adequate and sufficient notice of the Motion having been given by the Foreign Representative; it appearing that the relief requested in the Motion is necessary and beneficial to the Foreign Debtors; and this Court having held a hearing (the "Hearing") to consider the relief requested in the Motion; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY FOUND AND DETERMINED THAT:

A. This Court previously entered orders recognizing the Canadian Proceedings as foreign main proceedings [Docket Nos. 46, 86] (together, the "Recognition Orders") on October 11, 2023 and November 30, 2023, respectively, where this Court found that the Foreign Debtors satisfied the requirements of, among others, Bankruptcy Code sections 101(23) and (24), 1502(4), 1504, 1509, 1515, 1517, 1520, 1521 and 1522. All such findings by this Court are hereby incorporated by reference herein and such Recognition Orders shall continue in effect in all respects except to the extent this Order directly modifies or directly contradicts either Recognition Order.

B. On September 21, 2023, the Canadian Court entered the SISP Approval Order that, among other things: (i) authorized BioSteel Inc. to implement a sale and investment solicitation proceeds (the "SISP") for BioSteel in accordance with the terms thereof; and (ii) provided other relief as set forth therein.

C. On November 16, 2023, the Canadian Court entered the Manufacturing Vesting Order approving, among other things, the sale of BioSteel Manufacturing's rights, title and interests in and to the Manufacturing Purchased Assets to GPI pursuant to the Manufacturing Purchase Agreement.

D. Based on the affidavits of service filed with, and the representations made to, this Court: (i) notice of this Motion, the Hearing and the Manufacturing Vesting Order was proper, timely, adequate and sufficient under the circumstances of these chapter 15 cases and complied with the various applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and (ii) no other or further notice of the Motion, the Hearing, the Manufacturing Vesting Order or entry of this Order is necessary or shall be required.

E. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

F. The relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policies of the United States, is warranted pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1507, 1520, 1521, 1525 and 1527, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

G. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the Foreign Debtors' advisors conducted the SISP to solicit interest in BioSteel in accordance with the terms of the SISP Approval Order, and such process was non-collusive, duly noticed and provided a reasonable opportunity to make an offer to purchase BioSteel. The Foreign Debtors' designation of the bid from GPI as the Successful Bid (as defined in the SISP Approval Order) is a good, valid and sound exercise of the Foreign Debtors' business judgment.

H. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the relief granted herein relates to assets and interests that, under the laws of the United States, should be administered in the Canadian Proceedings.

I. GPI is not, and shall not be deemed to be, a mere continuation, and is not holding itself out as a mere continuation, of any of the Foreign Debtors and there is no continuity between GPI and the Foreign Debtors. The Manufacturing Transaction does not amount to a consolidation, merger or de facto merger of GPI and any of the Foreign Debtors.

J. Time is of the essence in consummating the Manufacturing Transaction. To maximize the value of the Manufacturing Purchased Assets, it is essential that the Manufacturing Transaction occur and be recognized and enforced in the United States promptly. The Foreign Representative, on behalf of the Foreign Debtors, has demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the immediate approval and consummation of the Manufacturing Transaction as contemplated by the Manufacturing Purchase Agreement. Accordingly, there is cause to waive the stay that would otherwise be applicable under Bankruptcy Rules 6004 and 6006, and the transactions contemplated by the Manufacturing Purchase Agreement can be closed as soon as reasonably practicable upon entry of this Order.

K. Based upon information contained in the Motion, the Eskandari Declarations, the other pleadings filed in these chapter 15 cases and the record made at the Hearing, the Manufacturing Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed and entered into by BioSteel Manufacturing and GPI in good faith, without collusion, and from arm's-length bargaining positions. GPI is a "good faith purchaser" within the meaning of Bankruptcy Code section 363(m) and, as such, is entitled to all the protections afforded thereby. Neither the Foreign Debtors, the Foreign Representative nor GPI has engaged in any conduct that would cause or permit the Manufacturing Purchase Agreement or the consummation of the Manufacturing Transaction to be avoided or costs and damages to be imposed under Bankruptcy Code section 363(n). GPI is not an "insider" of any of the Foreign Debtors, as that

term is defined in Bankruptcy Code section 101, and no common identity of directors, officers, employees or controlling stockholders exists between GPI and the Foreign Debtors. They are wholly separate and unrelated entities and businesses.

L. The Manufacturing Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding any present or future creditors of the Foreign Debtors.

M. The Foreign Representative, on behalf of itself and the Foreign Debtors, may sell the Manufacturing Purchased Assets free and clear of all liens, claims (as defined in Bankruptcy Code section 101(5)), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Foreign Debtors or the Manufacturing Purchased Assets because, with respect to each creditor asserting any liens, claims, encumbrances and other interests, one or more of the standards set forth in Bankruptcy Code section 363(f)(l)–(5) has been satisfied. Each creditor that did not object to the Motion is deemed to have consented to the sale of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests pursuant to Bankruptcy Code section 363(f)(2).

N. The total consideration to be provided under the Manufacturing Purchase Agreement reflects GPI's reliance on this Order to provide it, pursuant to Bankruptcy Code sections 105(a) and 363(f), with title to and possession of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests.

O. The sale of the Manufacturing Purchased Assets to GPI will be a legal, valid and effective sale of the Manufacturing Purchased Assets, and will vest in GPI with all rights, title and interests of the Foreign Debtors in and to the Manufacturing Purchased Assets, free and clear of all liens, claims, encumbrances and other interests.

P. The Foreign Representative, the Foreign Debtors and the Monitor, as appropriate: (i) have full power and authority to execute the Manufacturing Purchase Agreement and all other documents contemplated thereby; (ii) have all the power and authority necessary to consummate the transactions contemplated by the Manufacturing Purchase Agreement; and (iii) upon entry of this Order, need no consent or approval to consummate the Manufacturing Transaction. The Foreign Debtors are the sole and rightful owners of the Manufacturing Purchased Assets, no other Person (as defined in Bankruptcy Code section 101(41)) has any ownership rights, title or interests therein, and the Manufacturing Transaction has been duly and validly authorized by all necessary corporate action of the Foreign Debtors.

Q. The Manufacturing Purchase Agreement is a valid and binding contract between BioSteel Manufacturing and GPI and shall be enforceable pursuant to its terms.

R. GPI would not have entered into the Manufacturing Purchase Agreement and would not consummate the purchase of the Manufacturing Purchased Assets and the related transactions if the sale of the Manufacturing Purchased Assets to GPI was not free and clear of all liens, claims, encumbrances and other interests, or if GPI would, or in the future could, be liable on account of any such lien, claim, encumbrance or any other interest.

S. A sale of the Manufacturing Purchased Assets other than free and clear of all liens, claims, encumbrances and other interests would yield substantially less value than the sale of the Manufacturing Purchased Assets pursuant to the Manufacturing Purchase Agreement; thus, the sale of the Manufacturing Purchased Assets free and clear of all liens, claims, encumbrances and other interests, in addition to all of the relief provided herein, is in the best interests of the Foreign Debtors and their creditors and other parties in interest.

T. The Landlord has consented to BioSteel Manufacturing's assumption and assignment of the Lease to GPI conditioned upon payment of all cure costs.

U. The interests of the Foreign Debtors' creditors in the United States are sufficiently protected. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policies of the United States, and warranted pursuant to Bankruptcy Code sections 1521(b) and 1522.

V. The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

W. Any and all findings of fact and conclusions of law announced by this Court at the Hearing are incorporated herein.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled on the merits.

2. The Manufacturing Vesting Order and all of its respective terms, including any immaterial or administrative amendments thereto, including those necessary to give effect to the substance of such order, either pursuant to the terms therein or as approved by the Canadian Court, are fully recognized and given full force and effect in the United States in their entirety.

3. The Manufacturing Purchase Agreement and the Manufacturing Transaction contemplated thereunder, including, for the avoidance of doubt, the sale of the Manufacturing Purchased Assets and the transfers of the Manufacturing Purchased Assets located within the United States on the terms set forth in the Manufacturing Purchase Agreement, the Manufacturing Vesting Order, including all transactions contemplated thereunder, this Order, including all

transactions contemplated hereunder, and all of the terms and conditions of each of the foregoing are hereby approved and authorized pursuant to Bankruptcy Code sections 105, 363, 365, 1501, 1520, 1521, 1525 and 1527. The failure specifically to include any particular provision of the Manufacturing Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the Manufacturing Purchase Agreement and the Manufacturing Transaction be authorized and approved in its entirety.

4. Pursuant to sections Bankruptcy Code 105, 363, 365, 1501, 1520, 1521, 1525 and 1527, the Manufacturing Vesting Order and this Order, the Foreign Debtors, GPI and the Foreign Representative (as well as their respective officers, employees, and agents) are authorized to take any and all actions necessary or appropriate to: (a) consummate the Manufacturing Transaction, including the sale of the Manufacturing Purchased Assets to GPI, in accordance with the Manufacturing Agreement, the Manufacturing Vesting Order and this Order; and (b) perform, consummate, implement and close fully the Manufacturing Transaction, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Manufacturing Purchase Agreement and the Manufacturing Transaction and to take such additional steps and all further actions as may be necessary or appropriate to the performance of the obligations contemplated by the Manufacturing Purchase Agreement, all without further order of the Court, and are hereby authorized and empowered to cause to be executed and filed such statements, instruments, releases and other documents on behalf of such Person with respect to the Manufacturing Purchased Assets that are necessary or appropriate to effectuate the Manufacturing Transaction, any related agreements, the Manufacturing Vesting Order and this Order, and all such other actions, filings or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Foreign Debtors

or GPI may determine are necessary or appropriate, and are hereby authorized and empowered to cause to be filed, registered or otherwise recorded a certified copy of the Manufacturing Vesting Order, this Order or the Manufacturing Purchase Agreement, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances and other interests against the Manufacturing Purchased Assets. The Manufacturing Vesting Order and this Order are deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state or local government agency, department or office.

5. All Persons that are currently in possession of some or all of the Manufacturing Purchased Assets located in the United States or that are otherwise subject to the jurisdiction of this Court are hereby directed to surrender possession of such Manufacturing Purchased Assets to GPI prior to the Closing Date (as defined in the Manufacturing Purchase Agreement).

6. This Court shall retain exclusive jurisdiction to enforce any and all terms and provisions of the Manufacturing Vesting Order in the United States.

7. Pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1520, 1521, 1525 and 1527, on the Closing Date, all rights, title and interests of the Foreign Debtors in the Manufacturing Purchased Assets shall be transferred and absolutely vest in GPI, without further instrument of transfer or assignment, and such transfer shall: (a) be a legal, valid, binding and effective transfer of the Manufacturing Purchased Assets to GPI; (b) vest GPI with all rights, title and interests of the Foreign Debtors in Manufacturing Purchased Assets; and (c) be free and clear of all liens, claims, encumbrances and other interests.

8. Pursuant to Bankruptcy Code sections 105(a), 363(f), 365, 1501, 1520, 1521, 1525 and 1527, upon the closing of the Manufacturing Transaction: (a) no holder of a lien, claim,

encumbrance or other interest shall interfere, and each and every holder of a lien, claim, encumbrance or other interest is enjoined from interfering, with GPI's rights and title to or use and enjoyment of the Manufacturing Purchased Assets; and (b) the sale of the Manufacturing Purchased Assets, the Manufacturing Purchase Agreement and any instruments contemplated thereby shall be enforceable against and binding upon, and not subject to rejection or avoidance by, the Foreign Debtors or any successor thereof. All Persons holding a lien, claim, encumbrance or other interest are forever barred and enjoined from asserting such lien, claim, encumbrance or other interest against the Manufacturing Purchased Assets, GPI or its affiliates and their respective officers, directors, employees, managers, partners, members, financial advisors, attorneys, agents, and representatives and their respective affiliates, successors and assigns from and after closing of the Manufacturing Transaction.

9. Each and every federal, state and local governmental agency or department is authorized and directed to accept (and not impose any fee, charge or tax in connection therewith) any and all documents and instruments necessary or appropriate to consummate the sale of the Manufacturing Purchased Assets to GPI and the Manufacturing Transaction generally. Effective as of the Closing Date, the Manufacturing Vesting Order and this Order shall constitute for any and all purposes a full and complete conveyance and transfer of the Foreign Debtors' interests in the Manufacturing Purchased Assets to GPI free and clear of all liens, claims, encumbrances and other interests.

10. This Order (a) shall be effective as a determination that, as of the Closing Date, all liens, claims, encumbrances and other interests have been unconditionally released, discharged and terminated as to GPI and the Manufacturing Purchased Assets, and that the conveyances and transfers described herein have been effected, and (b) is and shall be binding upon and govern the

acts of all Persons, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative agencies, governmental departments, secretaries of state, federal and local officials and all other Persons who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease. Each of the foregoing is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the Manufacturing Purchase Agreement and effect the discharge of all liens, claims, encumbrances and other interests pursuant to this Order and the Manufacturing Vesting Order and not impose any fee, charge or tax in connection therewith.

11. GPI is not and shall not be deemed to: (a) be a legal successor, or otherwise be deemed a successor, to any of the Foreign Debtors; (b) have, de facto or otherwise, merged with or into any or all Foreign Debtors; or (c) be a mere continuation or substantial continuation of any or all Foreign Debtors or the enterprise or operations of any or all Foreign Debtors.

12. The Manufacturing Transaction, including the purchase of the Manufacturing Purchased Assets, is undertaken by GPI in good faith, as that term is used in Bankruptcy Code section 363(m), and accordingly, the reversal or modification on appeal of the authorizations provided herein shall not affect the validity of the Manufacturing Transaction or the transfer of the Manufacturing Purchased Assets to GPI free and clear of all liens, claims, encumbrances and other interests, unless such authorization is duly stayed before the closing of the Manufacturing Transaction pending such appeal.

13. Neither the Foreign Debtors nor GPI has engaged in any conduct that would cause or permit the Manufacturing Purchase Agreement to be avoided or costs and damages to be imposed under Bankruptcy Code section 363(n).

14. BioSteel Manufacturing is authorized, pursuant to Bankruptcy Code section 365, to assume and assign the Lease to GPI effective as of the Closing Date, and to deliver to GPI such documents or other instruments as may be necessary to assign and transfer the Lease to GPI.

15. The Lease shall be transferred to, and remain in full force and effect for the benefit of, GPI in accordance with its terms, notwithstanding any provision in the Lease that prohibits, restricts or conditions such assignment or transfer. There shall be no rent acceleration, assignment fees, increases or any other fees or charge as a result of the assumption and assignment of the Lease. The Lease may not be terminated, or the rights of any party modified in any respect, as a result of the transaction contemplated by the Manufacturing Purchase Agreement.

16. In accordance with Bankruptcy Code section 365(k), upon BioSteel Manufacturing's assumption and assignment of the Lease to GPI, BioSteel Manufacturing shall be relieved from any liability for any breach of the Lease occurring thereafter.

17. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rules 6004 and 6006 and the Local Rules are satisfied by such notice.

18. The terms and provisions of the Manufacturing Purchase Agreement, the Manufacturing Vesting Order and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Foreign Debtors, GPI, the Foreign Representative, the Foreign Debtors' creditors and all other parties in interest, and any successors of the Foreign Debtors, GPI, the Foreign Representative and the Foreign Debtors' creditors, including any foreign representative(s)

of the Foreign Debtors, trustee(s), examiner(s) or receiver(s) appointed in any proceeding, including, without limitation, any proceeding under any chapter of the Bankruptcy Code, the CCAA or any other law, and all such terms and provisions shall likewise be binding on such foreign representative(s), trustee(s), examiner(s) or receiver(s) and shall not be subject to rejection or avoidance by the Foreign Debtors, their creditors or any trustee(s), examiner(s) or receiver(s).

19. Subject to the terms and conditions of the Manufacturing Vesting Order, the Manufacturing Purchase Agreement and any related agreements, documents or other instruments, may be modified, amended or supplemented by the parties thereto, in a writing signed by each party, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment or supplement does not materially change the terms of the Manufacturing Transaction, the Manufacturing Purchase Agreement or any related agreements, documents or other instruments and is otherwise in accordance with the terms of the Manufacturing Vesting Order.

20. The provisions of this Order and the Manufacturing Agreement are non-severable and mutually dependent. To the extent that there are any inconsistencies between the terms of this Order and the Manufacturing Vesting Order, on the one hand, and the Manufacturing Purchase Agreement, on the other, this Order and the Manufacturing Vesting Order shall govern.

21. Nothing in this Order shall be deemed to waive, release, extinguish or estop the Foreign Debtors or the Foreign Representative from asserting, or otherwise impair or diminish, any right (including, without limitation, any right of recoupment), claim, cause of action, defense, offset or counterclaim in respect of any asset or interest that is not a Manufacturing Purchased Asset.

22. All Persons subject to the jurisdiction of the United States are permanently enjoined and restrained from taking any actions inconsistent with, or interfering with, the enforcement and implementation of the Manufacturing Vesting Order or any documents incorporated by the foregoing.

23. The Foreign Representative and the Foreign Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion and the Manufacturing Vesting Order.

24. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

25. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Signed: November 30, 2023

Christopher Lopez
United States Bankruptcy Judge

EXHIBIT 1

Manufacturing Purchase Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

This Agreement is made as of the 9th day of November, 2023 (the "**Effective Date**")

AMONG:

BIOSTEEL MANUFACTURING LLC, a Delaware limited liability company ("**BioSteel**" or the "**Vendor**")

- and -

GREGORY PACKAGING, INC., a New Jersey corporation (the "**Purchaser**")

WHEREAS:

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued September 14, 2023 (as may be further amended or amended and restated from time to time, the "**Initial Order**"), BioSteel Sports Nutrition Inc., a corporation incorporated pursuant to the laws of Canada ("**BioSteel Canada**"), was granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**"), and KSV Restructuring Inc. was appointed as Monitor of BioSteel Canada (in such capacity, the "**Monitor**").

B. In connection with the proceedings initiated by the Initial Order (the "**CCAA Proceedings**"), on September 21, 2023, BioSteel Canada sought and obtained an order of the Court approving, among other things, a sale and investment solicitation process (the "**SISP**"), to be conducted by BioSteel Canada, with the assistance of its advisors and under the oversight of the Monitor, to solicit interest in, and opportunities for, one or more or any combination of executable transactions involving the business and/or assets of BioSteel Canada and/or the equity or all or substantially all of the assets of each of its affiliates, BioSteel Sports Nutrition USA LLC and BioSteel.

C. BioSteel Canada filed a Verified Petition for (I) Recognition of Foreign Main Proceeding, (II) Recognition of the Foreign Representative, and (III) Related Relief Under Chapter 15 of the Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas, Houston Division (the "**Bankruptcy Court**") commencing Case No. 23-90777 (the "**Chapter 15 Proceedings**"), and the Bankruptcy Court entered an order on October 11, 2023 recognizing the CCAA Proceedings as a foreign main proceeding (the "**CCAA Proceedings Recognition Order**") under chapter 15 of title 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**").

D. In accordance with the terms of the SISP, the Purchaser has submitted an offer to purchase the Purchased Assets (as defined herein) from BioSteel.

E. As set forth below, BioSteel Canada shall bring a motion to add BioSteel as an applicant in the CCAA Proceedings and shall, among other things, obtain entry of the BioSteel Recognition Order (as defined herein).

The Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Purchased Assets, subject to, and in accordance with, the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

"**Agreement**" means this asset purchase agreement, including any schedules or exhibits appended to this asset purchase agreement, in each case as may be supplemented, amended or amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code, directive, decree or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Vesting Order**" means an order of the Court, in form and substance satisfactory to the Purchaser, BioSteel Canada, BioSteel and the Monitor, each acting reasonably, among other things, approving and authorizing this Agreement and the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of BioSteel in and to the Purchased Assets owned by BioSteel.

"**Approved Customers and Suppliers**" has the meaning set out in Section 5.4.

"**Assignment Order**" means an order of the Court pursuant to section 11.3 of the CCAA, in form and substance satisfactory to the Purchaser, BioSteel and the Monitor, each acting reasonably, assigning to the Purchaser the rights and obligations of BioSteel under the Lease, from and after Closing.

"**Assumed Liabilities**" means all Liabilities of the Vendor under the Lease from and after the Closing Time; provided, however, no Liabilities shall be assumed unless and until the execution of the Lease Assignment and Landlord Consent or the Court has granted the Assignment Order.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

"**Bankruptcy Code**" has the meaning set out in the recitals hereto.

"**Bankruptcy Court**" has the meaning set out in the recitals hereto.

"**Bankruptcy Court Assignment Order**" means an order of the Bankruptcy Court in the Chapter 15 Proceedings under section 365 of the Bankruptcy Code in form and substance satisfactory to the

Purchaser recognizing and enforcing the Assignment Order and approving the assignment of the Lease to Purchaser.

"**Bankruptcy Court Sale Order**" means an order of the Bankruptcy Court in the Chapter 15 Proceedings in form and substance satisfactory to the Purchaser (i) recognizing and enforcing the Approval and Vesting Order, (ii) approving, under section 363 of the Bankruptcy Code, the sale of the Debtors' rights, title, and interests in and to the Purchased Assets to the Purchaser pursuant to this Agreement, free and clear of all liens, claims, encumbrances, and other interests, (ii) finding that Purchaser is a Good Faith purchaser within the meaning of section 363(m) of the Bankruptcy Code, (iii) approving and authorizing Vendor to consummate the transactions contemplated hereby.[1]

"**BioSteel**" has the meaning set out in the recitals hereto.

"**BioSteel Canada**" has the meaning set out in the recitals hereto.

"**BioSteel Recognition Order**" means an Order of the Bankruptcy Court recognizing the CCAA Proceedings of BioSteel in the Chapter 15 Proceedings.

"**Books and Records**" means all production reports and records, equipment logs, operating guides and manuals (whether stored or maintained in hard copy, digital electronic format or otherwise) relating to the Purchased Assets and in the possession of the Vendor or its affiliates.

"**Business Day**" means a day on which banks are open for business in New York, New York, but does not include a Saturday, Sunday or statutory holiday in the New York.

"**Cash Purchase Price**" has the meaning set out in Section 3.3(b).

"**CCAA**" has the meaning set out in the recitals hereto.

"**CCAA Proceedings**" has the meaning set out in the recitals hereto.

"**CCAA Proceedings Recognition Order**" has the meaning set out in the recitals hereto.

"**Chapter 15 Proceedings**" has the meaning set out in the recitals hereto.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment or reassessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person, complaints, grievance, petition, application, charge, investigation, indictment, prosecution, judgement, debt, liability, damage, or loss, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, known or unknown, disputed or undisputed, contractual, legal or equitable.

"**Closing**" means the closing and consummation of the Transaction.

"**Closing Date**" means the date that is three (3) Business Days after the date upon which the conditions set forth in Article 7 have been satisfied or waived, other than any conditions set forth

[1] For greater certainty, a 363 sale process is not required for the entry of this order.

in Article 7 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing, each acting reasonably); provided that the Closing Date shall be no later than the Outside Date; provied further that the Closing shall not occur prior to November 30, 2023 without the mutual agreement of Vendor and Purchaser.

"**Closing Time**" means 12:01 a.m. (New York time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

"**Court**" has the meaning set out in the recitals hereto.

"**Deposit**" has the meaning set out in Section 3.3(a).

"**Effective Date**" has the meaning set out in the preamble hereto.

"**Employee**" means any individual who is employed by Canopy Growth Corporation or Canopy Growth USA, LLC and in such capacity provided services to Vendor prior to the Closing Date.

"**Encumbrance**" means any security interest, debenture, lien, Claim, charge, right of retention, trust, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, assignment (as security), royalty interest, defect of title or adverse claim of any nature or kind, mortgage or right of a third party (including any contractual right, such as a purchase option, call or similar right of a third party in respect of securities, right of first refusal, right of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"**Excluded Assets**" means any assets of the Vendor that are not Purchased Assets.

"**Excluded Liabilities**" means all Liabilities of the Vendor and its affiliates relating to the operation of their respective businesses or assets (including the Purchased Assets) prior to Closing (including any cure costs), other than the Assumed Liabilities.

"**General Conveyance**" means a bill of sale and general conveyance evidencing the conveyance to the Purchaser of the Vendor's interest in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), judicial body, regulatory authority, tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation having jurisdiction over the Vendor, the Purchaser, or the Purchased Assets.

"**Holdback**" means $[redacted].

"**Holdback Outside Date**" means December 15, 2023.

"**Holdback Payment**" means an amount equal to the product obtained from the following formula:

A x (B / 15)

where:

A = the Holdback

B = the number of clear calendar days (up to a maximum of 15 days) between the Closing Date and the Property Acquisition Date, provided the Property Acquisition Date occurs after the Closing Date. In the event that the Property Acquisition Date occurs on or before the Closing Date, B shall be equal to 0 and the Holdback Payment shall be nil.

"**Holdback Refund**" means an amount equal to the Holdback less the Holdback Payment.

"**Initial Order**" has the meaning set out in the recitals hereto.

"**Interim Period**" means the period beginning on the Effective Date and ending at the Closing Time.

"**Landlord**" means Hansen Partners, LLC, or any successor or assign of Hansen Partners, LLC.

"**Lease**" means the Deed of Lease made February 13, 2019 by and between the Landlord, as landlord, and Flow Beverages, Inc., as tenant, for the Property as assigned by Flow Beverages, Inc. as tenant to the Vendor pursuant to a lease assignment and landlord consent made effective as of November 8, 2022 by and among Flow Beverages Inc., as the assignor, the Vendor, as the assignee, the Landlord, as landlord, and Canopy Growth Corporation, as indemnifier.

"**Lease Assignment and Landlord Consent**" means a lease assignment and landlord consent evidencing the assignment to the Purchaser of the Vendor's interest in, to and under the Lease and the assumption by the Purchaser of all of the Liabilities of the Vendor in respect of the Lease, the Landlord's consent thereto and release of the Vendor's obligations under the Lease after the Closing Date, in form and substance satisfactory to the Parties, acting reasonably.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Certificate**" means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Purchase Price.

"**Non-Disclosure Agreement**" means the non-disclosure agreement dated September 26, 2023 between the Purchaser and BioSteel Canada, on behalf of itself and its affiliates.

"**Order**" means any award, writ, injunction, consent, settlement, determination, assessment, judgement, stay, temporary restraining order, order, decree or other restraint entered, issued, made or rendered by any Governmental Authority.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means 11:59 pm (New York time) on November 30, 2023 or such later date and time as the Vendor, with the consent of the Monitor, and the Purchaser may agree to in writing, each acting reasonably; provided, however, that if the Bankruptcy Court determines not to hear the petition for entry of the BioSteel Recognition Order and the motion for entry of the Bankruptcy Court Sale Order on an expedited basis, then the Parties agree that the Outside Date will be extended to the date that is 10 Business Days after the date of the Bankruptcy Court's ruling on such petition and motion; provided further that in no event should the Outside Date be extended beyond December 15, 2023.

"**Parties**" has the meaning set out in the recitals hereto.

"**Party**" has the meaning set out in the recitals hereto.

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Property**" means the property located at 33 Lakeview Court, Verona, Virginia 24482 being Lot 12 of Mill Place Commerce Park, Middle River District, Augusta County, Virginia.

"**Property Acquisition Date**" means the date that the Purchaser, or an affiliate of the Purchaser, acquires the Property from the Landlord.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Purchased Assets**" means all of the Vendor's right, title and interest in and to each of the assets listed at Schedule "B" hereto, including relevant Books and Records, rights and claims of the Vendor related to the Purchased Assets on the Closing Date (excluding any rights or claims relating to or arising from any contract of the Vendor but including any transferable manufacturer warranties relating to the Purchased Assets), in each case, other than the Excluded Assets.

"**Purchaser**" has the meaning set out in the recitals hereto.

"**Representatives**" means, with respect to a Person, such Person's directors, officers, accountants, investment bankers, auditors, legal, financial and other advisors, consultants, agents and other representatives acting on its behalf.

"**SISP**" has the meaning set out in the recitals hereto.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, state, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, customs duties, fees, assessments, imposts, levies and other charges of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, fines, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Transaction**" means the purchase and sale of the Purchased Assets contemplated by this Agreement.

"**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges imposed by a Governmental Authority, including any related penalties and interest, in connection with the sale, transfer or registration of the transfer of the Purchased Assets.

"**Vendor**" has the meaning set out in the recitals hereto.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Vendor or the Purchaser, or any affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to $, are expressed in the lawful currency of the United States of America unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule "A"	-	Allocation Schedule
Schedule "B"	-	Purchased Assets
Schedule "C"	-	Approved Customers and Suppliers

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and assume from the Vendor, all of the Vendor's right, title and interest in, to and under the Purchased Assets, free and clear of all Encumbrances.

2.2 Transfer of Purchased Assets

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of, and rights in, the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities, if any, from and after the Closing Date.

2.3 Intentionally Omitted

2.4 Excluded Liabilities

The Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any Excluded Liabilities.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Assets shall be $[redacted] plus the assumption of the Assumed Liabilities, if any, and less the amount of the Holdback paid to the Purchaser, if any (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3. The Purchase Price shall not be subject to any claim for set off, reduction or adjustment or any similar claim or mechanism of any kind whatsoever.

3.2 Allocation of the Purchase Price

The Purchaser and the Vendor agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown in the allocation schedule attached hereto as Schedule "A". For greater certainty, the value of the Assumed Liabilities has been taken into account with respect to the determination of the aggregate Purchase Price payable pursuant to this Article 3 and the assumption of such Assumed Liabilities, if any, by the Purchaser does not constitute separate or additional consideration hereunder in respect of the Purchased Assets.

3.3 Satisfaction of Purchase Price

The Purchaser shall pay the Purchase Price in accordance with the following:

(a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of $[redacted], being 10% of the Purchase Price (the "**Deposit**"), which Deposit is being held by the Monitor in trust, and, subject to Section 8.2, shall (inclusive of all interest earned thereon, if any) be credited against the Purchase Price at Closing;

(b) Balance of Purchase Price. An amount equal to the Purchase Price less the Deposit (the "**Cash Purchase Price**") shall be paid in cash by the Purchaser to the Monitor on the Closing Date, by wire transfer of immediately available funds;

(c) Assumed Liabilities. An amount equal to the value of the Assumed Liabilities, if any, which the Purchaser shall assume on the Closing Date, shall be satisfied by the Purchaser paying, performing, and/or discharging such Assumed Liabilities as and when they become due; and

(d) Holdback Payment. If applicable, a portion of the Cash Purchase Price equal to the Holdback shall be held by the Monitor in trust until the earlier of the Property Acquisition Date or the Holdback Outside Date. If the Holdback Outside Date occurs prior to the Property Acquisition Date, the Monitor shall refund the entire amount of the Holdback to the Purchaser within two Business Days of the Holdback Outside Date, by wire transfer of immediately available funds. If the Property Acquisition Date occurs on or prior to the Holdback Outside Date, the Monitor shall release the Holdback Refund to the Vendor within two Business Days of the Property Acquisition Date and the Monitor shall refund the Holdback Payment, if any, to the Purchaser within two Business Days of the Property Acquisition Date, by wire transfer of immediately available funds. The Monitor's determination of the Holdback Payment and the Holdback Refund shall be final and binding on both the Purchaser and the Vendor.

3.4 Transfer Taxes

The Parties agree that:

(a) The Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets.

(b) The Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner.

(c) The Purchaser shall indemnify the Vendor and the Monitor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor or the Monitor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Vendor is a limited liability company, duly organized and validly existing and in good standing under the laws of Delaware and is qualified to do business in every jurisdiction in which the nature of its business or ownership of property requires it to be so qualified (except in such jurisdictions where the failure to be so duly qualified and in good standing would not reasonably be expected to have a material adverse effect on the Vendor, its business or ownership of the Purchased Assets), and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Company Authorization. The execution, delivery and, subject to obtaining of Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order in respect of the matters to be approved therein, performance by the Vendor of this Agreement has been authorized by all necessary company action on the part of the Vendor.

(c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order.

(d) No Proceedings. To the knowledge of the Vendor, there are no proceedings pending or threatened against the Vendor that would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.

(e) Lease in Good Standing: The Lease is in full force and effect and in good standing, including that all rent has been paid as and when due, including all rent for November,

2023, and, to the Vendor's knowledge, there are no Liabilities of Vendor under the Lease (other than the requirement to perform in accordance with the terms of the Lease in the ordinary course, including the obligation to pay rent when due).

4.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the laws of New Jersey, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Company Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

(c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order.

(e) No Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order, and any consents, approvals or waivers required in connection with the transfer of the Purchased Assets, if applicable, no consent, approval, waiver or other Authorization is required from any Governmental Authority or any other Person, in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder, except for any Authorizations, consents, approvals, filings or notices of any Governmental Authority, court or Person that would not have a material effect on or materially delay or impair the ability of the Purchaser to consummate the Transaction.

(g) Brokers' or Finders' Fees. The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction for which the Vendor shall have any obligation or liability to pay.

(h) Solvency. The Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

4.3 Good Faith

The Purchaser and Vendor acknowledge, agree and confirm that this Agreement and the Transaction were negotiated, proposed and entered into by the Vendor and the Purchaser in good faith, without collusion, and from arms'– length bargaining positions and that the Purchaser is a good faith purchaser within the meaning of section 363(m) of the United States Bankruptcy Code and, as such, is entitled to all of the protections afforded thereby.

4.4 As is, Where is

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that: (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Assets; and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transaction contemplated hereby, including with respect to the Purchased Assets. The disclaimer in this Section 4.3 is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser. The Purchaser further acknowledges, agrees and confirms that it has conducted its own investigations, due diligence and analysis in satisfying itself as to all matters relating to the Vendor and its assets, liabilities and business, including without limitation, the Purchased Assets and the Assumed Liabilities, if any. Until Closing, the Purchased Assets shall remain at the risk of the Vendor. After Closing occurs, the Purchased Assets shall be at the sole risk of the Purchaser regardless of the location of the Purchased Assets.

ARTICLE 5
COVENANTS

5.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

5.2 Motion for Orders

As soon as practicable after the Parties' execution of this Agreement, BioSteel Canada shall (a) serve and file with the Court a motion for the issuance of an order adding BioSteel as an applicant in the CCAA Proceedings and authorizing BioSteel Canada to act as foreign representative on behalf of BioSteel; (b)

serve and file with the Court a motion seeking (i) the Approval and Vesting Order, and (c) serve and file with the Bankruptcy Court a motion for the issuance of (i) the BioSteel Recognition Order, and (ii) the Bankruptcy Court Sale Order. The Purchaser shall cooperate with BioSteel Canada in its efforts to obtain the issuance and entry of the Orders contemplated under this Section 5.2; provided, however, the Parties agree that the submissions to the Bankruptcy Court will be filed following the submissions to the Court in recognition of the fact that the issued and entered Approval and Vesting Order will need to be submitted to the Bankruptcy Court. The service list and draft motion materials shall be provided to the Purchaser in advance for its review and comment and shall be in a form satisfactory to the Purchaser, acting reasonably.

5.3 Assignment Order

In the event that the Property Acquisition Date has not occurred and the Lease Assignment and Landlord Consent cannot reasonably be obtained by November 9, 2023 (or such other date agreed to between the Vendor and the Purchaser), BioSteel shall (i) serve and file with the Court a motion for the issuance of the Assignment Order, and (ii) serve and file with the Bankruptcy Court a motion for the Bankruptcy Court Assignment Order, provided, however, the Parties agree that the submissions to the Bankruptcy Court will be filed following the submissions to the Court in recognition of the fact that the issued and entered Assignment Order will need to be submitted to the Bankruptcy Court. For greater certainty, the Parties agree that the Assignment Order may form part of the Approval and Vesting Order, and the Bankruptcy Court Assignment Order may form part of the Bankruptcy Court Sale Order.

5.4 Interim Period; Inspection

During the Interim Period, except (a) as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), (b) as necessary in connection with the CCAA Proceedings, (c) as otherwise provided in the Initial Order and any other Court orders prior to the Closing Time, or (d) as consented to by the Purchaser and the Vendor, such consent not to be unreasonably withheld, conditioned or delayed, the Vendor shall: (i) use commercially reasonable efforts to continue to maintain and safeguard the Purchased Assets in substantially the same manner as on the Effective Date (including without limitation uniformed security presence at all times and at least two people in the facility during normal business hours), (ii) afford the Purchaser and its Representatives reasonable access during normal business hours to all of the properties owned or leased by the Vendor and the Purchased Assets, and (iii) permit and use commercially reasonable efforts to facilitate communications between the Purchaser and those suppliers and customers of the Vendor set forth in Schedule "C" hereto (the "**Approved Customers and Suppliers**"). Before the Closing, without the prior written consent of the Vendor, which may be withheld for any reason, the Purchaser and its affiliates and Representatives shall not contact any suppliers to, or customers of, the Vendor, save and except for the Approved Customers and Suppliers (which list may be modified by written agreement between the Parties with email being sufficient). The Purchaser shall, and shall cause its and its affiliates and Representatives to, abide by the terms of the Non-Disclosure Agreement with respect to any access or information provided under this Section 5.4.

5.5 Insurance Matters; Risk of Loss; Inspection of Purchased Assets

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies in relation to the Purchased Assets (if any) and give any notice or present any Claim under any such insurance policies consistent with past practice of the Vendor or its affiliates in the ordinary course of business. The risk of loss or damage to the Purchased Assets shall be borne by the Purchaser from and after the Closing Time. The risk of loss or damage to the Purchased Assets shall be borne by the Vendor during the Interim Period. If an insured loss does occur during the Interim Period and the Closing occurs, the insurance proceeds attributable to the damaged or destroyed Purchased Assets will be payable to the Purchaser on Closing, and

all right, title and interest of the Vendor to any such amounts not paid as of the Closing Time will be assigned to the Purchaser.

For the purpose of the immediately preceding paragraph, Purchaser and its Representatives shall have the right to inspect the Purchased Assets at the Property immediately prior to Closing (which inspection may be attended by Vendor and its Representatives) in order to confirm that (i) Vendor possesses at the Property and will deliver to Purchaser at Closing all or substantially all the Purchased Assets and (ii) all or substantially all of the Purchased Assets are not lost, damaged or destroyed beyond repair or otherwise damaged in a manner that materially impacts the value, use or operation of the Purchased Assets.

5.6 Employee Matters

(a) The Vendor and its affiliates will provide to the Purchaser such information with respect to the Employees as may be reasonably required for the Purchaser to assess whether the Purchaser will offer employment to the Employees following the Closing.

(b) Before Closing, the Vendor and its affiliates will use commercially reasonable efforts to facilitate communications between the Purchaser and its Representatives and the Employees in order for Purchaser to discuss with the Employees the potential for post-Closing employment with Purchaser (including the terms of any such employment). Purchaser shall, and shall cause its and its affiliates and Representatives to, abide by the terms of the Non-Disclosure Agreement with respect to any access or information provided under this Section 5.6.

(c) Following the Closing in the sole discretion of the Purchaser, the Purchaser shall have the right, but shall not have any obligation, to make written offers of employment to any Employees that the Purchaser wishes to employ on terms acceptable to Purchaser in its sole discretion.

5.7 Actions to Satisfy Closing Conditions

(a) The Vendor agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.2 are satisfied on or prior to the Closing Date; and

(b) The Purchaser agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.3 are satisfied on or prior to the Closing. Date.

5.8 Lease Security Deposit Amount; Mutual Termination of Lease

Concurrently with the Closing, and the execution of the Lease Assignment and Landlord Consent or the Parties' receipt of the Assignment Order, as applicable (but not if the Lease is terminated in accordance with this Section 5.8), the Purchaser shall pay a deposit to the Landlord in an amount equal to $300,000 or such other amount reasonably requested by the Landlord to replace the Security Deposit Amount (as defined in the Lease) in order to ensure that the Security Deposit Amount is refunded to the Vendor. In the event that the Property Acquisition Date occurs simultaneously with or immediately prior to the Closing or prior to the Closing Date, the Purchaser, as landlord of the Property, shall refund the Security Deposit Amount to the Vendor.

Notwithstanding anything in this Agreement to the contrary (but subject in all respect to the last sentence of the immediately preceding paragraph), if the acquisition of the Property occurs simultaneously with or immediately prior to the Closing, the parties agree that Vendor and Purchaser (or its affiliated purchaser of the Property) will mutually terminate the Lease, in which event it will not be necessary for Purchaser to assume the Lease as contemplated in this Agreement.

ARTICLE 6
CLOSING ARRANGEMENTS

6.1 Closing

Closing shall take place electronically on the Closing Date effective as of the Closing Time (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

6.2 Vendor's Closing Deliveries

At the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

(a) the Purchased Assets, which shall be delivered at the Property as of the Closing;

(b) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

(c) a true copy of the CCAA Proceedings Recognition Order, as issued and entered by the Bankruptcy Court;

(d) a true copy of the BioSteel Recognition Order, as issued and entered by the Bankruptcy Court;

(e) a true copy of the Bankruptcy Court Sale Order issued and entered by the Bankruptcy Court;

(f) the General Conveyance, duly executed by the Vendor;

(g) except as provided in Section 5.8, the Lease Assignment and Landlord Consent, duly executed by the Vendor, or if the Lease Assignment and Landlord Consent is not obtained, true copies of the Assignment Order as issued and entered by the Court and Bankruptcy Court Assignment Order as issued and entered by the Bankruptcy Court;

(h) a certificate of an officer of the Vendor dated as of the Closing Date confirming that all of the representations and warranties of such Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that such Vendor has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

(i) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, as applicable), the following:

(a) the Cash Purchase Price;

(b) the purchaser exemption certificate in respect of Transfer Taxes;

(c) the General Conveyance, duly executed by the Purchaser;

(d) except as provided in Section 5.8, if the Landlord consents to the assignment of the Lease by the Vendor to the Purchaser, the Lease Assignment and Landlord Consent, duly executed by the Purchaser and the Landlord;

(e) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

(f) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7
CONDITIONS OF CLOSING

7.1 Conditions Precedent in Favor of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) CCAA Proceedings. BioSteel shall be added as an applicant in the CCAA Proceedings.

(b) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(c) Bankruptcy Court Orders in the Chapter 15 Proceedings. The Bankruptcy Court shall have issued and entered the following:

(i) the BioSteel Recognition Order; and

(ii) the Bankruptcy Court Sale Order

which Orders shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has

not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(d) No Order. No Applicable Law and no final or non-appealable judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

(e) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(f) Monitor's Certificate. The Monitor shall have provided an executed copy of the Monitor's Certificate confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 7.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

7.2 Conditions Precedent in Favor of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.

(b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

7.3 Conditions Precedent in Favor of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 6.3.

(b) Assignment Order. If the Assignment Order is required, the Court shall have issued and entered the Assignment Order, which Assignment Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably. For greater certainty, if the Lease Assignment and Landlord Consent is obtained, this condition under this Section 7.3(b) shall be deemed to be satisfied.

(c) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(d) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 7.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate this Agreement.

ARTICLE 8
TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; or

(b) by the Vendor (with the consent of the Monitor) or the Purchaser upon written notice to the other Parties if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order, BioSteel Recognition Order and Bankruptcy Court Sale Order are not obtained on or before the Outside Date; provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement; or

(c) by written notice from the Purchaser to the Vendor:

(i) in accordance with Section 7.1 or Section 7.2;

(ii) if all or substantially all of the Purchased Assets are lost, damaged beyond repair or destroyed during the Interim Period in accordance with the provisions of Section 5.5; or

(iii) if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured on or before the Outside Date, unless the Purchaser is in material breach of its obligations under this Agreement; and

(d) by written notice from the Vendor (with the consent of the Monitor) to the Purchaser:

(i) in accordance with Section 7.1 or Section 7.3; or

(ii) if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (A) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.3 impossible by the Outside Date; or (B) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured on or before the Outside Date, unless the Vendor is in material breach of its obligations under this Agreement.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of this Section 8.2 (Effects of Termination) and Section 9.8 (Governing Law), each of which will survive termination; provided that if this Agreement is terminated:

(a) in accordance with Section 8.1(d)(ii), the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit and the full amount of the Deposit shall be forfeited to the Vendor; or

(b) for any other reason, the Deposit shall be returned to the Purchaser.

In the event of termination of this Agreement under Section 8.1(d)(ii) pursuant to which the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defense that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

ARTICLE 9
GENERAL

9.1 Access to Books and Records; Tax Co-Operation

For a period of six years from the Closing Date or for such longer period as may be required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with any Applicable Law, the Purchaser shall:

(a) retain all original Books and Records that constitute Purchased Assets and are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Monitor and the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor) have the right to inspect and to make copies (at its own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser; and

(b) use commercially reasonable efforts to assist the Vendor, including providing any reasonable information requested by the Vendor, with respect to any queries or questions that the Vendor may have in order to facilitate any Tax filings or Tax related questions or disputes that may arise following the Closing Date.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by same-day courier or by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

Gregory Packaging, Inc.
1125 Easton Road
Bethlehem, PA 18015
Attention: Dan Reed and Ned Reed
Email: dan@suncupjuice.com and ned@suncupjuice.com

with a copy to:

Womble Bond Dickinson (US) LLP
One Wells Fargo Center
Suite 3500
301 South College Street
Charlotte, NC 28202
Attention: Russ Ferguson and Patrick Strubbe
Email: russ.ferguson@wbd-us.com and patrick.strubbe@wbd-us.com

(b) in the case of the Vendor, as follows:

BioSteel Manufacturing LLC
c/o Canopy Growth Corporation
1 Hershey Drive

Smiths Falls, Ontario
K7A 0A8

Attention: Legal
Email: contracts@canopygrowth.com

with a copy to:

Cassels Brock & Blackwell LLP
40 Temperance Street, Suite 3200
Toronto, ON M5H 0B4

Attention: Ryan Jacobs and Natalie Levine
Email: rjacobs@cassels.com and nlevine@cassels.com

(c) in each case, with a further copy to the Monitor as follows:

KSV Restructuring Inc.
220 Bay Street, 13th Floor
PO Box 20
Toronto, Ontario M5J 2W4

Attention: Noah Goldstein and Ross Graham
Email: ngoldstein@ksvadvisory.com and rgraham@ksvadvisory.com

with a copy to:

Bennet Jones LLP
First Canadian Place
100 King Street West, Suite 3400
Toronto, Ontario M5X 1A4

Attention: Sean Zweig and Jesse Mighton
Email: zweigs@bennettjones.com and mightonj@bennettjones.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (New York time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (New York time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Public Announcements

The Vendor and the Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Subject to the forgoing, no press release or other announcement concerning the Transaction shall be made by the Purchaser or the Vendor without the prior consent of the other Party (such consent not to be unreasonably withheld, delayed or conditioned).

9.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall terminate as of the Closing, provided that the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Entire Agreement

This Agreement, the attached Schedules hereto and the Non-Disclosure Agreement constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (with the consent of the Monitor) and the Purchaser.

9.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.8 Governing Law

All questions concerning the construction, validity and interpretation of this Agreement shall be governed by and construed in accordance with the domestic laws of the State of Delaware without giving effect to any choice of law or conflict of law provision (whether of the State of Delaware or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the State of Delaware.

9.9 Assignment

The Purchaser cannot assign any of its rights or obligations under this Agreement without the prior written consent of the Vendor and the Monitor. Notwithstanding the forgoing, this Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor and the Monitor; and (iii) such assignee agrees in writing to be bound by the terms of this Agreement to the extent of the assignment and a copy of such assumption agreement is delivered to the Vendor and the Monitor forthwith after having been entered into; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

9.13 Non-Waiver

No waiver of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

9.14 Expenses

Each of the Parties shall pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

9.15 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel, and the Closing shall be deemed to have occurred.

9.16 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA, the Initial Order and any other order of the Court in the CCAA Proceedings, the Vendor and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendor and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

BIOSTEEL MANUFACTURING LLC

By: DocuSigned by: Eugene Davis C99036B5ABD64B8...

Name: Eugene I. Davis
Title: Director

I have authority to bind the Vendor.

GREGORY PACKAGING, INC.

By: DocuSigned by: 3183B0CAA8794CC...

Name: Edward P. Gregory
Title: President

I have authority to bind the Purchaser.

EXHIBIT 2

Manufacturing Vesting Order

Electronically issued / Délivré par voie électronique : 16-Nov-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00706033-00CL

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 16TH
	)	
JUSTICE CONWAY	)	DAY OF NOVEMBER, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the "**Applicants**")

MANUFACTURING APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order approving the transaction (the "**Manufacturing Transaction**") contemplated by an Asset Purchase Agreement between Gregory Packaging, Inc., as buyer ("**GPI**"), and BioSteel Manufacturing LLC ("**BioSteel Manufacturing**"), as seller, dated November 9, 2023 (as amended from time to time, in accordance with the terms thereof, the "**Manufacturing Purchase Agreement**") and vesting in GPI, BioSteel Manufacturing's right, title, and interest in and to the Purchased Assets (as defined in the Manufacturing Purchase Agreement) was heard this day by judicial videoconference via Zoom.

ON READING the Affidavit of Sarah Eskandari, sworn November 10, 2023, and the Exhibits thereto (the "**Eskandari Affidavit**"), the Second Report of KSV Restructuring, Inc. in its capacity as the court-appointed monitor (the "**Monitor**") dated November 14, 2023 (the "**Second Report**") and such further materials as counsel may advise, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, counsel to GPI , and the other parties listed on the counsel slip, and no one else appearing for any other party on the Service List although duly

served as appears from the affidavit of service of Stephanie Fernandes sworn November 10, 2023.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the Manufacturing Purchase Agreement and/or the Amended and Restated Initial Order made in these proceedings on September 21, 2023 (the "**ARIO**"), as applicable.

APPROVAL OF MANUFACTURING TRANSACTION

3. **THIS COURT ORDERS** that the Manufacturing Purchase Agreement and the Manufacturing Transaction are hereby approved and the execution of the Manufacturing Purchase Agreement by BioSteel Manufacturing is hereby authorized and approved, with such minor amendments as the Applicants, with the consent of the Monitor, may deem necessary. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Manufacturing Transaction and for the conveyance of the Purchased Assets to GPI and the assumption of the Liabilities in respect of the Lease.

4. **THIS COURT ORDERS** that BioSteel Manufacturing is authorized and directed to perform its obligations under the Manufacturing Purchase Agreement and any ancillary documents related thereto.

VESTING OF THE PURCHASED ASSETS

5. **THIS COURT ORDERS** that upon the delivery of a Monitor's certificate to the Applicants (or their counsel) and to GPI (or its counsel) substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of BioSteel Manufacturing's right, title and interest in and to the Purchased Assets shall vest absolutely in GPI as at 12:01 a.m. on the date of the Monitor's Certificate free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), rights of first offer, rights of first refusal, liens, executions, levies, charges, or other

financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the ARIO, the SISP Approval Order made in these proceedings on September 21, 2023, or any other Orders made in this CCAA proceeding; and (ii) all charges, security interests or claims whether evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec, or the Uniform Commercial Code provisions in the United States (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof to the Applicants and GPI, or to their respective counsel.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from BioSteel Manufacturing and GPI regarding the fulfilment or waiver of conditions to closing under the Manufacturing Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

APPROVAL OF ASSIGNMENT OF LEASE

9. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate:

(a) all of the rights and obligations of BioSteel Manufacturing under the Lease from and after the delivery of the Monitor's Certificate shall be assigned, conveyed, transferred and assumed by GPI pursuant to section 11.3 of the CCAA and such

assignment is valid and binding upon all of the counterparties to the Lease notwithstanding any restriction or prohibition, if any, contained in the Lease relating to the assignment thereof, including but not limited to, provisions, if any, relating to a change of control or requiring the consent of or notice for any period in advance of the assignment to any party to the Lease;

(b) the Lease shall remain in full force and effect and the counterparties under the Lease are prohibited from exercising any rights or remedies (including, without limitation, any right of set-off) under the Lease, and shall be forever barred, enjoined and estopped from taking such action, by reason solely of:

(i) any circumstance that existed or event that occurred on or prior to the Closing Date that would have entitled such counterparty to the Lease to enforce those rights or remedies or caused an automatic termination to occur;

(ii) any defaults arising from the insolvency of BioSteel Manufacturing or any of its affiliates;

(iii) the commencement of this CCAA proceeding;

(iv) any defaults that arise upon the assignment of the Lease to GPI;

(v) any change of control of BioSteel Manufacturing or its affiliates arising from the implementation of the Manufacturing Purchase Agreement and/or the Manufacturing Transaction and its implementation shall be deemed not to constitute a change in ownership or change in control under the Lease; or

(vi) BioSteel Manufacturing having breached a non-monetary obligation under the Lease,

and the counterparties under the Lease are hereby deemed to waive any defaults relating thereto. For greater certainty: (A) without limiting the foregoing, no counterparty under the Lease shall rely on a notice of default sent prior to the filing of the Monitor's Certificate to terminate the Lease as against GPI; and (B) nothing herein shall limit or exempt GPI in respect of obligations accruing, arising or continuing after the Closing of the Manufacturing Transaction under the Lease other than in respects of items (i) to (vi) above.

10. **THIS COURT ORDERS** that the assignment of the Lease shall be subject to the provisions of this Order directing that BioSteel Manufacturing's rights, title and interests in the Lease shall vest absolutely in GPI free and clear of all Claims and Encumbrances.

11. **THIS COURT ORDERS** that the Lease may not be assigned hereunder unless all amounts owing in respect of monetary defaults under the Lease, other than those arising by reason only of the BioSteel Manufacturing's insolvency, the commencement of this CCAA proceeding, or the BioSteel Manufacturing's failure to perform a non-monetary obligation (the "**Cure Costs**"), are paid on or by the Closing Date, or such later date as may be agreed to by GPI and Hansen Partners, LLC (together with any of its successors or assigns, the "**Landlord**") on prior written notice to the Monitor.

12. **THIS COURT ORDERS** that upon delivery of the Monitor's Certificate contemplated by this Order, except as expressly set out to the contrary in any agreement among BioSteel Manufacturing, GPI and the Landlord, GPI shall be entitled to all of the rights and benefits and subject to all of the obligations pursuant to the terms of the Lease.

13. **THIS COURT ORDERS** that upon (a) delivery of the Monitor's Certificate contemplated by this Order, (b) payment of the Cure Costs and (c) payment by GPI to the Landlord in the amount of US$300,000 to replace the Security Deposit (as defined in the Lease), the Landlord shall forthwith pay to the Monitor for the benefit of BioSteel Manufacturing the amount of US$300,000, being the Security Deposit, less the amount, if any, needed to pay the Cure Costs, in immediately available funds to a bank account designated by the Monitor; provided the Landlord shall not pay any Cure Costs from the Security Deposit without the prior written consent of BioSteel Manufacturing, acting reasonably, or further Order of this Court; provided further, the Landlord shall be permitted to pay the amounts due in respect of the invoice received from Augusta Water for the billing period from September 6 to November 3, 2023 from the Security Deposit if BioSteel Manufacturing has not paid the invoice within five business days of receipt thereof.

14. **THIS COURT ORDERS** that notwithstanding anything contained in this Order, nothing shall derogate from the obligations of GPI to assume the Lease and to perform GPI's obligations under the Lease, except as expressly set out to the contrary in any agreement among BioSteel Manufacturing, GPI and the applicable counterparty under the Lease.

15. **THIS COURT ORDERS** that the indemnity provided by Canopy Growth Corporation ("**Canopy**") in favour of the Landlord in respect of the Lease (the "**Lease Indemnity**") shall not be

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Toronto Superior Court of Justice / Cour supérieure de justice

affected by the assignment of the Lease to GPI in accordance with this Order, unless otherwise agreed to by the Landlord, acting reasonably. GPI shall use commercially reasonable efforts to propose to the Landlord one or more reasonable alternatives to replace the Lease Indemnity by Canopy to guarantee performance of the Liabilities of GPI under the Lease (the "**Replacement Indemnity**"), subject to the Landlord's consent, which consent shall not be unreasonably withheld. Upon the Replacement Indemnity becoming effective, the Landlord shall immediately thereby (without any other act or formality) waive, release, and discharge Canopy of all of its obligations in respect of the Lease Indemnity for all Liabilities under the Lease for the period from and after the delivery of the Monitor's Certificate contemplated by this Order.

16. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) the pendency of any applications for a bankruptcy or receivership now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the "**BIA**"), in respect of the Applicants or its property, and any bankruptcy or receivership order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Applicants; and

(d) the provision of any federal or provincial statute,

the assignment of the Lease to GPI in accordance with this Order, the Manufacturing Purchase Agreement and the vesting of the Purchased Assets in GPI pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of BioSteel Manufacturing or its property and shall not be void or voidable by creditors of BioSteel Manufacturing, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or other legislation.

PIPEDA

17. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Monitor and the Applicants are authorized and permitted to disclose and transfer to GPI all human resources and payroll information in the Applicants' records pertaining to the Applicants' past and current employees.

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Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00706033-00CL

GPI shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Applicants.

GENERAL

18. **THIS COURT ORDERS** that the Applicants, the Monitor or GPI may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

19. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

20. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:02 a.m. Eastern Prevailing Time on the date of this Order without any need for filing or entry.

Conway J.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

LA PRÉSENT ATTEST QUE CE DOCUMENT, DONT CHACUNE DES PAGES EST REVÊTUE DU SCEAU DE LA COUR SUPÉRIEURE DE JUSTICE À TORONTO, EST UNE COPIE CONFORME DU DOCUMENT CONSERVÉ DANS CE BUREAU

DATED AT TORONTO THIS 17 DAY OF November 20 23
FAIT À TORONTO LE JOUR DE

REGISTRAR GREFFIER

Schedule "A" – Form of Monitor's Certificate

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the "**Applicants**")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 14, 2023 (as amended and restated, and as may be further amended and restated from time to time, the "**Initial Order**"), KSV Restructuring, Inc. was appointed as monitor of BioSteel Sports Nutrition Inc. (in such capacity, the "**Monitor**") in proceedings commenced by BioSteel Sports Nutrition Inc. under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceeding**").

B. Pursuant to an Order of the Honourable Justice Conway of the Court dated November 16, 2023, BioSteel Manufacturing LLC ("**BioSteel Manufacturing**") and BioSteel Sports Nutrition USA LLC were made Applicants in the CCAA Proceeding and the terms of the Initial Order were made applicable to BioSteel Manufacturing and BioSteel Sports Nutrition USA LLC.

C. Pursuant to the Manufacturing Approval and Vesting Order of the Court dated November 16, 2023 (the "**Manufacturing Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement between Gregory Packaging, Inc., as buyer ("**GPI**"), and BioSteel Manufacturing, as seller, dated November 9, 2023 (as amended from time to time in accordance with the terms thereof, the "**Manufacturing Purchase Agreement**"), providing for the vesting in GPI, of all of BioSteel Manufacturing's right, title and interest in and to all of the Purchased Assets (as defined in the Manufacturing Purchase Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to GPI (or its counsel) and the Applicants (or their counsel) of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the Manufacturing Approval and Vesting Order and/or the Manufacturing

Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing set forth in the Manufacturing Purchase Agreement have been satisfied or waived by BioSteel Manufacturing and GPI in accordance with the Manufacturing Purchase Agreement.

2. GPI has paid or satisfied the Purchase Price, subject to applicable adjustments (if any), for the Purchased Assets payable on the Closing Date pursuant to the Manufacturing Purchase Agreement and/or the Manufacturing Approval and Vesting Order.

3. The Manufacturing Transaction has been completed to the satisfaction of the Applicants, the Monitor and GPI.

DATED at Toronto, Ontario this _____ day of _____, 2023.

KSV RESTRUCTURING INC., solely in its capacity as Monitor of the Applicants and not in its personal capacity

Per: _____

Name:

Title:

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

MANUFACTURING APPROVAL AND VESTING ORDER

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Lawyers for BioSteel

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	)	Chapter 15
BIOSTEEL SPORTS NUTRITION INC., *et al.*,[1]	)	Case No. 23-90777 (CML)
Debtors in a Foreign Proceeding.	)	(Jointly Administered)
	)	**Re: Docket No.** 62

ORDER (I) RECOGNIZING AND ENFORCING THE BIOSTEEL CANADA VESTING ORDER; (II) APPROVING THE SALE OF ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS AND ENCUMBRANCES; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "Motion")[2] of BioSteel Sports Nutrition Inc., in its capacity as the Foreign Representative, seeking entry of an order (a) recognizing and enforcing the BioSteel Canada Vesting Order; (b) approving, pursuant to Bankruptcy Code section 363, the sale of the Foreign Debtors' rights, title and interests in and to the BioSteel Canada Purchased Assets pursuant to the DC Holdings Purchase Agreement, free and clear of all liens, claims, encumbrances and other interests; and (c) granting such other relief as the Court deems just and proper, as more fully set forth in the Motion; and upon consideration of the Eskandari Declarations; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334; and the relief requested in the Motion being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and that this Court may enter a final order consistent with Article III of the United States Constitution; venue being proper before the Court pursuant to 28 U.S.C. § 1410;

[1] The Foreign Debtors in these chapter 15 cases, along with the last four digits of each Debtor's federal tax identification number or other identifier, are as follows: BioSteel Sports Nutrition Inc. (0866), BioSteel Manufacturing LLC (1553) and BioSteel Sports Nutrition USA LLC (2242). The Foreign Representative's address is: 87 Wingold Avenue, Unit 1, Toronto, ON M6B 1P8 Canada.

[2] Capitalized terms used but not defined herein shall have the meaning ascribed to them in the Motion.

adequate and sufficient notice of the Motion having been given by the Foreign Representative; it appearing that the relief requested in the Motion is necessary and beneficial to the Foreign Debtors; and this Court having held a hearing (the "Hearing") to consider the relief requested in the Motion; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor, IT IS HEREBY FOUND AND DETERMINED THAT:

A. This Court previously entered orders recognizing the Canadian Proceedings as foreign main proceedings [Docket Nos. 46, 86] (together, the "Recognition Orders") on October 11, 2023 and November 30, 2023, respectively, where this Court found that the Foreign Debtors satisfied the requirements of, among others, Bankruptcy Code sections 101(23) and (24), 1502(4), 1504, 1509, 1515, 1517, 1520, 1521 and 1522. All such findings by this Court are hereby incorporated by reference herein and such Recognition Orders shall continue in effect in all respects except to the extent this Order directly modifies or directly contradicts either Recognition Order.

B. On September 21, 2023, the Canadian Court entered the SISP Approval Order that, among other things: (i) authorized BioSteel Inc. to implement a sale and investment solicitation proceeds (the "SISP") for BioSteel in accordance with the terms thereof; and (ii) provided other relief as set forth therein.

C. On November 16, 2023, the Canadian Court entered the BioSteel Canada Vesting Order approving, among other things, the sale of BioSteel Inc.'s rights, title and interests in and to the BioSteel Canada Purchased Assets to DC Holdings pursuant to the DC Holdings Purchase Agreement.

D. Based on the affidavits of service filed with, and the representations made to, this Court: (i) notice of this Motion, the Hearing and the BioSteel Canada Vesting Order was proper, timely, adequate and sufficient under the circumstances of these chapter 15 cases and complied with the various applicable requirements of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; and (ii) no other or further notice of the Motion, the Hearing, the BioSteel Canada Vesting Order or entry of this Order is necessary or shall be required.

E. This Order constitutes a final and appealable order within the meaning of 28 U.S.C. § 158(a).

F. The relief granted herein is necessary and appropriate, is in the interest of the public, promotes international comity, is consistent with the public policies of the United States, is warranted pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1507, 1520, 1521, 1525 and 1527, and will not cause any hardship to any parties in interest that is not outweighed by the benefits of the relief granted.

G. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the Foreign Debtors' advisors conducted the SISP to solicit interest in BioSteel in accordance with the terms of the SISP Approval Order, and such process was non-collusive, duly noticed and provided a reasonable opportunity to make an offer to purchase BioSteel. The Foreign Debtors' designation of the bid from DC Holdings as the Successful Bid (as defined in the SISP Approval Order) is a good, valid and sound exercise of the Foreign Debtors' business judgment.

H. Based on information contained in the Motion, the Eskandari Declarations and the record made at the Hearing, the relief granted herein relates to assets and interests that, under the laws of the United States, should be administered in the Canadian Proceedings.

I. DC Holdings is not, and shall not be deemed to be, a mere continuation, and is not holding itself out as a mere continuation, of any of the Foreign Debtors and there is no continuity between the DC Holdings and the Foreign Debtors. The DC Holdings Transaction does not amount to a consolidation, merger or de facto merger of DC Holdings and any of the Foreign Debtors.

J. Time is of the essence in consummating the DC Holdings Transaction. To maximize the value of the BioSteel Canada Purchased Assets, it is essential that the DC Holdings Transaction occur and be recognized and enforced in the United States promptly. The Foreign Representative, on behalf of the Foreign Debtors, has demonstrated compelling circumstances and a good, sufficient and sound business purpose and justification for the immediate approval and consummation of the DC Holdings Transaction as contemplated by the DC Holdings Purchase Agreement. Accordingly, there is cause to waive the stay that would otherwise be applicable under Bankruptcy Rules 6004(a) and 6004(h), and the transactions contemplated by the DC Holdings Purchase Agreement can be closed as soon as reasonably practicable upon entry of this Order.

K. Based upon information contained in the Motion, the Eskandari Declarations, the other pleadings filed in these chapter 15 cases and the record made at the Hearing, the DC Holdings Purchase Agreement and each of the transactions contemplated therein were negotiated, proposed and entered into by BioSteel Inc. and DC Holdings in good faith, without collusion, and from arm's-length bargaining positions. DC Holdings is a "good faith purchaser" within the meaning of Bankruptcy Code section 363(m) and, as such, is entitled to all the protections afforded thereby. Neither the Foreign Debtors, the Foreign Representative nor DC Holdings has engaged in any conduct that would cause or permit the DC Holdings Purchase Agreement or the consummation of the DC Holdings Transaction to be avoided or costs and damages to be imposed under

Bankruptcy Code section 363(n). DC Holdings is not an "insider" of any of the Foreign Debtors, as that term is defined in Bankruptcy Code section 101, and no common identity of directors, officers, employees or controlling stockholders exists between DC Holdings and the Foreign Debtors. They are wholly separate and unrelated entities and businesses.

L. The DC Holdings Purchase Agreement was not entered into for the purpose of hindering, delaying or defrauding any present or future creditors of the Foreign Debtors.

M. The Foreign Representative, on behalf of itself and the Foreign Debtors, may sell the BioSteel Canada Purchased Assets free and clear of all liens, claims (as defined in Bankruptcy Code section 101(5)), rights, liabilities, encumbrances and other interests of any kind or nature whatsoever against the Foreign Debtors or the BioSteel Canada Purchased Assets because, with respect to each creditor asserting any liens, claims, encumbrances and other interests, one or more of the standards set forth in Bankruptcy Code section 363(f)(l)–(5) has been satisfied. Each creditor that did not object to the Motion is deemed to have consented to the sale of the BioSteel Canada Purchased Assets free and clear of all liens, claims, encumbrances and other interests pursuant to Bankruptcy Code section 363(f)(2).

N. The total consideration to be provided under the DC Holdings Purchase Agreement reflects DC Holdings' reliance on this Order to provide it, pursuant to Bankruptcy Code sections 105(a) and 363(f), with title to and possession of the BioSteel Canada Purchased Assets free and clear of all liens, claims, encumbrances and other interests.

O. The sale of the BioSteel Canada Purchased Assets to DC Holdings will be a legal, valid and effective sale of the BioSteel Canada Purchased Assets, and will vest in DC Holdings with all rights, title and interests of the Foreign Debtors in and to the BioSteel Canada Purchased Assets, free and clear of all liens, claims, encumbrances and other interests.

P. The Foreign Representative, the Foreign Debtors and the Monitor, as appropriate: (i) have full power and authority to execute the DC Holdings Purchase Agreement and all other documents contemplated thereby; (ii) have all the power and authority necessary to consummate the transactions contemplated by the DC Holdings Purchase Agreement; and (iii) upon entry of this Order, need no consent or approval to consummate the DC Holdings Transaction. The Foreign Debtors are the sole and rightful owners of the BioSteel Canada Purchased Assets, no other Person (as defined in Bankruptcy Code section 101(41)) has any ownership rights, title or interests therein, and the DC Holdings Transaction has been duly and validly authorized by all necessary corporate action of the Foreign Debtors.

Q. The DC Holdings Purchase Agreement is a valid and binding contract between BioSteel Inc. and DC Holdings and shall be enforceable pursuant to its terms.

R. DC Holdings would not have entered into the DC Holdings Purchase Agreement and would not consummate the purchase of the BioSteel Canada Purchased Assets and the related transactions if the sale of the BioSteel Canada Purchased Assets to DC Holdings was not free and clear of all liens, claims, encumbrances and other interests, or if DC Holdings would, or in the future could, be liable on account of any such lien, claim, encumbrance or any other interest.

S. A sale of the BioSteel Canada Purchased Assets other than free and clear of all liens, claims, encumbrances and other interests would yield substantially less value than the sale of the BioSteel Canada Purchased Assets pursuant to the DC Holdings Purchase Agreement; thus, the sale of the BioSteel Canada Purchased Assets free and clear of all liens, claims, encumbrances and other interests, in addition to all of the relief provided herein, is in the best interests of the Foreign Debtors and their creditors and other parties in interest.

T. The interests of the Foreign Debtors' creditors in the United States are sufficiently protected. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policies of the United States, and warranted pursuant to Bankruptcy Code sections 1521(b) and 1522.

U. The legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein.

V. Any and all findings of fact and conclusions of law announced by this Court at the Hearing are incorporated herein.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. All objections, if any, to the Motion or the relief requested therein that have not been withdrawn, waived or settled, and all reservations of rights included therein, are hereby overruled on the merits.

2. The BioSteel Canada Vesting Order and all of its respective terms, including any immaterial or administrative amendments thereto, including those necessary to give effect to the substance of such order, either pursuant to the terms therein or as approved by the Canadian Court, are fully recognized and given full force and effect in the United States in their entirety.

3. The DC Holdings Purchase Agreement and the DC Holdings Transaction contemplated thereunder, including, for the avoidance of doubt, the sale of the BioSteel Canada Purchased Assets and the transfers of the BioSteel Canada Purchased Assets located within the United States on the terms set forth in the DC Holdings Purchase Agreement, the BioSteel Canada Vesting Order, including all transactions contemplated thereunder, this Order, including all transactions contemplated hereunder, and all of the terms and conditions of each of the foregoing are hereby approved and authorized pursuant to Bankruptcy Code sections 105, 363, 365, 1501,

1520, 1521, 1525 and 1527. The failure specifically to include any particular provision of the DC Holdings Purchase Agreement in this Order shall not diminish or impair the effectiveness of such provision, it being the intent of the Court that the DC Holdings Purchase Agreement and the DC Holdings Transaction be authorized and approved in its entirety.

4. Pursuant to sections Bankruptcy Code 105, 363, 365, 1501, 1520, 1521, 1525 and 1527, the BioSteel Canada Vesting Order and this Order, the Foreign Debtors, DC Holdings and the Foreign Representative (as well as their respective officers, employees, and agents) are authorized to take any and all actions necessary or appropriate to: (a) consummate the DC Holdings Transaction, including the sale of the BioSteel Canada Purchased Assets to DC Holdings, in accordance with the DC Holdings Agreement, the BioSteel Canada Vesting Order and this Order; and (b) perform, consummate, implement and close fully the DC Holdings Transaction, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the DC Holdings Purchase Agreement and the DC Holdings Transaction and to take such additional steps and all further actions as may be necessary or appropriate to the performance of the obligations contemplated by the DC Holdings Purchase Agreement, all without further order of the Court, and are hereby authorized and empowered to cause to be executed and filed such statements, instruments, releases and other documents on behalf of such Person with respect to the BioSteel Canada Purchased Assets that are necessary or appropriate to effectuate the DC Holdings Transaction, any related agreements, the BioSteel Canada Vesting Order and this Order, and all such other actions, filings or recordings as may be required under appropriate provisions of the applicable laws of all applicable governmental units or as any of the officers of the Foreign Debtors or DC Holdings may determine are necessary or appropriate, and are hereby authorized and empowered to cause to be filed, registered or otherwise recorded a certified copy

of the BioSteel Canada Vesting Order, this Order or the DC Holdings Purchase Agreement, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all liens, claims, encumbrances and other interests against the BioSteel Canada Purchased Assets. The BioSteel Canada Vesting Order and this Order are deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state or local government agency, department or office.

5. All Persons that are currently in possession of some or all of the BioSteel Canada Purchased Assets located in the United States or that are otherwise subject to the jurisdiction of this Court are hereby directed to surrender possession of such BioSteel Canada Purchased Assets to DC Holdings prior to the Closing Date (as defined in the DC Holdings Purchase Agreement).

6. This Court shall retain exclusive jurisdiction to enforce any and all terms and provisions of the BioSteel Canada Vesting Order in the United States.

7. Pursuant to Bankruptcy Code sections 105(a), 363, 365, 1501, 1520, 1521, 1525 and 1527, on the Closing Date, all rights, title and interests of the Foreign Debtors in the BioSteel Canada Purchased Assets shall be transferred and absolutely vest in DC Holdings, without further instrument of transfer or assignment, and such transfer shall: (a) be a legal, valid, binding and effective transfer of the BioSteel Canada Purchased Assets to DC Holdings; (b) vest DC Holdings with all rights, title and interests of the Foreign Debtors in the BioSteel Canada Purchased Assets; and (c) be free and clear of all liens, claims, encumbrances and other interests.

8. Pursuant to Bankruptcy Code sections 105(a), 363(f), 365, 1501, 1520, 1521, 1525 and 1527, upon the closing of the DC Holdings Transaction: (a) no holder of a lien, claim, encumbrance or other interest shall interfere, and each and every holder of a lien, claim, encumbrance or other interest is enjoined from interfering, with DC Holdings' rights and title to

or use and enjoyment of the BioSteel Canada Purchased Assets; and (b) the sale of the BioSteel Canada Purchased Assets, the DC Holdings Purchase Agreement and any instruments contemplated thereby shall be enforceable against and binding upon, and not subject to rejection or avoidance by, the Foreign Debtors or any successor thereof. All Persons holding a lien, claim, encumbrance or other interest are forever barred and enjoined from asserting such lien, claim, encumbrance or other interest against the BioSteel Canada Purchased Assets, DC Holdings or its affiliates and their respective officers, directors, employees, managers, partners, members, financial advisors, attorneys, agents, and representatives and their respective affiliates, successors and assigns from and after closing of the DC Holdings Transaction.

9. Each and every federal, state and local governmental agency or department is authorized and directed to accept (and not impose any fee, charge or tax in connection therewith) any and all documents and instruments necessary or appropriate to consummate the sale of the BioSteel Canada Purchased Assets to DC Holdings and the DC Holdings Transaction generally. Effective as of the Closing Date, the BioSteel Canada Vesting Order and this Order shall constitute for any and all purposes a full and complete conveyance and transfer of the Foreign Debtors' interests in the BioSteel Canada Purchased Assets to DC Holdings free and clear of all liens, claims, encumbrances and other interests.

10. This Order (a) shall be effective as a determination that, as of the Closing Date, all liens, claims, encumbrances and other interests have been unconditionally released, discharged and terminated as to DC Holdings and the BioSteel Canada Purchased Assets, and that the conveyances and transfers described herein have been effected, and (b) is and shall be binding upon and govern the acts of all Persons, including all filing agents, filing officers, title agents, title companies, recorders of mortgages, recorders of deeds, registrars of deeds, administrative

agencies, governmental departments, secretaries of state, federal and local officials and all other Persons who may be required by operation of law, the duties of their office or contract, to accept, file, register or otherwise record or release any documents or instruments, or who may be required to report or insure any title or state of title in or to any lease. Each of the foregoing is hereby directed to accept for filing any and all of the documents and instruments necessary and appropriate to consummate the transactions contemplated by the DC Holdings Purchase Agreement and effect the discharge of all liens, claims, encumbrances and other interests pursuant to this Order and the BioSteel Canada Vesting Order and not impose any fee, charge or tax in connection therewith.

11. DC Holdings is not and shall not be deemed to: (a) be a legal successor, or otherwise be deemed a successor, to any of the Foreign Debtors; (b) have, de facto or otherwise, merged with or into any or all Foreign Debtors; or (c) be a mere continuation or substantial continuation of any or all Foreign Debtors or the enterprise or operations of any or all Foreign Debtors.

12. The DC Holdings Transaction, including the purchase of the BioSteel Canada Purchased Assets, is undertaken by DC Holdings in good faith, as that term is used in Bankruptcy Code section 363(m), and accordingly, the reversal or modification on appeal of the authorizations provided herein shall not affect the validity of the DC Holdings Transaction or the transfer of the BioSteel Canada Purchased Assets to DC Holdings free and clear of all liens, claims, encumbrances and other interests, unless such authorization is duly stayed before the closing of the DC Holdings Transaction pending such appeal.

13. Neither the Foreign Debtors nor DC Holdings has engaged in any conduct that would cause or permit the DC Holdings Purchase Agreement to be avoided or costs and damages to be imposed under Bankruptcy Code section 363(n).

14. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion, and the requirements of Bankruptcy Rule 6004 and the Local Rules are satisfied by such notice.

15. The terms and provisions of the DC Holdings Purchase Agreement, the BioSteel Canada Vesting Order and this Order shall be binding in all respects upon, and shall inure to the benefit of, the Foreign Debtors, DC Holdings, the Foreign Representative, the Foreign Debtors' creditors and all other parties in interest, and any successors of the Foreign Debtors, DC Holdings, the Foreign Representative and the Foreign Debtors' creditors, including any foreign representative(s) of the Foreign Debtors, trustee(s), examiner(s) or receiver(s) appointed in any proceeding, including, without limitation, any proceeding under any chapter of the Bankruptcy Code, the CCAA or any other law, and all such terms and provisions shall likewise be binding on such foreign representative(s), trustee(s), examiner(s) or receiver(s) and shall not be subject to rejection or avoidance by the Foreign Debtors, their creditors or any trustee(s), examiner(s) or receiver(s).

16. Subject to the terms and conditions of the BioSteel Canada Vesting Order, the DC Holdings Purchase Agreement and any related agreements, documents or other instruments, may be modified, amended or supplemented by the parties thereto, in a writing signed by each party, and in accordance with the terms thereof, without further order of this Court; provided that any such modification, amendment or supplement does not materially change the terms of the DC Holdings Transaction, the DC Holdings Purchase Agreement or any related agreements, documents or other instruments and is otherwise in accordance with the terms of the BioSteel Canada Vesting Order.

17. The provisions of this Order and the DC Holdings Agreement are non-severable and mutually dependent. To the extent that there are any inconsistencies between the terms of this Order and the BioSteel Canada Vesting Order, on the one hand, and the DC Holdings Purchase Agreement, on the other, this Order and the BioSteel Canada Vesting Order shall govern.

18. Nothing in this Order shall be deemed to waive, release, extinguish or estop the Foreign Debtors or the Foreign Representative from asserting, or otherwise impair or diminish, any right (including, without limitation, any right of recoupment), claim, cause of action, defense, offset or counterclaim in respect of any asset or interest that is not a BioSteel Canada Purchased Asset.

19. All Persons subject to the jurisdiction of the United States are permanently enjoined and restrained from taking any actions inconsistent with, or interfering with, the enforcement and implementation of the BioSteel Canada Vesting Order or any documents incorporated by the foregoing.

20. The Foreign Representative and the Foreign Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion and the BioSteel Canada Vesting Order.

21. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

22. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation and/or enforcement of this Order.

Signed: November 30, 2023

Christopher Lopez
United States Bankruptcy Judge

EXHIBIT 1

DC Holdings Purchase Agreement

EXECUTION VERSION

ASSET PURCHASE AGREEMENT

This Agreement is made as of the 9th day of November, 2023 (the "**Effective Date**")

AMONG:

BIOSTEEL SPORTS NUTRITION INC., a corporation incorporated pursuant to the laws of Canada ("**BioSteel**" or the "**Vendor**")

– and –

DC HOLDINGS LTD., dba Coachwood Group of Companies, a corporation incorporated pursuant to the laws of Ontario (the "**Purchaser**")

WHEREAS:

A. Pursuant to the Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") issued September 14, 2023 (as may be further amended or amended and restated from time to time, the "**Initial Order**"), the BioSteel was granted, among other things, creditor protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the "**CCAA**"), and KSV Restructuring Inc. was appointed as Monitor of the BioSteel (in such capacity, the "**Monitor**").

B. In connection with the proceedings initiated by the Initial Order (the "**CCAA Proceedings**"), on September 21, 2023, BioSteel sought and obtained an order of the Court approving, among other things, a sale and investment solicitation process (the "**SISP**"), to be conducted by BioSteel, with the assistance of its advisors and under the oversight of the Monitor, to solicit interest in, and opportunities for, one or more or any combination of executable transactions involving the business and/or assets of BioSteel and/or the equity or all or substantially all of the assets of each of its affiliates, BioSteel Sports Nutrition USA LLC and BioSteel Manufacturing LLC.

C. In accordance with the terms of the SISP, the Purchaser has submitted an offer to purchase the Purchased Assets (as defined herein) from the Vendor.

D. The Vendor wishes to sell to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Purchased Assets, subject to, and in accordance with, the terms and conditions set out in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the parties hereto (collectively, the "**Parties**", and each, a "**Party**") hereby acknowledge and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

"**Advertising**" means any public notice, representation or promotional and marketing activities, in each case, of the Vendor, that is intended to attract attention to the Excluded Inventory for sale by the Vendor.

"**Affiliate**" has the meaning given to the term "affiliate" in the *Business Corporations Act* (Ontario).

"**Agreement**" means this asset purchase agreement, including any schedules or exhibits appended to this asset purchase agreement, in each case as may be supplemented, amended or amended and restated from time to time in accordance with the terms hereof, with the consent of the Monitor, and "**Article**" and "**Section**" mean and refer to the specified article, section and subsection of this Agreement.

"**Applicable Law**" means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code, directive, decree or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

"**Approval and Vesting Order**" means an order of the Court, in form and substance satisfactory to the Purchaser, BioSteel and the Monitor, each acting reasonably, among other things, approving and authorizing this Agreement and the Transaction and vesting in the Purchaser (or as it may direct) all the right, title and interest of BioSteel in and to the Purchased Assets owned by BioSteel free and clear of Encumbrances, Liability or Claims.

"**Assignment and Assumption Agreement**" means an assignment and assumption agreement evidencing the assignment to the Purchaser of the Vendors' interest in, to and under the Assumed Contracts and the assumption by the Purchaser of all of the Assumed Liabilities, in form and substance satisfactory to the Parties, acting reasonably.

"**Assumed Contracts**" means the Underlying Contracts that the Purchaser has elected to assume from the Vendor in accordance with Section 2.3, if any, including as such Assumed Contracts may be amended, restated, supplemented or otherwise modified from time to time.

"**Assumed Liabilities**" means all Liabilities under any Assumed Contract, solely in respect of the period from and after the Closing Time and not relating to any default existing prior to or as a consequence of Closing.

"**Authorization**" means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person's property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

"**BioSteel**" has the meaning set out in the recitals hereto.

"**Books and Records**" means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records, used or intended for use by, and in the possession of the Vendor or its Affiliates in connection with the ownership or operation of the Purchased Assets.

"**Business**" means the business conducted by the Vendor, being BioSteel.

"**Business Day**" means a day on which banks are open for business in Toronto, Ontario, but does not include a Saturday, Sunday or statutory holiday in the Province of Ontario.

"**Cash Purchase Price**" has the meaning set out in Section 3.3(b).

"**CCAA**" has the meaning set out in the recitals hereto.

"**CCAA Proceedings**" has the meaning set out in the recitals hereto.

"**Claims**" means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment or reassessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person, complaints, grievance, petition, application, charge, investigation, indictment, prosecution, judgement, debt, liability, damage, or loss, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, known or unknown, disputed or undisputed, contractual, legal or equitable.

"**Closing**" means the closing and consummation of the Transaction.

"**Closing Date**" means the date that is five (5) Business Days after the date upon which the conditions set forth in ARTICLE 7 have been satisfied or waived, other than any conditions set forth in ARTICLE 7 that by their terms are to be satisfied or waived at the Closing (or such other earlier or later date as may be agreed by the Vendor and the Purchaser in writing, each acting reasonably); provided that the Closing Date shall be no later than the Outside Date.

"**Closing Time**" means 12:01 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Parties agree in writing that the Closing Time shall take place.

"**Court**" has the meaning set out in the recitals hereto.

"**Cure Costs**" means, in respect of an Assumed Contract, all amounts, costs, fees and expenses required to be paid to secure a counterparty's or any other necessary Person's consent to the assignment of such Assumed Contract.

"**Data Room**" means the virtual data room as of 12:00 a.m. (Toronto time) on the date of this Agreement, relating to the business and affairs of the Vendor, access to which has been provided to the Purchaser.

"**Deposit**" has the meaning set out in Section 3.3(a).

"**Effective Date**" has the meaning set out in the preamble hereto.

"Employee" means any individual who is employed by Canopy Growth Corporation or Canopy Growth USA, LLC and in such capacity provided services to the Vendor immediately prior to the Closing Date.

"**Encumbrance**" means any security interest, debenture, lien, Claim, charge, right of retention, trust, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, assignment (as security), royalty interest, defect of title or adverse claim of any nature or kind, mortgage or right of a third party (including any contractual right, such as a purchase option, call or similar right of a third party in respect of securities, right of first refusal, right of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

"***Excise Tax Act***" means the *Excise Tax Act*, RSC, 1985, c. E-15.

"**Excluded Assets**" means those assets of the Vendor that are not Purchased Assets, which for greater certainty are listed at Schedule "C" hereto.

"**Excluded Inventory**" means [redacted].

"**Excluded Liabilities**" means all Liabilities of the Vendor relating to the operation of its Business prior to Closing, other than the Assumed Liabilities, if any.

"**General Conveyance**" means a bill of sale and general conveyance evidencing the conveyance to the Purchaser of the Vendor's interest in and to the Purchased Assets, in form and substance satisfactory to the Parties, acting reasonably.

"**Governmental Authority**" means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), judicial body, regulatory authority, tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation having jurisdiction over the Vendor, the Purchaser or the Purchased Assets.

"**GST/HST**" means all goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act*, and any provincial, territorial or foreign legislation imposing a similar value added or multi-staged tax.

"***Income Tax Act***" means the *Income Tax Act*, RSC, 1985, c. 1 (5th Supp.).

"**Initial Order**" has the meaning set out in the recitals hereto.

"**Interim Period**" means the period beginning on the Effective Date and ending at the Closing Time.

"**Intellectual Property**" means all intellectual property rights, including any of the following: (i) patents and patent applications; (ii) registered and unregistered trademarks, service marks and trade names, pending trademark and service mark registration applications; (iii) registered and unregistered copyrights, and applications for registration of copyrights; and (iv) internet domain names.

"**IP Assignment Agreement**" means an IP assignment agreement, in a form acceptable to the Parties acting reasonably, to be entered into by the Purchaser and the Vendor, pursuant to which the Vendor will assign to the Purchaser all of its rights, title and interests in the Purchased Intellectual Property.

"**Liability**" means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

"**Licence Term**" has the meaning set out in Section 5.8(e).

"**Monitor**" has the meaning set out in the recitals hereto.

"**Monitor's Certificate**" means the certificate of the Monitor contemplated by the Approval and Vesting Order certifying that the Monitor has received written confirmation in form and substance satisfactory to the Monitor from the Parties that all conditions of Closing have been satisfied or waived by the applicable Parties and that the Monitor has received the Purchase Price.

"**Net Sales**" means the aggregate sale proceeds of the Qualified Inventory actually paid to the Purchaser (on behalf of the Vendor) from customers in connection with a Qualified Sale (for the avoidance of doubt, net of any applicable GST/HST), less distribution costs, returns, allowances and discounts.

"**Organizational Documents**" means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

"**Outside Date**" means 11:59 pm (Toronto time) on November 30, 2023 or such later date and time as the Vendor, with the consent of the Monitor, and the Purchaser may agree to in writing, each acting reasonably.

"**Parties**" has the meaning set out in the recitals hereto.

"**Party**" has the meaning set out in the recitals hereto.

"**Person**" means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

"**Purchased Assets**" means all of the Vendor's right, title and interest in and to the business, assets, properties, goodwill, rights and claims of the Vendor related to the Business on the Closing Date (excluding any rights or claims relating to or arising from any contract of the Vendor that is not an Assumed Contract, if any), wherever situated and of whatever kind and nature, real or personal, tangible or intangible, whether or not reflected in the Books and Records of the Vendors, including the assets listed at Schedule "B" hereto, in each case, other than Excluded Assets (which for certainty includes all contracts that are not Assumed Contracts).

"**Purchased Intellectual Property**" means the Intellectual Property comprising a part of the Purchased Assets.

"**Purchase Price**" has the meaning set out in Section 3.1.

"**Purchaser**" has the meaning set out the recitals hereto.

"**Qualified Inventory**" has the meaning set out in Section 5.7(a).

"**Qualified Sale**" has the meaning set out in Section 5.7(b).

"**Qualified Sale Fee**" has the meaning set out in Section 5.7(b).

"**Return Fee**" has the meaning set out in Section 5.8(e).

"**Returned Inventory**" has the meaning set out in Section 5.8(e).

"**Sale Period**" has the meaning set out in Section 5.7(a).

"**SISP**" has the meaning set out in the recitals hereto.

"**Taxes**" means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties, fees, assessments, imposts, levies and other charges of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, fines, or additions with respect thereto and any interest in respect of such additions or penalties and any Liability for the payment of any amounts of the type described in this paragraph as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

"**Transaction**" means all of the transactions contemplated by this Agreement, including the purchase and sale of the Purchased Assets.

"**Transfer Taxes**" means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, conveyance fees, security interest filing or recording fees and any other similar or like taxes or charges imposed by a Governmental Authority, including any related penalties and interest, in connection with the sale, transfer or registration of the transfer of the Purchased Assets, including GST/HST.

"**Underlying Contracts**" has the meaning set out in Section 2.3.

"**Unqualified Inventory**" has the meaning set out in Section 5.8(a).

"**U.S. Court**" means the United States Bankruptcy Court for the Southern District of Texas.

"**U.S. Recognition Order**" means an order of the U.S. Court in form and substance satisfactory to the Purchaser, the Vendor and the Monitor, each acting reasonably, among other things, recognizing the Approval and Vesting Order.

"**Vendor**" has the meaning set out in the recitals hereto.

1.2 Interpretation Not Affected by Headings, etc.

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 General Construction

The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement and not to any particular section hereof. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings and the term "third party" means any other Person other than the Vendor or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to $, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule "A" - Allocation Schedule

Schedule "B" - Purchased Assets

Schedule "C" - Excluded Assets

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2
PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase and assume from the Vendor, all of the Vendor's right, title and interest in, to and under the Purchased Assets.

2.2 Transfer of Purchased Assets and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the Vendor to the Purchaser on the Closing Date and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities, if any, from and after the Closing Date.

2.3 Underlying Contracts

The Vendor acknowledges that the Purchaser is not assuming any contracts of the Vendor; provided that the Purchaser, shall have the right, at any time prior to five Business Days prior to the Closing Date, to elect

to assume any contracts underlying the intangible assets and intellectual property set out in Schedule "B" (the "**Underlying Contracts**") by notifying the Vendor in writing of the Underlying Contract or Underlying Contracts that it wishes to assume, with no adjustment to the Purchase Price. In the event that the Purchaser does not notify the Vendor of its desire to assume an Underlying Contract in accordance with the preceding sentence, the Purchased Asset that is subject to such Underlying Contract and/or such Underlying Contract shall not be included as a Purchased Asset on Closing. Notwithstanding anything to the contrary in this Agreement, and subject to Section 5.3, to the extent that the sale, assignment, transfer, conveyance or delivery, or attempted sale, assignment, transfer, conveyance or delivery, to Purchaser of any Purchased Asset that is subject to an Assumed Contract and/or any Assumed Contract would require the consent, authorization, approval or waiver of a Person who is not a Party or an Affiliate of a Party, and such consent, authorization, approval or waiver shall not have been obtained before Closing, this Agreement shall not constitute a sale, assignment, transfer, conveyance or delivery, or an attempted sale, assignment, transfer, conveyance or delivery, thereof; provided that, subject to the satisfaction or waiver of the conditions contained in ARTICLE 7, Closing shall occur notwithstanding the foregoing without any adjustment to the Purchase Price on account thereof. To the extent that any Cure Costs are payable with respect to any Assumed Contract, the Purchaser shall be responsible for and shall pay all such Cure Costs, which shall be paid directly to the applicable counterparty, which Cure Costs shall be in addition to and shall not form part of the Purchase Price.

2.4 Excluded Liabilities

The Purchaser shall not assume and shall not be liable, directly or indirectly, or otherwise responsible for any Excluded Liabilities. Notwithstanding the foregoing, the Purchaser shall assume the responsibility for any and all costs associated with recording the transfer and assignment of any registered Intellectual Property comprising a part of the Purchased Assets.

ARTICLE 3
PURCHASE PRICE

3.1 Purchase Price

The aggregate consideration payable by the Purchaser for the Purchased Assets shall be $[redacted] plus the assumption of the Assumed Liabilities, if any (the "**Purchase Price**"). The Purchase Price shall be satisfied in accordance with Section 3.3. The Purchase Price shall not be subject to any claim for set off, reduction or adjustment or any similar claim or mechanism of any kind whatsoever.

3.2 Allocation of the Purchase Price

The Purchaser and the Vendor agree that the Purchase Price shall be allocated among the Purchased Assets for all purposes (including Tax and financial accounting) as shown in the allocation schedule attached hereto as Schedule "A" or as otherwise mutually agreed by the accountants for each of the Purchaser and the Vendor, acting reasonably in the interest of both parties. For greater certainty, the value of the Assumed Liabilities has been taken into account with respect to the determination of the aggregate Purchase Price payable pursuant to this Article 3 and the assumption of such Assumed Liabilities, if any, by the Purchaser does not constitute separate or additional consideration hereunder in respect of the Purchased Assets.

3.3 Satisfaction of Purchase Price

The Purchaser shall pay the Purchase Price in accordance with the following:

(a) Deposit. The Parties acknowledge that the Purchaser has paid a deposit in the amount of CAD $[redacted], being 10% of the Purchase Price (the "**Deposit**"), which Deposit is being held by the Monitor in trust, and, subject to Section 8.2, shall (inclusive of all interest earned thereon, if any) be credited against the Purchase Price at Closing;

(b) Balance of Purchase Price. An amount equal to the Purchase Price less the Deposit (the "**Cash Purchase Price**") shall be paid in cash by the Purchaser to the Monitor on the Closing Date, by wire transfer of immediately available funds; and

(c) Assumed Liabilities. An amount equal to the value of the Assumed Liabilities, if any, which the Purchaser shall assume on the Closing Date, shall be satisfied by the Purchaser paying, performing, and/or discharging such Assumed Liabilities as and when they become due.

3.4 Transfer Taxes

The Parties agree that:

(a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes pertaining to the Purchaser's acquisition of the Purchased Assets.

(b) Where the Vendor is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to the Monitor (on behalf of the Vendor) at Closing.

(c) Except where the Vendor is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. The Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to comply with such obligation in a timely manner. If the Vendor is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser at Closing, the Purchaser shall promptly reimburse the Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.

(d) The Purchaser shall indemnify the Vendor and the Monitor for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendor may pay or for which the Vendor or the Monitor may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.

(e) Notwithstanding the foregoing, if available, the Purchaser and the Vendor shall jointly execute an election under section 167 of the *Excise Tax Act* in connection with the transfer of the Purchased Assets contemplated herein, and the Purchaser shall file such election with its applicable Tax return for the reporting period in which the sale of the Purchased Assets takes place. Any GST/HST incurred in connection with the purchase and sale of the Purchased Assets contemplated by this Agreement, including where an election pursuant to subsection 167(1) of the *Excise Tax Act* is not or cannot be validly made in respect of the Purchased Assets, shall be borne by Purchaser.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendor

The Vendor hereby represents and warrants as of the date hereof and as of the Closing Time as follows, and acknowledge that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Vendor is a corporation incorporated and existing under the laws of Canada, and is in good standing under such statute and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Company Authorization. The execution, delivery and, subject to obtaining of the Approval and Vesting Order in respect of the matters to be approved therein, performance by the Vendor of this Agreement has been authorized by all necessary corporate action on the part of the Vendor.

(c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.

(d) No Employees. The Vendor does not employ any employees, including any Employees.

(e) No Proceedings. To the knowledge of the Vendor, there are no proceedings pending or threatened against the Vendor that would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.

(f) GST/HST Registration. BioSteel is a registrant for purposes of GST/HST, and its registration number is 85012 0866.

4.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendor as of the date hereof and as of the Closing Time, and acknowledges that, the Vendor is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

(a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the Province of Ontario, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.

(b) Company Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.

(c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.

(d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms subject only to the Approval and Vesting Order.

(e) No Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.

(f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, no consent, approval, waiver or other Authorization is required from any Governmental Authority or any other Person, in connection with the execution, delivery or performance of this Agreement by the Purchaser, and each of the agreements to be executed and delivered by the Purchaser hereunder or the purchase of any of the Purchased Assets hereunder, except for any Authorizations, consents, approvals, filings or notices of any Governmental Authority, court or Person that would not have a material effect on or materially delay or impair the ability of the Purchaser to consummate the Transaction.

(g) Brokers' or Finders' Fees. The Purchaser has not incurred any obligation or liability, contingent or otherwise, for any broker's or finder's fees or commissions in respect of this Transaction for which the Vendor shall have any obligation or liability to pay.

(h) Solvency. The Purchaser has not committed an act of bankruptcy, is not insolvent, has not proposed a compromise or arrangement to its creditors generally, has not had any application for a bankruptcy order filed against it, has not taken any proceeding and no proceeding has been taken to have a receiver appointed over any of its assets, has not had an encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or levied against any of its property.

(i) GST/HST Registration. The Purchaser is a registrant for purposes of GST/HST, and its registration number is 77977 4926.

4.3 As is, Where is

The Purchaser acknowledges, agrees and confirms that, at the Closing Time, the Purchased Assets shall be sold and delivered to the Purchaser on an "*as is, where is*" basis, subject only to the representations and warranties contained herein. Other than those representations and warranties contained herein, the Purchaser acknowledges and agrees that: (a) no representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition or quality or in respect of any other matter or thing whatsoever, including with respect to the Purchased Assets; and (b) the Monitor has not provided any representations and warranties in respect of any matter or thing whatsoever in connection with the Transaction contemplated hereby, including with respect to the Purchased Assets. The disclaimer in this Section 4.3 is made notwithstanding the delivery or disclosure to the Purchaser or its directors, officers, employees, agents or representatives of any documentation or other information (including financial projections or supplemental data not included in this Agreement). Without limiting the generality of the foregoing and unless and solely to the extent expressly set forth in this Agreement or in any documents required to be delivered pursuant to this Agreement, any and all conditions, warranties or representations, expressed or implied, pursuant to Applicable Law do not apply hereto and are hereby expressly waived by the Purchaser. The Purchaser further acknowledges, agrees and confirms that it has conducted its own investigations, due diligence and analysis in satisfying itself as to all matters relating to the Vendor and its assets, liabilities and business, including without limitation, the Purchased Assets and the Assumed Liabilities, if any. Until Closing, the Purchased Assets shall remain at the risk of the Vendor. After Closing occurs, the Purchased Assets shall be at the sole risk of the Purchaser regardless of the location of the Purchased Assets.

ARTICLE 5
COVENANTS

5.1 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

5.2 Motion for Approval and Vesting Order and Motion for U.S. Recognition Order

As soon as practicable after the Parties' execution of this Agreement, BioSteel shall (i) serve and file with the Court an application for the issuance of the Approval and Vesting Order seeking relief that will, *inter alia*, approve this Agreement and the Transaction and (ii) serve and file with the U.S. Court a motion for the issuance of the U.S. Recognition Order. The Purchaser shall cooperate with BioSteel in its efforts to obtain the issuance and entry of the Approval and Vesting Order and the U.S. Recognition Order.

5.3 Interim Period

During the Interim Period, except (a) as otherwise expressly contemplated or permitted by this Agreement (including the Approval and Vesting Order), (b) as necessary in connection with the CCAA Proceedings, (c) as otherwise provided in the Initial Order and any other Court orders prior to the Closing Time, or (d) as consented to by the Purchaser and the Vendor, such consent not to be unreasonably withheld, conditioned or delayed, the Vendor shall use commercially reasonable efforts to (i) continue to maintain the Purchased Assets in substantially the same manner as on the Effective Date; and (ii) obtain any consent, approval or similar authorization or waiver required to permit the sale, assignment, transfer, conveyance or delivery, or attempted sale, assignment, transfer, conveyance or delivery, to Purchaser of any Purchased Asset that is subject to an Assumed Contract and/or any Assumed Contract on Closing.

5.4 Insurance Matters

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies in relation to the Purchased Assets (if any) and give any notice or present any Claim under any such insurance policies consistent with past practice of the Vendor in the ordinary course of business.

5.5 Employee Matters

The Vendor acknowledges that the Purchaser is not assuming any Employees.

5.6 Actions to Satisfy Closing Conditions

(a) The Vendor agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.2 are satisfied on our prior to the Closing Date; and

(b) The Purchaser agrees to take all commercially reasonable actions so as to ensure that the conditions set forth in Section 7.1 and Section 7.3 are satisfied on our prior to the Closing Date.

5.7 Excluded Inventory Matters

(a) The Parties hereby acknowledge and agree that for a period commencing on the Closing Date until the date that is 120 days following the Closing Date (the "**Sale Period**"), all Excluded Inventory that has greater than 19 months of shelf life from the Closing Date and that is not subject to any Encumbrance (the "**Qualified Inventory**") shall be subject to the terms of this Section 5.7.

(b) At any time during the Sale Period, the Purchaser shall have the exclusive right to sell the Qualified Inventory on behalf of the Vendor through the Purchaser's distribution channels at a price as may be agreed to in writing by the Vendor and the Purchaser, each acting reasonably (a "**Qualified Sale**"). Upon the closing of a Qualified Sale, the Purchaser shall be entitled to receive a fee in an amount equal to [redacted]% of the Net Sales of the Qualified Inventory subject to the applicable Qualified Sale (the "**Qualified Sale Fee**"). Within 10 Business Days of the last day of each calendar month of the Sale Period, the Purchaser shall remit the proceeds of all Qualified Sale(s) completed during the preceding month

directly to the Vendor, without deduction, and thereafter, and within 10 Business Days of receipt by the Vendor of the proceeds of the preceding month's proceeds of Qualified Sale(s), the Vendor shall pay to the Purchaser an amount equal to the Qualified Sale Fee in respect of such Qualified Sales. The Qualified Sale Fee may, at the discretion of the Vendor, be offset against any amounts owing to the Purchaser from the Vendor.[1] [redacted]% of any amounts received by the Purchaser in respect of Qualified Sales following the Sale Period shall be remitted directly to the Vendor upon the Purchaser's receipt of same. Unless otherwise agreed to in writing by the Vendor, no returns of Qualified Inventory sold during the Sale Period shall be made to or accepted by the Vendor; provided however, that the Purchaser may, in its sole discretion and at its sole cost and expense, accept returns of Qualified Inventory.

(c) On or prior to the end of the Sale Period, the Purchaser shall have the right to acquire any of the Qualified Inventory that was not sold in accordance with Section 5.7(b) at the applicable cost of the Qualified Inventory. In the event that the Purchaser does not notify the Vendor of its desire to acquire the Qualified Inventory by the end of the Sale Period in accordance with the preceding sentence, the Vendor shall be permitted to sell such Qualified Inventory in its sole and absolute discretion. In the event that the Purchaser notifies the Vendor of its desire to acquire any of the Qualified Inventory by the end of the Sale Period, the Vendor and the Purchaser shall enter into an agreement of purchase and sale, in a form satisfactory to both Parties, each acting reasonably, with respect to the Qualified Inventory.

(d) Notwithstanding anything herein, the Purchaser shall not be liable in any manner whatsoever for issues related to the nature or quality of the Excluded Inventory, including the Qualified Inventory regardless of whether the same is sold by the Purchaser or Vendor.

5.8 Sale of Unqualified Inventory

(a) Notwithstanding the provisions of Section 5.7, the Parties hereby acknowledge and agree that the Vendor shall be permitted to sell any Excluded Inventory that is not Qualified Inventory ("**Unqualified Inventory**") from and after the Closing Date to any party, in its sole and absolute discretion; provided that the Vendor agrees that it will not sell Unqualified Inventory to consumers located in Canada or to wholesalers for purposes of resale in Canada (as determined solely based on representations made to the Vendor by such consumers or wholesalers, as applicable, at the time of sale).[2]

(b) Within 30 days of the earlier of (a) the sale of all or substantially all of the Unqualified Inventory and (b) the end of the License Term, the Vendor will provide to the Purchaser the contact information and sales details in connection with the sale of the Unqualified Inventory to the extent permitted in accordance with any confidentiality terms between the Vendor and the buyer(s) of such inventory.

(c) For a period of 24 months following the Closing Date (the "**License Term**"), the Purchaser shall grant the Vendor and any trustee in bankruptcy appointed in respect thereof a non-exclusive, royalty-free, fully sublicensable license to use the Purchased Intellectual Property for the purpose of offering for sale, sale and marketing of Unqualified Inventory during the License Term in accordance with the proviso in Section 5.8(a); [redacted]

[1] Qualified Inventory to be sold at or around the Manufacturer's Suggested Retail Price levels to maintain brand value.
[2] For greater certainty, to the Vendor's knowledge, the Excluded Inventory is labelled for sale in the United States (rather than Canada).

[redacted]

(d) The Parties acknowledge and agree that in no event shall the Vendor be required to accept returns of Unqualified Inventory at any time following the Closing Date; provided however, that the Purchaser may, in its sole discretion and, subject to Section 5.8(e), at its sole cost and expense, accept returns of Unqualified Inventory.

(e) In the event the Purchaser accepts any return of Unqualified Inventory (the "**Returned Inventory**") during the Sale Period, the Vendor shall pay the Purchaser an amount equal to [redacted]% of the amount shown on the invoice that was issued upon the sale of such Returned Inventory *less* any reasonable distribution costs incurred by the Vendor in respect of such Returned Inventory (the "**Return Fee**"). The Return Fee shall only be payable by the Vendor in the event that there was a misrepresentation made by the Vendor with respect to the age or quality of the Returned Inventory at the time of sale and such fee shall be paid within 10 Business Days following the Vendor's receipt of written notice from the Purchaser setting out: (i) a description of the Returned Inventory (including the type and quantity of Returned Inventory), and (ii) the reason for such return, and shall be accompanied by (x) evidence of payment by the Purchaser of the amount refunded in respect of such Returned Inventory, (y) proof of such misrepresentation being made by the Vendor at the time of sale, and (z) such other supporting documentation as the Vendor may reasonably request, in each case such evidence, proof or documentation, as applicable, satisfactory to the Vendor acting reasonably.

(f) Notwithstanding anything herein, the Purchaser shall not be liable in any manner whatsoever for issues related to the nature or quality of the Excluded Inventory, including the Unqualified Inventory regardless of whether the same is sold by the Purchaser or Vendor.

5.9 Treatment of Qualified Sale Fee and Return Fee

The Vendor hereby agrees that the obligations to pay the Qualified Sale Fee and the Return Fee set out in Sections 5.7 and 5.8, respectively, constitute post-filing obligations of the Vendor, which are not stayed by the Initial Order and shall be paid in accordance with the terms hereof notwithstanding the CCAA Proceedings. The Vendor shall not: (i) seek an order staying the payment or enforcement by the Purchaser of the Qualified Sale Fee or Return Fee, (ii) seek a meetings order for, or Court approval of, any plan of compromise or arrangement that would compromise or otherwise affect the payment of the Qualified Sale Fee or Return Fee, or (iii) seek to terminate the CCAA Proceedings or assign the Vendor into bankruptcy prior to end of the Sale Period and payment of the final Qualified Sale Fee and any Return Fee.

ARTICLE 6
CLOSING ARRANGEMENTS

6.1 Closing

Closing shall take place electronically on the Closing Date effective as of the Closing Time (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

6.2 Vendor's Closing Deliveries

At the Closing Time, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

(a) subject to Section 2.3, the Purchased Assets, which shall be delivered *in situ* wherever located as of the Closing;

(b) a true copy of the Approval and Vesting Order, as issued and entered by the Court;

(c) a true copy of the U.S. Recognition Order, as issued and entered by the U.S. Court;

(d) if applicable, the Tax election contemplated by Section 3.4 duly executed by the Vendor;

(e) the General Conveyance, duly executed by the Vendor;

(f) the IP Assignment Agreement, duly executed by the Vendor;

(g) if applicable, the Assignment and Assumption Agreement, duly executed by the Vendors;

(h) a certificate of an officer of each Vendor dated as of the Closing Date confirming that all of the representations and warranties of such Vendor contained in this Agreement are true in all material respects as of the Closing Time, with the same effect as though made at and as of the Closing Time, and that such Vendor has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

(i) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliveries

At or before the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor (or to the Monitor, as applicable), the following:

(a) the Cash Purchase Price;

(b) if applicable, payment to the Monitor (or evidence of payment by the Purchaser to the relevant Governmental Authorities) of all Transfer Taxes required by Applicable Law to be collected on Closing, in accordance with Section 3.4;

(c) if applicable, the Tax election contemplated by Section 3.4, duly executed by the Purchaser;

(d) the General Conveyance, duly executed by the Purchaser;

(e) the IP Assignment Agreement, duly executed by the Purchaser;

(f) if applicable, the Assignment and Assumption Agreement, duly executed by the Purchaser;

(g) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Time; and

(h) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

ARTICLE 7
CONDITIONS OF CLOSING

7.1 Conditions Precedent in Favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

(a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(b) U.S. Recognition Order. The U.S. Court shall have issued and entered the U.S. Recognition Order, which U.S. Recognition Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.

(c) No Order. No Applicable Law and no final or non-appealable judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction.

(d) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.

(e) Monitor's Certificate. The Monitor shall have provided an executed copy of the Monitor's Certificate confirming that all conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendor.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in this Section 7.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement.

7.2 Conditions Precedent in Favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Vendor's Deliverables. The Vendor shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all the documents contemplated in Section 6.2.

(b) No Breach of Representations and Warranties. Except as such representations and warranties may be affected by the occurrence of events or transactions specifically contemplated by this Agreement, each of the representations and warranties contained in Section 4.1 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Vendor shall have performed, in all material respects, all covenants, obligations and agreements contained in this Agreement required to be performed by the Vendor on or before the Closing Date.

The foregoing conditions are for the exclusive benefit of the Purchaser. Any condition in this Section 7.2 may be waived by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If any condition set out in this Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendor to terminate this Agreement.

7.3 Conditions Precedent in Favour of the Vendor

The obligation of the Vendor to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

(a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents and payments contemplated in Section 6.3.

(b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date; or (ii) if made as of a date specified therein, as of such date.

(c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendor. Any condition in this Section 7.3 may be waived by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendor only if made in writing. If any condition set forth in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Vendor may elect on written notice to the Purchaser to terminate the Agreement.

ARTICLE 8
TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

(a) by the mutual written agreement of the Vendor (with the consent of the Monitor) and the Purchaser; or

(b) by the Vendor (with the consent of the Monitor) or the Purchaser upon written notice to the other Parties if: (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order is not obtained on or before November 30, 2023 (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement; or

(c) by written notice from the Purchaser to the Vendor:

(i) in accordance with Section 7.1 or Section 7.2; or

(ii) if there has been a material breach by the Vendor of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Purchaser, and: (i) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.2 impossible by the Outside Date; or (ii) if such breach is curable, the Purchaser has provided prior written notice of such breach to the Vendor, and such breach has not been cured within ten (10) days following the date upon which the Vendor received such notice, unless the Purchaser is in material breach of its obligations under this Agreement; and

(d) by written notice from the Vendor (with the consent of the Monitor) to the Purchaser:

(i) in accordance with Section 7.1 or Section 7.3; or

(ii) if there has been a material breach by the Purchaser of any material representation, warranty or covenant contained in this Agreement, which breach has not been waived by the Vendor, and: (A) such breach is not curable and has rendered the satisfaction of any condition in Section 7.1 or Section 7.3 impossible by the Outside Date; or (B) if such breach is curable, the Vendor has provided prior written notice of such breach to the Purchaser, and such breach has not been cured within ten (10) days following the date upon which the Purchaser received such notice, unless the Vendor is in material breach of its obligations under this Agreement.

8.2 Effect of Termination.

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder; except for the provisions of this Section 8.2 (Effects of Termination) and Section 9.8 (Governing Law), each of which will survive termination; provided that if this Agreement is terminated:

(a) in accordance with Section 8.1(d)(ii), the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit and the full amount of the Deposit shall be forfeited to the Vendor; or

(b) for any other reason, the Deposit shall be returned to the Purchaser.

In the event of termination of this Agreement under Section 8.1(d)(ii) pursuant to which the Monitor (on behalf of the Vendor) shall be entitled to retain the Deposit, the Parties agree that the amount of the Deposit constitutes a genuine pre-estimate of liquidated damages representing the Vendor's losses and Liabilities as a result of Closing not occurring and agree that the Vendor shall not be entitled to recover from the Purchaser any amounts that are in excess of the Deposit as a result of Closing not occurring. The Purchaser hereby waives any claim or defence that the amount of the Deposit is a penalty or is otherwise not a genuine pre-estimate of the Vendor's damages.

ARTICLE 9
GENERAL

9.1 Access to Books and Records; Tax Co-Operation

For a period of six years from the Closing Date or for such longer period as may be required for the Vendor (or any trustee in bankruptcy of the estate of the Vendor) to comply with any Applicable Law, the Purchaser shall:

(a) retain all original Books and Records that are transferred to the Purchaser under this Agreement. So long as any such Books and Records are retained by the Purchaser pursuant to this Agreement, the Monitor and the Vendor (and any representative, agent, former director or officer or trustee in bankruptcy of the estate of the Vendor) have the right to inspect and to make copies (at their own expense) of them at any time upon reasonable request during normal business hours and upon reasonable notice for any proper purpose and without undue interference to the business operations of the Purchaser; and

(b) use commercially reasonable efforts to assist the Vendor, including providing any reasonable information requested by the Vendor, with respect to any queries or questions that the Vendor may have in order to facilitate any Tax filings or Tax related questions or disputes that may arise following the Closing Date.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by same-day courier or by read-receipted email, addressed:

(a) in the case of the Purchaser, as follows:

DC HOLDINGS LTD., dba Coachwood Group
13455 Sylvestre Drive
Windsor, ON N8P 2L9

Attention: Dan Crosby
Email: dan@coachwoodgroup.com

with a copy to:

Pearsall, Marshall, Halliwill & Seaton LLP
22 Queens Avenue
Leamington, ON N8H 3G8

Attention: David Halliwell
Email: dhalliwill@pmhslaw.com

(b) in the case of the Vendor, as follows:

BioSteel Sports Nutrition Inc.
c/o Greenhill & Co. Canada Ltd.
79 Wellington Street West, Suite 3403
Toronto, ON M5K 1K7

Attention: Michael Nessim and Usman Masood
Email: Michael.nessim@greenhill.com and usman.masood@greenhill.com

with a copy to:

Cassels Brock & Blackwell LLP
40 Temperance Street, Suite 3200
Toronto, ON M5H 0B4

Attention: Ryan Jacobs and Natalie Levine
Email: rjacobs@cassels.com and nlevine@cassels.com

(c) in each case, with a further copy to the Monitor as follows:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20
Toronto, Ontario, M5J 2W4

Attention: Noah Goldstein and Ross Graham
Email: ngoldstein@ksvadvisory.com and rgraham@ksvadvisory.com

with a copy to:

Bennett Jones LLP
3400 One First Canadian Place PO Box 130
Toronto, Ontario, M5X 1A4

Attention: Sean Zweig and Jesse Mighton
Email: zweigs@bennettjones.com; mightonj@bennettjones.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Toronto time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Public Announcements

The Vendor and the Monitor shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Immediately following receipt of the Approval and Vesting Order, the Purchaser shall be permitted to issue a press release or other announcement concerning the Transaction with the consent of the Vendor, acting reasonably.

9.4 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.5 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing, provided that the covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.6 Entire Agreement

This Agreement and the attached Schedules hereto constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendor (with the consent of the Monitor) and the Purchaser.

9.7 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with this Transaction or this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency.

9.8 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Ontario therefrom.

9.9 Assignment

The Purchaser cannot assign any of its rights or obligations under this Agreement without the prior written consent of the Vendor and the Monitor. Notwithstanding the forgoing, this Agreement may be assigned by the Purchaser prior to the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendor or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendor and the Monitor; and (iii) such assignee agrees in writing to be bound by the terms of this Agreement to the extent of the assignment and a copy of such assumption agreement is delivered to the Vendor and the Monitor forthwith after having been entered into; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder. This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns.

9.10 Further Assurances

Each of the Parties shall, at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement.

9.11 Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.12 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

9.13 Non-Waiver

No waiver of any condition or other provision, in whole or in part, shall constitute a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in writing.

9.14 Expenses

Each of the Parties shall pay their respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant hereto and any other costs and expenses whatsoever and howsoever incurred.

9.15 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel, and the Closing shall be deemed to have occurred.

9.16 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA, the Initial Order and any other order of the Court in this CCAA Proceeding, the Vendor and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendor and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever.

[*Signature Page Follows*]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

BIOSTEEL SPORTS NUTRITION INC.

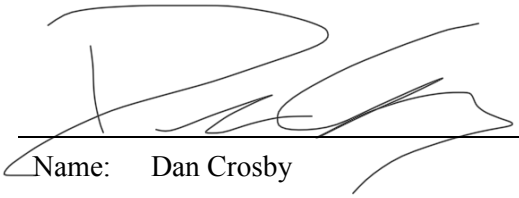
By: DocuSigned by: Eugene Davis C99036B5ABD64B8...

Name: Eugene I. Davis

Title: Director

I have authority to bind the Vendor.

DC HOLDINGS LTD.

By: 

Name: Dan Crosby

Title: CEO

I have authority to bind the Purchaser.

EXHIBIT 2

BioSteel Canada Vesting Order

Electronically issued / Délivré par voie électronique : 16-Nov-2023
Toronto Superior Court of Justice / Cour supérieure de justice

Court File No./N° du dossier du greffe : CV-23-00706033-00CL

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 16TH
	)	
JUSTICE CONWAY	)	DAY OF NOVEMBER, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the "**Applicants**")

BIOSTEEL CANADA APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order approving the transaction (the "**BioSteel Canada Transaction**") contemplated by an Asset Purchase Agreement between DC Holdings LTD., dba Coachwood Group of Companies ("**DC Holdings**"), as buyer, and BioSteel Sports Nutrition Inc. ("**BioSteel Canada**"), as seller, dated November 9, 2023 (as amended from time to time, in accordance with the terms thereof, the "**BioSteel Canada Purchase Agreement**") and vesting in DC Holdings, BioSteel Canada's right, title, and interest in and to the Purchased Assets (as defined in the BioSteel Canada Purchase Agreement) was heard this day by judicial videoconference via Zoom.

ON READING the Affidavit of Sarah Eskandari, sworn November 10, 2023, and the Exhibits thereto (the "**Eskandari Affidavit**"), the Second Report of KSV Restructuring, Inc. in its capacity as the court-appointed monitor (the "**Monitor**") dated November 14, 2023 (the "**Second Report**") and such further materials as counsel may advise, and on hearing the submissions of counsel to the Applicants, counsel to the Monitor, counsel to DC Holdings, and the other parties listed on the counsel slip, and no one else appearing for any other party on the Service List

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although duly served as appears from the affidavit of service of Stephanie Fernandes sworn November 10, 2023.

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used herein that are otherwise not defined shall have the meaning ascribed to them in the BioSteel Canada Purchase Agreement and/or the Amended and Restated Initial Order made in these proceedings on September 21, 2023 (the "**ARIO**"), as applicable.

APPROVAL OF BIOSTEEL CANADA TRANSACTION

3. **THIS COURT ORDERS** that the BioSteel Canada Purchase Agreement and the BioSteel Canada Transaction are hereby approved and the execution of the BioSteel Canada Purchase Agreement by BioSteel Canada is hereby authorized and approved, with such minor amendments as the Applicants, with the consent of the Monitor, may deem necessary. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the BioSteel Canada Transaction and for the conveyance of the Purchased Assets to DC Holdings.

4. **THIS COURT ORDERS** that BioSteel Canada is authorized and directed to perform its obligations under the BioSteel Canada Purchase Agreement and any ancillary documents related thereto.

VESTING OF THE PURCHASED ASSETS

5. **THIS COURT ORDERS** that upon the delivery of a Monitor's certificate to the Applicants (or their counsel) and to DC Holdings (or its counsel) substantially in the form attached as **Schedule "A"** hereto (the "**Monitor's Certificate**"), all of BioSteel Canada's right, title and interest in and to the Purchased Assets shall vest absolutely in DC Holdings as at 12:01 a.m. on the date of the Monitor's Certificate free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and

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whether secured, unsecured or otherwise (collectively, the "**Claims**"), including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the ARIO, the SISP Approval Order made in these proceedings on September 21, 2023, or any other Orders made in this CCAA proceeding; (ii) all charges, security interests or claims whether evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system in any province or territory in Canada or the Civil Code of Quebec, or the Uniform Commercial Code provisions in the United States, including without limitation those registrations listed on **Schedule "B"** hereto; and (iii) those Claims listed on **Schedule "C"** hereto (all of which are collectively referred to as the "**Encumbrances**"), and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims and Encumbrances, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery thereof to the Applicants and DC Holdings, or to their respective counsel.

8. **THIS COURT ORDERS** that the Monitor may rely on written notice from BioSteel Canada and DC Holdings regarding the fulfilment or waiver of conditions to closing under the BioSteel Canada Purchase Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.

9. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) the pendency of any applications for a bankruptcy or receivership now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as

amended (the "**BIA**"), in respect of the Applicants or its property, and any bankruptcy or receivership order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Applicants; and

(d) the provision of any federal or provincial statute,

the BioSteel Canada Purchase Agreement and the vesting of the Purchased Assets in DC Holdings pursuant to this Order shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of BioSteel Canada or its property and shall not be void or voidable by creditors of BioSteel Canada, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or other legislation.

10. **THIS COURT ORDERS** that, upon delivery of the Monitor's Certificate pursuant to paragraph 5 hereof, the NHL-NHLPA/BioSteel Corporate Marketing Letter Agreement dated as of February 17, 2022 (the "**Sponsorship Agreement**") shall be deemed to be terminated and at an end, effective immediately after the delivery of the Monitor's Certificate. Nothing in this Order precludes or restricts any of the NHL or the NHLPA parties from asserting an unsecured claim against BioSteel Canada for any amounts that they may claim to be owing to them pursuant to the Sponsorship Agreement in connection with a claims process approved by this Court, if any.

11. **THIS COURT ORDERS** that, upon delivery of the Monitor's Certificate pursuant to paragraph 5 hereof, the BioSteel Endorsement Agreement between BioSteel Sports Nutrition Inc. and Connor Bedard, dated as of August 3, 2022 (the "**Bedard Agreement**"), shall be deemed to be terminated and at an end, effective immediately after the delivery of the Monitor's Certificate. Nothing in this Order precludes or restricts Connor Bedard from asserting an unsecured claim against BioSteel Canada for any amounts that he may claim to be owing to him pursuant to the Bedard Agreement in connection with a claims process approved by this Court, if any.

GENERAL

12. **THIS COURT ORDERS** that the Applicants, the Monitor or DC Holdings may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

13. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give

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effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

14. **THIS COURTS ORDERS** that this Order and all of its provisions are effective as of 12:02 a.m. Eastern Prevailing Time on the date of this Order without any need for filing or entry.

Conway J.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

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DATED AT TORONTO THIS 17 DAY OF November 20 23
FAIT À TORONTO LE JOUR DE

REGISTRAR GREFFIER

Schedule "A" – Form of Monitor's Certificate

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the **"Applicants"**)

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 14, 2023 (as amended and restated, and as may be further amended and restated from time to time, the "**Initial Order**"), KSV Restructuring, Inc. was appointed as monitor of BioSteel Sports Nutrition Inc. (in such capacity, the "**Monitor**") in proceedings commenced by BioSteel Sports Nutrition Inc. ("**BioSteel Canada**") under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceeding**").

B. Pursuant to an Order of the Honourable Justice Conway of the Court dated November 16, 2023, BioSteel Manufacturing LLC and BioSteel Sports Nutrition USA LLC were made Applicants in the CCAA Proceeding and the terms of the Initial Order were made applicable to BioSteel Manufacturing and BioSteel Sports Nutrition USA LLC.

C. Pursuant to the BioSteel Canada Approval and Vesting Order of the Court dated November 16, 2023 (the "**BioSteel Canada Approval and Vesting Order**"), the Court approved the Asset Purchase Agreement between DC Holdings LTD., dba Coachwood Group of Companies ("**DC Holdings**"), as buyer, and BioSteel Canada, as seller, dated November 9, 2023 (as amended from time to time in accordance with the terms thereof, the "**BioSteel Canada Purchase Agreement**"), providing for the vesting in DC Holdings, of all of BioSteel Canada's right, title and interest in and to all of the Purchased Assets (as defined in the BioSteel Canada

Purchase Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to DC Holdings (or its counsel) and the Applicants (or their counsel) of this Monitor's Certificate.

D. Unless otherwise indicated or defined herein, capitalized terms used in this Monitor's Certificate shall have the meanings given to them in the BioSteel Canada Purchase Agreement.

THE MONITOR CERTIFIES the following:

1. The conditions to Closing set forth in the BioSteel Canada Purchase Agreement have been satisfied or waived by BioSteel Canada and DC Holdings.

2. DC Holdings has paid or satisfied the Purchase Price, subject to applicable adjustments (if any), for the Purchased Assets payable on the Closing Date pursuant to the BioSteel Canada Approval and Vesting Order and/or the BioSteel Canada Purchase Agreement.

3. The BioSteel Canada Transaction has been completed to the satisfaction of the Applicants, the Monitor and DC Holdings.

DATED at Toronto, Ontario this _____ day of _____, 2023.

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

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DATED AT TORONTO THIS 17 DAY OF November 20 23
FAIT À TORONTO LE JOUR DE

REGISTRAR GREFFIER

KSV RESTRUCTURING INC., solely in its capacity as Monitor of the Applicants and not in its personal capacity

Per: _____

Name:

Title:

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Schedule "B" – Registrations to be Released

- *Personal Property Security Act* (Ontario) financing statement filed against BioSteel Sports Nutrition Inc. with registration number 20190124 1141 1590 8558 and file number 747828531 in favour of Canopy Growth Corporation.
- *Personal Property Security Act* (Ontario) financing statement filed against BioSteel Sports Nutrition Inc. with registration number 20210826 0915 1532 0998 and file number 775780416 in favour of Royal Bank of Canada.

Schedule "C" – Encumbrances

CIPO App No.	Trademark	Status	Encumbrance Vested Out
TMA1155752	BIOSTEEL SPORTS NUTRITION		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA946144	BIOSTEEL SPORTS		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA1155751	BIOSTEEL Design		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA911839	BIOSTEEL SPORTS BIO STEEL		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA1155753	S Design		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA957069	BIOSTEEL		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06
TMA952162	#DRINKTHEPINK		Security Agreement:
			Canopy Growth Corporation
		REGISTERED	Recorded and dated 2019-11-06

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DATED AT TORONTO THIS 17 DAY OF November 20 23
FAIT À TORONTO LE JOUR DE

REGISTRAR GREFFIER

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT
TORONTO

BIOSTEEL CANADA APPROVAL AND VESTING ORDER

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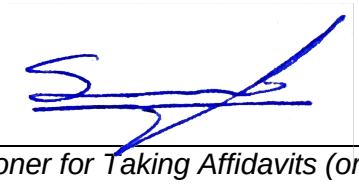
Tel: 416.869.5386
jbornstein@cassels.com

Lawyers for BioSteel

This is Exhibit “C” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

TENTH AMENDED AND RESTATED GENERAL SECURITY AGREEMENT

THIS AGREEMENT made as of the 13th day of July, 2023,

B E T W E E N:

CANOPY GROWTH CORPORATION, in its capacity as Agent for each of the Lenders

hereinafter referred to as "**Secured Party**")

and

BIOSTEEL SPORTS NUTRITION INC., a corporation duly incorporated according to the laws of Canada,

(hereinafter referred to as the "**Debtor**").

WHEREAS pursuant to a loan agreement dated January 25, 2019, (as amended by the first amending agreement dated as of May 6, 2019 and as further amended by a second amendment to loan agreement dated August 1, 2019, the "**Original Loan Agreement**") between the Debtor and the Secured Party, the Secured Party advanced money to the Debtor;

AND WHEREAS, in connection with the Original Loan Agreement, the Debtor and Canadian Lender entered into a general security agreement dated January 25, 2019 (the "**Original GSA**") pursuant to which the Debtor granted the Canadian Lender a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Canadian Lender entering into an amendment and restatement of the Original Loan Agreement as of January 9, 2020 (the "**First Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Original GSA dated as of same (the "**First Amended and Restated GSA**") pursuant to which the Debtor granted the Canadian Lender a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor, Canadian Lender and 11065220 Canada Inc. (the "**US Lender**" and together with the Canadian Lender, the "**Lenders**") entering into a second amendment and restatement of the First Amended and Restated Loan Agreement as of November 11, 2020 (the "**Second Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the First Amended and Restated GSA dated as of same (the "**Second Amended and Restated GSA**") pursuant to which, among other things, the Secured Party agreed to hold all security granted by the Debtor for the Secured Party's own benefit and as agent for and on behalf of each of the Lenders;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Second Amended and Restated Loan Agreement as of March

2, 2021 (the "**Third Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Second Amended and Restated GSA dated as of same (the "**Third Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Third Amended and Restated Loan Agreement as of May 7, 2021 (the "**Fourth Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Third Amended and Restated GSA dated as of same (the "**Fourth Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Fourth Amended and Restated Loan Agreement as of June 15, 2021 (the "**Fifth Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Fourth Amended and Restated GSA dated as of same (the "**Fifth Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Fifth Amended and Restated Loan Agreement as of October 1, 2021 (the "**Sixth Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Fifth Amended and Restated GSA dated as of same (the "**Sixth Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Sixth Amended and Restated Loan Agreement as of December 16, 2021 (the "**Seventh Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Sixth Amended and Restated GSA dated as of same (the "**Seventh Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Seventh Amended and Restated Loan Agreement as of July 20, 2022 (the "**Eighth Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Seventh Amended and Restated GSA dated as of same (the "**Eighth Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS in connection with the Debtor and Lenders entering into an amendment and restatement of the Eighth Amended and Restated Loan Agreement as of October 3, 2022 (the "**Ninth Amended and Restated Loan Agreement**"), the Debtor and Secured Party amended and restated the Eighth Amended and Restated GSA dated as of same (the "**Ninth Amended and Restated GSA**") pursuant to which the Debtor granted the Secured Party, for itself

and as agent for the Lenders, a continuing security interest in all of the Collateral to secure all Obligations;

AND WHEREAS the Debtor and Lenders have entered into an amendment and restatement of the Ninth Amended and Restated Loan Agreement as of the date hereof (the "**Tenth Amended and Restated Loan Agreement**"), pursuant to which, among other things, the Lenders have agreed to advance additional monies to the Debtor;

AND WHEREAS as a condition precedent to any advance under the Tenth Amended and Restated Loan Agreement, the Debtor is required to execute and deliver this Agreement in order to amend and restate the Ninth Amended and Restated GSA and to continue the grant to the Secured Party, for its own benefit and for the benefit of each of the Lenders, of a continuing security interest in all of the Collateral to secure all Obligations;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each party), the parties agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Defined Terms

For the purpose of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

"**Act**" means the *Personal Property Security Act* (Ontario) and the regulations promulgated thereunder;

"**Banking Day**" means any day of the year, other than a Saturday, Sunday or other day on which banks are required or authorized to close in Toronto, Ontario;

"**Collateral**" means, subject to Sections 2.3 and 2.4, any and all real and Personal Property in which a security interest can be taken, reserved, created or granted whether under the Act or otherwise, and which is now or hereafter owned by the Debtor or in which the Debtor now has or hereafter acquires any interest or rights of any nature whatsoever, excluding Consumer Goods but including, without in any way limiting the generality of the foregoing, all Accounts, Money, Inventory, Equipment, Goods, Intangibles, Investment Property, Intellectual Property, Instruments, Chattel Paper, Documents of Title, insurance policies, insurance proceeds, insurance claims and all ledger sheets, files, records and all Proceeds, products and accessions from, of and to any thereof, and, where the context permits, any reference to "**Collateral**" shall be deemed to be a reference to "**Collateral or any part thereof**";

"**Contractual Rights**" has the meaning given to it in Section 2.4;

"**Control**" has the meaning given to it in the STA;

"**Default**" has the meaning given to it in the Tenth Amended and Restated Loan Agreement;

"**Demand**" means the written repayment demand from the Secured Party to the Debtor in accordance with the terms of the Senior Loan Agreement;

"**Encumbrance**" means any hypothec, mortgage, pledge, security interest, encumbrance, lien, charge, deposit arrangement, lease, assignment by way of security, adverse claim, right of set-off or agreement, trust, deemed trust or any other arrangement or condition that in substance or effect secures payment or performance of an obligation of the Debtor, statutory and other non-commercial leases or encumbrances and includes the interest of a vendor or lessor under any conditional sale agreement, capital lease or other title retention agreement;

"**Event of Default**" has the meaning given to it in the Tenth Amended and Restated Loan Agreement;

"**Expenses**" means any and all reasonable expenses incurred from time to time by the Secured Party, any Lender, or any Receiver, in the preparation of this Agreement, in the perfection or preservation of the Security Interest and any and all reasonable expenses incurred from time to time by the Secured Party, or any Receiver, in enforcing payment or performance of the Obligations or any part thereof or in locating, taking possession of, transporting, holding, repairing, processing, preparing for and arranging for the disposition of and/or disposing of the Collateral and any and all other reasonable expenses incurred by the Secured Party, any Lender, or any Receiver, as a result of the Secured Party, any Lender or such Receiver exercising any of its rights or remedies hereunder or under the Act or the STA including, without in any way limiting the generality of the foregoing, any and all reasonable legal expenses (on a full indemnity basis) including those incurred in any legal action or proceeding or appeal therefrom commenced or taken in good faith by the Secured Party and any and all reasonable fees and disbursements of any solicitor (on a full indemnity basis), accountant or evaluator or a similar Person employed by the Secured Party in connection with any of the foregoing and the costs of insurance and payment of taxes and other charges incurred in retaking, holding, repairing, processing and preparing for disposition and disposing of the Collateral;

"**Governmental Authority**" means the government, parliament or legislature of Canada or any other nation, or of any political subdivision thereof, whether federal, provincial, territorial, state, municipal or local, and any agency, authority, instrumentality, ministry, tribunal, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government, including any supra-national bodies such as the European Union or the European Central Bank and including a Minister of the Crown, Superintendent of Financial Institutions or other comparable authority or agency;

"**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae, customer lists, data bases, documentation, registrations and franchises relating to any of the foregoing; (iii)

copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names, domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) computer software and programs (both source code and object code form), all proprietary rights in the computer software and programs and all documentation and other materials related to the computer software and programs; (viii) any other intellectual property and industrial property; and (ix) all additions and improvements to the foregoing;

"**limited liability company**" has the meaning given to it in subsection 12(3) of the STA;

"**LLC Interest**" means any interest in a partnership or limited liability company which is not a Security;

"**Loan**" has the meaning given to it in the Tenth Amended and Restated Loan Agreement;

"**Loan Documents**" means this Agreement, the Tenth Amended and Restated Loan Agreement and all other documents, instruments, certificates and agreements to be or hereafter from time to time executed and delivered to the Secured Party by the Debtor in connection with the Loan;

"**Obligations**" means all indebtedness, liabilities and obligations (whether direct, indirect, absolute, contingent or otherwise and whether in respect of principal or interest thereon) existing from time to time of the Debtor to the Secured Party (including, for greater certainty, to any successor or permitted assign thereof, whether arising or incurred before or after the date of succession or assignment) and arising pursuant to the Loan Documents, including this Agreement;

"**Permitted Encumbrances**" has the meaning given to it in Section 4.7(d);

"**Person**" means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity;

"Rate" shall mean the "Tranche A Rate" as defined in the Tenth Amended and Restated Loan Agreement;

"**Receiver**" has the meaning given to it in Section 7.1(l);

"**Registered Intellectual Property**" means any Intellectual Property (excluding trade names, business names, corporate names, domain names, website names and world wide web addresses) in respect of which ownership, title, security interests, charges or encumbrances are from time to time registered, recorded or notated with any Governmental Authority pursuant to applicable laws;

"**Security Interest**" has the meaning given to it in Section 2.1;

"**STA**" means the *Securities Transfer Act*, *2006* (Ontario) and the regulations promulgated thereunder;

"**ULC/Partnership**" means an unlimited company, unlimited liability company, unlimited liability corporation or general partnership; and

"**ULC/Partnership Interest**" means the Debtor's interest in any ULC/Partnership or its interest as a general partner in a limited partnership.

1.2 Other Definitions

All capitalized terms used herein and not otherwise defined herein shall, if defined therein, have the respective meanings assigned to them in the Act, including the terms "Accession", "Account", "Certificated Security", "Chattel Paper", "Consumer Goods", "Document of Title", "Equipment", "Financial Asset", "Futures Account", "Goods", "Instrument", "Intangible", "Inventory", "Investment Property", "Money", "Personal Property", "Proceeds", "Securities Account", "Security", "Securities Intermediary" and "Uncertificated Security". All other capitalized terms used herein and not defined shall have the respective meanings assigned to them in the Tenth Amended and Restated Loan Agreement.

1.3 Rules of Construction

Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

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

(b) references to "Article", "Section", "Schedule" or "Exhibit" followed by a number or letter refer to the specified Article or Section of or Schedule or Exhibit to this Agreement;

(c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;

(d) words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders;

(e) the word "including" is deemed to mean "including without limitation";

(f) the terms "party" and "the parties" refer to a party or the parties to this Agreement;

(g) any reference to any agreement (including this Agreement), indenture or other instrument in writing means such agreement, indenture or other instrument in writing as amended, modified, replaced or supplemented from time to time;

(h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;

(i) any reference in this Agreement to the Secured Party or a Receiver shall be construed to include their respective successors and permitted assigns;

(j) all dollar amounts refer to Canadian dollars;

(k) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and

(l) whenever any payment is required to be made, action is required to be taken or period of time is to expire on a day other than a Banking Day, such payment shall be made, action shall be taken or period shall expire on the next following Banking Day.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law and Submission to Jurisdiction

(a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province.

(b) The Debtor irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

1.6 Conflict

In the event of a conflict or inconsistency between the provisions of this Agreement and the provisions of any other Loan Document, the provisions giving the Secured Party greater rights or remedies shall govern (to the maximum extent permitted by applicable laws), it being understood that the purpose of this Agreement and all of the other Loan Documents is to add to, and not detract from, the rights granted to the Secured Party under the Loan Documents. In the event of any other conflict or inconsistency between the terms of this Agreement and the Tenth Amended and Restated Loan Agreement, the applicable terms of the Tenth Amended and Restated Loan Agreement shall govern.

1.7 Amendment and Restatement

Effective as of the date hereof, this Agreement amends and restates, in its entirety, and supersedes the Ninth Amended and Restated GSA and all other preceding forms of agreements which granted the Secured Party an interest in the Collateral, including the Original GSA, First Amended and Restated GSA, Second Amended and Restated GSA, Third Amended and Restated GSA, Fourth Amended and Restated GSA, Fifth Amended and Restated GSA, Sixth Amended and Restated GSA, Seventh Amended and Restated GSA and Eighth Amended and Restated GSA. Each of the parties hereto acknowledges and agrees that each of the documents entered into in connection with the Ninth Amended and Restated GSA and all other preceding

forms of that agreement, including the Original GSA, First Amended and Restated GSA, Second Amended and Restated GSA, Third Amended and Restated GSA, Fourth Amended and Restated GSA, Fifth Amended and Restated GSA, Sixth Amended and Restated GSA, Seventh Amended and Restated GSA and Eighth Amended and Restated GSA, unless otherwise amended concurrently herewith, shall continue in full force and effect and that all of its obligations thereunder shall be valid and enforceable and shall not be impaired or limited by the execution or effectiveness of the amendment and restatement herein. Nothing in this Agreement shall constitute a release of any security interest granted pursuant to the Original GSA, First Amended and Restated GSA, Second Amended and Restated GSA, Third Amended and Restated GSA, Fourth Amended and Restated GSA, Fifth Amended and Restated GSA, Sixth Amended and Restated GSA, Seventh Amended and Restated GSA, Eighth Amended and Restated GSA or Ninth Amended and Restated GSA

1.8 Entire Agreement

This Agreement and the other Loan Documents to which the Debtor is a party constitute the entire agreement between the Debtor and the Secured Party with respect to the subject matter hereof and thereof, and supersede all prior agreements and understandings, if any, relating to the subject matter hereof or thereof. Any promises, representations, warranties or guarantees not herein contained and hereinafter made shall have no force and effect unless in writing signed by the parties hereto. Each party hereto acknowledges that it has been advised by counsel in connection with the negotiation and execution of this Agreement and is not relying upon oral representations or statements inconsistent with the terms and provisions hereof.

1.9 Severability

Whenever possible, each provision or portion of any provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law but the invalidity or unenforceability of any provision or portion of any provision of this Agreement in any jurisdiction shall not affect the validity or enforceability of the remainder of this Agreement in that jurisdiction or the validity or enforceability of this Agreement, including that provision or portion of any provision, in any other jurisdiction. In addition, should a court determine that any provision or portion of any provision of this Agreement is not reasonable or valid, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which the court deems reasonable or valid and the parties agree to request that the court apply notional severance to give effect to the provisions of this Agreement to the fullest extent deemed reasonable or valid by the court.

ARTICLE 2
SECURITY INTEREST

2.1 Creation of Security Interest

Subject to Sections 2.3 and 2.4, as continuing security for the due and timely payment and performance by the Debtor of the Obligations, the Debtor hereby grants to the Secured Party, for its own benefit and as agent for each of the Lenders, a security interest (the "**Security Interest**") in, and, as further general and continuing security for the payment and performance of the Obligations, the Debtor hereby also assigns (other than with respect to trademarks) to the Secured Party, for its own benefit and as agent for each of the Lenders, and mortgages and charges as and by way of a fixed and specific mortgage and charge to the Secured Party, and pledges for the benefit of the Secured Party, for its own benefit and as agent for each

of the Lenders, all right, title and interest that the Debtor now has or may hereafter have or acquire, in any manner whatsoever, in the Collateral.

2.2 Attachment

The Debtor and the Secured Party acknowledge and agree that value has been given for the granting of the Security Interest and that they have not agreed to postpone the time for attachment, except for after-acquired property forming part of the Collateral the attachment to which will occur forthwith upon the Debtor acquiring rights thereto.

2.3 Exception for Last Day of Leases

The Security Interest granted hereby does not and shall not extend to, and Collateral shall not include, the last day of the term of any lease or sub-lease, oral or written, or any agreement therefor, now held or hereafter acquired by the Debtor, but the Debtor shall stand possessed of such last day in trust to assign the same as the Secured Party shall direct.

2.4 Exception for Contractual Rights

(a) The Security Interest hereby granted does not and shall not extend to, and Collateral shall not include, any agreement, right, franchise, licence or permit (the "**Contractual Rights**") to which the Debtor is a party or of which the Debtor has the benefit, to the extent that the creation of the Security Interest herein would constitute a breach of the terms of or permit any Person to terminate the Contractual Rights, but the Debtor shall hold its interest therein in trust for the Secured Party and shall assign such Contractual Rights to the Secured Party forthwith upon obtaining the consent of the other party thereto.

(b) The Debtor agrees that it shall, upon the request of the Secured Party, use all commercially reasonable efforts to obtain any consent required to permit any Contractual Rights to be subjected to the Security Interest. The Debtor will also use all commercially reasonable efforts to ensure that all agreements entered into on and after the date of this Agreement expressly permit assignments of the benefits of such agreements as collateral security to the Secured Party in accordance with the terms of this Agreement.

(c) Section 2.4(a) shall not apply to any Contractual Rights in so far as they prohibit, restrict or require the consent of the account debtor for the assignment of, or the giving of a security interest in, the whole of an Account or Chattel Paper for Money due or to become due and Collateral shall, notwithstanding Section 2.4(a), include such Contractual Rights.

2.5 Control of Instruments, Securities, etc.

(a) Upon request by the Secured Party, the Debtor shall forthwith deliver to the Secured Party, to be held by the Secured Party hereunder, all Instruments, Certificated Securities, Chattel Paper, Documents of Title, certificated LLC Interests and other negotiable documents of title in its possession or control which pertain to or form part of the Collateral including, without limitation, those Securities and LLC Interests listed on Schedule 3.6(a) (if any), and shall, where appropriate, duly endorse the same for transfer in blank or as the Secured Party may direct and shall make all reasonable efforts to deliver to the Secured Party any and all consents or other instruments or documents necessary to comply with any restrictions on the transfer thereof in order to transfer the same to the Secured Party. The Debtor agrees to denote the Secured Party's

security interest on any Instruments, Certificated Securities, Chattel Paper, Documents of Title or other Collateral in the possession or control of the Debtor.

(b) If the Debtor acquires any Instruments, Certificated Securities, Chattel Paper, Documents of Title, certificated LLC Interests or other negotiable documents of title, the Debtor will notify the Secured Party in writing and provide the Secured Party with a revised **Error! Reference source not found.** or **Error! Reference source not found.**, as applicable, recording the acquisition and particulars of such Investment Property, LLC Interests or Instruments within 30 Banking Days after such acquisition. Upon request by the Secured Party, the Debtor will promptly deliver to and deposit with the Secured Party any such Investment Property which is Certificated Securities, certificated LLC Interests or Instruments, or in the case of any other Investment Property, enter into a control agreement with the relevant Securities Intermediary, Futures Intermediary or issuer and the Secured Party (in form and substance satisfactory to the Secured Party) or otherwise grant such control over such Investment Property as the Secured Party requires or considers necessary or desirable to perfect or better perfect its security interest in such Collateral or to give the Security Interest improved priority over the Collateral (including, without limitation, in the case of Uncertificated Securities or uncertificated LLC Interests, either delivering to the Secured Party an irrevocable agreement of the issuer of such Uncertificated Securities or uncertificated LLC Interests, on terms satisfactory to the Secured Party, that such issuer will comply with instructions originated by the Secured Party without the further consent of the Debtor, or causing such issuer to register the Secured Party or its agent or nominee, as directed by the Secured Party, as the registered owner of such Uncertificated Securities or uncertificated LLC Interests).

2.6 Intellectual Property

The Debtor will promptly notify the Secured Party in writing of the acquisition by the Debtor of any Registered Intellectual Property. The Debtor will provide the Secured Party with a revised **Error! Reference source not found.** recording the acquisition and particulars of such additional Registered Intellectual Property.

2.7 Grant of Licence to Use Intellectual Property

At such time as the Secured Party is lawfully entitled to exercise its rights and remedies under Article 7 the Debtor grants (to the extent permitted by the terms of any licence, if applicable) to the Secured Party an irrevocable, non-exclusive licence (exercisable without payment of royalty or other compensation to the Debtor) to use, assign or sublicense any Intellectual Property in which the Debtor has rights wherever the same may be located, including in such licence access to (i) all media in which any of the licensed items may be recorded or stored, and (ii) all software and computer programs used for compilation or print-out. The licence granted under this Section is to enable the Secured Party to exercise its rights and remedies under Article 7 and for no other purpose.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE DEBTOR

The Debtor represents and warrants to the Secured Party that as at the date hereof:

3.1 Representations and Warranties in the Tenth Amended and Restated Loan Agreement

The representations and warranties of the Debtor set forth in the Tenth Amended and Restated Loan Agreement are true and correct.

3.2 French Name

The Debtor does not have or use a combined French and English name.

3.3 Business Names, Former Names and Predecessor Names

All business names, former names and names of all predecessors of the Debtor are set forth in **Error! Reference source not found.**.

3.4 Location of Debtor

(a) The Debtor is incorporated under the laws of Canada.

(b) The registered office or head office of the Debtor's is located at 87 Wingold Avenue , Unit 1, Toronto, ON M6B 1P8.

(c) The Debtor's place of business or, if it has more than one place of business, its chief executive office, is located at 87 Wingold Avenue , Unit 1, Toronto, ON M6B 1P8.

(d) The books and records of the Debtor are located at 87 Wingold Avenue , Unit 1, Toronto, ON M6B 1P8, with the exception of the minute book of the Debtor, which is held at 1 Hershey Drive, Smiths Falls, ON, K7A 3K8;

(e) Accounts and invoices of the Debtor are issued from 87 Wingold Avenue , Unit 1, Toronto, ON M6B 1P8.

3.5 Location of Collateral

With the exception of Inventory in transit, all tangible assets comprising the Collateral are situated at the addresses set out in **Error! Reference source not found.**.

3.6 Investment Property

(a) **Error! Reference source not found.** lists all Securities or LLC Interests owned by the Debtor.

(b) **Error! Reference source not found.** lists all Investment Property (other than Securities or LLC Interests) which are owned or maintained by or in which the Debtor otherwise has an interest or rights.

(c) **Error! Reference source not found.** sets out:

(i) for all Collateral which is Certificated Securities, the location of the certificate;

(ii) for all Collateral which is Uncertificated Securities, the location of the issuer's jurisdiction;

(iii) for all Collateral which is Securities Entitlements or Securities Accounts, the Security Intermediary's jurisdiction; and

(iv) for all Collateral which is Futures Contracts or Futures Accounts, the Futures Intermediary's jurisdiction.

3.7 Registered Intellectual Property

To Debtor's knowledge, **Error! Reference source not found.** lists all Registered Intellectual Property that is registered or recorded in the name of the Debtor.

3.8 Designation of Partnership and LLC Interests

The terms of each partnership interest or limited liability company interest held by the Debtor, as set out in the applicable partnership agreement, limited liability company agreement or other constating documents and any certificate representing such interest, expressly provide that such interest is a "security" for the purposes of the STA.

3.9 Financial Assets

With respect to any Securities Account, the relevant Securities Intermediary has expressly agreed with the Debtor that all credit balances maintained therein shall not be treated as a Financial Asset.

ARTICLE 4
COVENANTS OF THE DEBTOR

So long as any of the Obligations exist, the Debtor covenants and agrees as follows:

4.1 Maintain Collateral

The Debtor shall keep all Equipment comprising part of the Collateral (other than obsolete Equipment) in good order and repair, subject to normal wear and tear, and shall not use such Equipment in violation of the provisions of this Agreement or any other agreement between the Debtor and the Secured Party relating to Collateral or any policy insuring Collateral or any applicable statute, law, by-law, rule, regulation or ordinance.

4.2 No Accessions

The Debtor shall prevent any Collateral from being or becoming an accession to property.

4.3 Fixtures

The Debtor acknowledges and agrees that no Collateral acquired by the Debtor after the date hereof shall become affixed to any real property except with the prior written consent of the Secured Party.

4.4 Delivery of Documents

In addition to the requirements set out in Section 2.5, the Debtor shall deliver to the Secured Party from time to time promptly upon request:

(a) all statements of account, bills, invoices and books of account relating to Accounts and all records, ledgers, reports, correspondence, schedules, documents, statements, lists and other writings relating to the Collateral for the purpose of inspecting, auditing or copying the same;

(b) all policies and certificates of insurance relating to Collateral; and

(c) such information concerning the Collateral, the Debtor and its business and affairs as the Secured Party may reasonably request.

4.5 Change of Name, Jurisdiction or Location

The Debtor shall not change its name or add any new business name, change its jurisdiction of incorporation or formation, or change any of the locations referred to in Section 3.4 without providing at least fifteen Banking Days' advance written notice to the Secured Party of such change or addition. The Debtor shall not change its business structure or identity except in accordance with the Tenth Amended and Restated Loan Agreement.

4.6 Creating and Preserving the Security Interest

The Debtor shall, from time to time at the request of the Secured Party, make and do all such acts and things and execute and deliver all such instruments, agreements, financing statements and documents as the Secured Party reasonably requests by notice in writing given to the Debtor in order to create, preserve, perfect, validate or otherwise protect the Security Interest, to enable the Secured Party to exercise and enforce its rights and remedies hereunder and generally to carry out the provisions and purposes of this Agreement and, for greater certainty, the Debtor shall, from time to time at the request of the Secured Party execute a power of attorney in such form as may be reasonably satisfactory to the Secured Party, provided that such power of attorney shall only be exercised upon the occurrence of an Event of Default and during the continuance thereof.

4.7 Restrictions on Dealings with Collateral

Except as provided in Section 4.8, the Debtor agrees that it shall not, without the prior written consent of the Secured Party:

(a) sell, assign, transfer, exchange, lease, consign or otherwise dispose of any Collateral;

(b) locate any Collateral at any location other than those set out in Section 3.5;

(c) increase the value of any Collateral at any location set out in Schedule 3.5 above the applicable inventory threshold set out therein, unless a bailment agreement, in a form acceptable to the Secured Party, is obtained in respect of the Collateral located at such location;

(d) create, assume or suffer to exist any Encumbrances (other than customary encumbrances granted in the ordinary course of business as and only to the extent permitted by Section 4.8, encumbrances arising by operation of law, and $50,000 of cash collateral on deposit with Royal Bank of Canada ("**Permitted Encumbrances**")) upon the Collateral ranking or purporting to rank in priority to or *pari passu* with the Security Interest; and

(e) deliver or grant control over any Investment Property to any Person other than the Secured Party.

4.8 Permitted Dealings with Collateral

Unless and until an Event of Default has occurred and is continuing or a Demand has occurred, the Debtor may, without the consent of the Secured Party:

(a) deal with its Money in the ordinary course of business or sell, assign, transfer, exchange, lease, consign or otherwise dispose of Inventory in the ordinary course of its business so that the purchaser thereof takes title thereto free and clear of the Security Interest granted hereby;

(b) sell or otherwise dispose of such part of its Equipment which is no longer necessary or useful in connection with its business or which has become worn out or obsolete or unsuitable for the purpose for which it was intended;

(c) collect Accounts in the ordinary course of its business; and

(d) grant purchase-money security interests in the ordinary course of its business, not exceeding $250,000 in the aggregate, in connection with the purchase or lease of Inventory or Equipment.

provided that no permitted action by the Debtor, nor any consent provided by the Secured Party, shall be construed as a subordination or postponement of the Security Interest to or in favour of any other Encumbrance.

4.9 Verification of Collateral

The Secured Party shall have the right at any time and from time to time to verify the existence and state of the Collateral in any reasonable manner the Secured Party may consider appropriate, and the Debtor agrees to furnish all assistance and information and to perform all such acts as the Secured Party may reasonably request in connection therewith and for such purpose to grant to the Secured Party or its agents access to all places where Collateral may be located and to all premises occupied by the Debtor during regular business hours and upon reasonable notice provided by the Secured Party to the Debtor except in exceptional circumstances.

4.10 ULC/Partnership Interests

Notwithstanding the grant of the Security Interest set out in Section 2.1, the Debtor shall remain registered as the sole registered and beneficial owner of all ULC/Partnership Interests and will remain as registered and beneficial owner until such time as such ULC/Partnership Interests are effectively transferred into the name of the Secured Party or any

other Person on the books and records of such ULC/Partnership upon the exercise of rights to sell or otherwise dispose of ULC/Partnership Interests following a Demand or the occurrence and during the continuance of an Event of Default hereunder. Nothing in this Agreement is intended to or shall constitute the Secured Party or any other Person other than the Debtor as a shareholder, partner or member of any ULC/Partnership until such time as notice is given to such ULC/Partnership and further steps are taken thereunder so as to register the Secured Party or any other Person as the holder of the ULC/Partnership Interests of such ULC/Partnership upon the exercise of rights to sell or otherwise dispose of ULC/Partnership Interests following a Demand or the occurrence and during the continuance of an Event of Default hereunder. To the extent any provision hereof would have the effect of constituting the Secured Party or any other Person as a shareholder, partner or member of a ULC/Partnership prior to such time, such provision shall be severed therefrom and ineffective with respect to the ULC/Partnership Interests of such ULC/Partnership without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Securities which are not ULC/Partnership Interests. Except upon the exercise of rights to sell or otherwise dispose of ULC/Partnership Interests following a Demand or the occurrence and during the continuance of an Event of Default hereunder, the Debtor shall not cause or permit, or enable any ULC/Partnership in which it holds ULC/Partnership Interests to cause or permit, the Secured Party to: (a) be registered as a shareholder, partner or member of such ULC/Partnership; (b) have any notation entered in its favour in the share register of such ULC/Partnership; (c) be held out as a shareholder, partner or member of such ULC/Partnership; (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC/Partnership by reason of the Secured Party holding a security interest in such ULC/Partnership; or (e) act as a shareholder, partner or member of such ULC/Partnership, or exercise any rights of a shareholder, partner or member of such ULC/Partnership including the right to attend a meeting of shareholders, partners or members of such ULC/Partnership, or to vote such ULC/Partnership Interests.

4.11 Designation of Partnership and LLC Interests

The Debtor shall not become a partner of any partnership or a member of any limited liability company unless the terms of the partnership interest or limited liability company interest, as set out in the applicable partnership agreement, limited liability company agreement or other constating documents and any certificate representing such interest, expressly provide that such interest is a “security” for the purposes of the STA.

4.12 Defend

The Debtor shall promptly notify the Secured Party of any Encumbrance (other than Permitted Encumbrances) or other claim made or asserted against any of the Collateral and shall defend the Secured Party’s security interest in the Collateral against any and all claims and demands whatsoever including any adverse claim as defined in the STA.

4.13 Securities Accounts

The Debtor shall, with respect to any Securities Account owned, opened, acquired or maintained by or on behalf of the Debtor on or after the date hereof, prior to opening or acquiring any such Securities Account expressly agree with the relevant Securities Intermediary that any credit balance maintained therein shall not be treated as a Financial Asset.

ARTICLE 5
INVESTMENT PROPERTY

5.1 Registration in Secured Party's Name

In addition to the rights granted to the Secured Party pursuant to Section 2.5(b) in respect of Uncertificated Securities, if the Collateral at any time includes Investment Property or LLC Interests, upon a Demand or the occurrence and during the continuance of an Event of Default, the Debtor authorizes the Secured Party to transfer the same or any part thereof into its own name or that of its nominee so that the Secured Party or its nominee may appear as the sole owner of record thereof.

5.2 Voting and Other Rights

(a) So long as no Event of Default has occurred and is continuing or Demand has occurred:

(i) the Debtor may exercise all rights to vote and to exercise all rights of conversion or retraction or other similar rights with respect to any Securities or LLC Interests; provided that no such exercise, in the reasonable opinion of the Secured Party, will have an adverse effect on the value of such Securities or LLC Interests and all expenses of the Secured Party in connection therewith have been paid in full and provided further that, upon the exercise of the conversion right or retraction right, the additional Securities, LLC Interests or Money resulting therefrom shall be paid or delivered to the Secured Party; and

(ii) the Debtor shall, subject to Section 2.5, be entitled to receive all dividends (whether paid or distributed in cash, securities or other property), interest and other distributions declared and paid or distributed in respect of the Securities or LLC Interests.

(b) Upon the occurrence of an Event of Default and during the continuance thereof or the occurrence of a Demand:

(i) no proxy granted by the Secured Party or its nominee to the Debtor or its nominee in respect of any Securities or LLC Interests shall thereafter be effective;

(ii) the Debtor shall have no rights to vote or take any other action with respect to any Securities or LLC Interests;

(iii) the Secured Party may, but shall not be obligated to, vote and take all other actions with respect to any Securities or LLC Interests; and

(iv) the Debtor shall cease to be entitled to receive any dividends, interest or other distributions, whether declared or payable before or after the occurrence of a Demand or an Event of Default, in respect of the Securities or LLC Interests and such dividends, interest or other distributions shall be received by the Debtor in trust and paid to the Secured Party in accordance with Section 6.2.

ARTICLE 6
COLLECTION OF PROCEEDS AND ACCOUNTS

6.1 Control of Proceeds and Accounts

After the occurrence of an Event of Default and during the continuance thereof or after the occurrence of a Demand the Secured Party may, acting reasonably, at any time take control of any Proceeds and Accounts, and the Secured Party may notify, acting reasonably, any account debtor of the Debtor or any debtor under any instrument held by the Debtor or the Secured Party in satisfaction *pro tanto* of the Obligations hereunder to make payment directly to the Secured Party whether or not the Debtor has theretofore been making collections on the Collateral. From time to time after the occurrence of an Event of Default and during the continuance thereof or after the occurrence of a Demand and upon the reasonable request in writing of the Secured Party, the Debtor shall also so notify such Persons to make payment directly to the Secured Party and the Secured Party may, in its discretion, apply such in satisfaction *pro tanto* of the Obligations or hold such payments as further Collateral hereunder.

6.2 Money Received by Debtor in Trust

After the occurrence of an Event of Default and during the continuance thereof or after the occurrence of a Demand, if the Debtor shall collect or receive any payments in respect of any Accounts or any dividends, interest or other distributions in respect of any Securities or LLC Interests, or shall be paid for any of the other Collateral, or shall receive any Proceeds, all Money so collected or received by the Debtor shall be received by the Debtor as trustee for the Secured Party and shall be paid to the Secured Party forthwith upon demand and the Secured Party may, in its discretion, apply such in satisfaction *pro tanto* of the Obligations or hold such payments as further Collateral hereunder.

ARTICLE 7
DEFAULT AND THE SECURED PARTY'S REMEDIES

7.1 Remedies Upon Default

Upon the occurrence of any Event of Default and during the continuance thereof, all of the Obligations shall without any further notice or any other action on the part of the Secured Party be due and payable forthwith by the Debtor to the Secured Party and the Lenders, and the Security Interest hereby granted shall immediately become enforceable and the Secured Party may, forthwith or at any time thereafter and without notice to the Debtor, except as provided in the Act or this Agreement:

(a) declare any or all of the Obligations not then due and payable to be immediately due and payable by giving notice in writing thereof to the Debtor and, in such event, such Obligations shall be due and payable forthwith by the Debtor to the Secured Party;

(b) commence legal action to enforce payment or performance of the Obligations;

(c) require the Debtor, at the Debtor's expense, to assemble the Collateral at a place or places designated by notice in writing given by the Secured Party to the Debtor, and the Debtor agrees to so assemble the Collateral;

(d) require the Debtor, by notice in writing given by the Secured Party to the Debtor, to disclose to the Secured Party the location or locations of the Collateral and the Debtor agrees to make such disclosure when so required by the Secured Party;

(e) without legal process, enter any premises where the Collateral may be situated and take possession of the Collateral by any method permitted by law;

(f) repair, process, complete, modify or otherwise deal with the Collateral and prepare for the disposition of the Collateral, whether on the premises of the Debtor or otherwise and in connection with any such action utilize any of the Debtor's property without charge;

(g) dispose of the Collateral by private or public sale, lease or otherwise upon such terms and conditions as the Secured Party may determine and whether or not the Secured Party has taken possession of the Collateral;

(h) carry on all or any part of the business or businesses of the Debtor and, to the exclusion of all others including the Debtor, enter upon, occupy and, subject to any requirements of law and subject to any leases or agreements then in place, use all or any of the premises, buildings, plant, undertaking and other property of, or used by, the Debtor for such time and in such manner as the Secured Party sees fit, free of charge, and except to the extent required by law, the Secured Party shall not be liable to the Debtor for any act, omission or negligence in so doing or for any rent, charges, depreciation or damages or other amount incurred in connection therewith or resulting therefrom;

(i) file such proofs of claim or other documents as may be necessary or desirable to have its claim lodged in any bankruptcy, winding up, liquidation, dissolution or other proceedings (voluntary or otherwise) relating to the Debtor;

(j) borrow money for the purpose of carrying on the business of the Debtor or for the maintenance, preservation or protection of the Collateral and mortgage, charge, pledge or grant a security interest in the Collateral, whether or not in priority to the Security Interest hereby created and granted, to secure repayment of any money so borrowed or any interest or fees payable in connection herewith;

(k) where the Secured Party has taken possession of the Collateral as herein provided, retain the Collateral irrevocably, to the extent not prohibited by law, by giving notice thereof to the Debtor and to any other Persons required by law in the manner provided by law provided that such retention reduces the amount of the Obligations by an amount equal to the fair market value, as reasonably determined by the Secured Party of the Collateral so retained;

(l) appoint, by an instrument in writing delivered to the Debtor, a receiver, manager or a receiver and manager (a "**Receiver**") and remove any Receiver so appointed and appoint another or others in its stead, or institute proceedings in any court of competent jurisdiction for the appointment of a Receiver, it being understood and agreed that:

(i) the Secured Party may appoint any Person as Receiver, including an officer or employee of the Secured Party;

(ii) such appointment may be made at any time after an Event of Default either before or after the Secured Party shall have taken possession of the Collateral;

(iii) the Secured Party may from time to time fix the reasonable remuneration of the Receiver and direct the payment thereof out of the Collateral or Proceeds; and

(iv) the Receiver shall be deemed to be the agent of the Debtor for all purposes and, for greater certainty, the Secured Party shall not be, in any way, responsible for any actions, whether wilful, negligent or otherwise, of any Receiver, and the Debtor hereby agrees to indemnify and save harmless the Secured Party from and against any and all claims, demands, actions, costs, damages, expenses or payments which the Secured Party may hereafter suffer, incur or be required to pay as a result of, in whole or in part, any action taken by the Receiver or any failure of the Receiver to do any act or thing;

(m) pay or discharge any Encumbrance claimed by any Person and reasonably established to the satisfaction of the Secured Party in the Collateral and the amount so paid shall be added to the Obligations and shall bear interest calculated from the date of payment at the Rate until payment thereof; and

(n) take any other action, suit, remedy or proceeding authorized or permitted by this Agreement, the Tenth Amended and Restated Loan Agreement, the other Loan Documents, the Act, the STA or at law or in equity.

7.2 Sale of Collateral

(a) The parties hereto acknowledge and agree that any sale referred to in Section 7.1(g) may be a sale of either all or any portion of the Collateral and may be by way of public auction, public tender, private contract or otherwise without notice, advertisement or any other formality, except as required by law, all of which are hereby waived by the Debtor to the extent permitted by law. To the extent not prohibited by law, any such sale may be made with or without any special condition as to the upset price, reserve bid, title or evidence of title or other matter and from time to time as the Secured Party in its sole discretion thinks fit with power to vary or rescind any such sale or buy in at any public sale and resell. The Secured Party may sell the Collateral for a consideration payable by instalments either with or without taking security for the payment of such instalments and may make and deliver to any purchaser thereof good and sufficient deeds, assurances and conveyances of the Collateral and give receipts for the purchase money, and any such sale shall be a perpetual bar, both at law and in equity, against the Debtor and all those claiming an interest in the Collateral by, from, through or under the Debtor.

(b) Without limiting Section 7.2(a), the parties hereto further acknowledge and agree that in connection with any sale by the Secured Party of any Investment Property or LLC Interest forming part of the Collateral, the Secured Party is authorized to comply with any limitation or restriction as it may be advised by counsel or otherwise considers is necessary to comply with applicable law, including compliance with procedures that may restrict the number of prospective bidders and purchasers, requiring that prospective bidders and purchasers have certain qualifications, and restricting prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account or investment and not with a view to the

distribution or resale of such Collateral. The Debtor further agrees that compliance with any such limitation or restriction will not result in a sale being considered or deemed not to have been made in a commercially reasonable manner, and the Secured Party will not be liable or accountable to the Debtor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

7.3 Reference to Secured Party Includes Receiver

For the purposes of Sections 7.1 and 7.2, a reference to "**the Secured Party**" shall, where the context permits, include any Receiver.

7.4 Payment of Expenses

The amount of the Expenses shall be paid by the Debtor to the Secured Party from time to time forthwith after demand therefor is given by the Secured Party to the Debtor, together with interest thereon calculated from the date of such demand at the Rate, and payment of such Expenses together with such interest shall be secured by the Security Interest.

7.5 No Obligation to Enforce

The Secured Party shall not be under any obligation to, or liable or accountable for any failure to, enforce payment or performance of the Obligations or to seize, realize, take possession of or dispose of the Collateral and shall not be under any obligation to institute proceedings for any such purpose.

7.6 Waiver and Acknowledgment by Debtor

To the fullest extent permitted by law, the Debtor waives all of the rights, benefits and protections given by the provisions of any existing or future statute which imposes limitations upon the powers, rights or remedies of a secured party or upon the methods of realization of security, including any seize or sue or anti deficiency statute or any similar provisions of any other statute. The Debtor acknowledges that the provisions of this Agreement and, in particular, those respecting rights, remedies and powers of the Secured Party and any Receiver against the Debtor, its business and the Collateral upon the occurrence of an Event of Default, are commercially reasonable and not manifestly unreasonable.

ARTICLE 8
POSSESSION OF COLLATERAL BY THE SECURED PARTY

8.1 Possession of Collateral

Where any Collateral is in the possession of or controlled by the Secured Party:

(a) the Secured Party may, at any time following the occurrence of an Event of Default which is continuing, grant or otherwise create a security interest in such Collateral upon any terms, whether or not such terms impair the Debtor's right to redeem such Collateral;

(b) the Secured Party may, at any time following the occurrence of an Event of Default which is continuing, use such Collateral in any manner and to such extent as it deems necessary or desirable; and

(c) the Secured Party shall have no obligation to keep fungible Collateral in its possession identifiable.

8.2 Duty of the Secured Party

The Secured Party shall have no duty with respect to any of the Collateral in its possession other than the duty to use the same degree of care in the safe custody of the Collateral in its possession as it uses with respect to property which it owns.

ARTICLE 9
CONTINUING OBLIGATIONS

9.1 Continuing Obligations

Notwithstanding any other term or condition of this Agreement, this Agreement shall not relieve the Debtor or any other party to any of the Collateral from the observance or performance of any term, covenant, condition or agreement on its part to be observed or performed thereunder or from any liability to any other party or parties thereto or impose any obligation on the Secured Party to observe or perform any such term, covenant, condition or agreement to be so observed or performed, and the Debtor hereby agrees to indemnify and hold harmless the Secured Party from and against any and all losses, liabilities (including liabilities for penalties), reasonable costs and expenses which may be incurred by the Secured Party under the Collateral and from all claims, demands, actions, suits and judgments which may be asserted against the Secured Party by reason of any alleged obligation or undertaking on their part to observe, perform or discharge any of the terms, covenants, conditions and agreements contained in the Collateral. The Secured Party may, at its option, perform any term, covenant, condition or agreement on the part of the Debtor to be performed under or in respect of the Collateral (and/or enforce any of the rights of the Debtor thereunder) without thereby waiving any rights to enforce this Agreement. Nothing contained in this Section 9.1 shall be deemed to constitute the Secured Party the mortgagee in possession of the Collateral or the lessee under any lease or agreement to lease unless the Secured Party has agreed to become such mortgagee in possession or to be a lessee.

ARTICLE 10
ACKNOWLEDGEMENT BY THE DEBTOR

10.1 Acknowledgements

The Debtor:

(a) acknowledges receipt of a true copy of this Agreement;

(b) waives the right to receive a copy of the verification statement in respect of the financing statement registered under the Act evidencing the Security Interest, and of any verification statement in respect of any financing change statement registered under the Act in respect of such financing statement, in accordance with subsection 46(6.1) of the Act; and

(c) acknowledges and agrees that this Agreement may be assigned by the Secured Party in accordance with Section 11.9, in such event, such assignee shall be entitled to all or any part of the rights and remedies of the Secured Party as set

forth in this Agreement or otherwise and the Secured Party shall be released and discharged from its further obligations hereunder upon the assumption of same by the assignee.

ARTICLE 11
MISCELLANEOUS

11.1 Remedies Cumulative

The rights and remedies of the Secured Party under this Agreement are cumulative and not alternative. Any single or partial exercise by the Secured Party of any right or remedy for a default of any term, covenant, condition or agreement in this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other rights or remedies to which the Secured Party may be lawfully entitled for the same default. Such rights and remedies are in addition to and not in substitution for any rights or remedies provided by applicable laws.

11.2 Notices

(a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication or sent by registered mail, charges prepaid, addressed as follows:

(i) if to the Secured Party, at:

CANOPY GROWTH CORPORATION
1 Hershey Drive
Smiths Falls, ON
K7A 3K8

Attention: Chief Legal Officer
Email address: contracts@canopygrowth.com

(ii) if to the Debtor, at:

BIOSTEEL SPORTS NUTRITION INC.
87 Wingold Avenue , Unit 1
Toronto, ON
M6B 1P8

Attention: Craig Mode
Email address: craig.mode@biosteel.com

(b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Banking Day or if delivery or transmission is made on a Banking Day after 5:00 p.m. at the place of receipt, then on the next following Banking Day) or, if mailed, on the third Banking Day following the date of mailing; provided, however, that if at the time of mailing or within three Banking Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section.

11.3 Amendment and Waiver

(a) No amendment of any provision of this Agreement shall be binding on either party unless set forth in writing and duly executed by both parties. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided by the party purporting to give the same.

(b) No waiver by the Secured Party of the strict observance, performance or compliance with any term, covenant, condition or agreement herein contained shall be deemed to be a waiver of any subsequent default. No waiver shall be inferred from or implied by any failure to act or delay in acting by the Secured Party in respect of any default or by anything done or omitted to be done by the Debtor.

(c) The Secured Party may, at any time, grant extensions of time or other indulgences to, accept compositions from or grant releases and discharges to the Debtor in respect of the Collateral or otherwise deal with the Debtor or with the Collateral and other security held by the Secured Party, all as the Secured Party may see fit, and the Debtor agrees that any such act or any failure by the Secured Party to exercise any of its rights or remedies, whether provided for herein or otherwise, shall in no way affect or impair the Security Interest or the rights and remedies of the Secured Party, whether provided for in this Agreement or otherwise.

11.4 Effective Date and Termination

(a) This Agreement shall become effective according to its terms immediately upon the execution hereof by the Secured Party and the Debtor.

(b) This Agreement may be terminated by:

(i) written agreement made between the Secured Party and the Debtor; or

(ii) notice in writing given by the Debtor to the Secured Party at any time when all of the Obligations have been fully satisfied and performed by the Debtor and the Tenth Amended and Restated Loan Agreement has been terminated in accordance with its terms.

(c) Upon termination of this Agreement in accordance with the provisions of Section 11.4(b), the Secured Party shall, at the request and expense of the Debtor, make and do all such acts and things and execute and deliver all such financing statements, instruments, agreements and documents as the Debtor considers necessary or desirable to discharge the Security Interest, to release and discharge the Collateral therefrom and to record such release and discharge in all appropriate offices of public record.

11.5 Other Security

This Agreement and the Security Interest are in addition to and not in substitution for any other agreement made between the Secured Party and the Debtor or any other security

granted by the Debtor to the Secured Party, whether before or after the execution of this Agreement.

11.6 Power of Attorney

(a) The Debtor hereby appoints the Secured Party, or a Receiver as the agent of the Debtor, as the Debtor's attorney, with full power of substitution, in the name and on behalf of the Debtor, to execute, deliver and do all such acts, deeds, leases, documents, transfers, demands, conveyances, assignments, contracts, assurances, consents, financing statements and things as the Debtor has herein agreed to execute, deliver and do as may be required by the Secured Party to give effect to the Tenth Amended and Restated Loan Agreement and/or this Agreement or in the exercise of any rights, powers or remedies hereby or thereby conferred on the Secured Party, and generally to use the name of the Debtor in the exercise of all or any of the rights, powers or remedies hereby or thereby conferred on the Secured Party including, without limitation, the right to bring actions for and in the name of the Debtor, the right to collect Accounts, and the right to exercise the rights of the Debtor under all agreements or contracts to which it is a party and to cure any defaults thereunder.

(b) The Secured Party shall only exercise its rights pursuant to Section 11.6(a) after the occurrence of and during the continuance of, an Event of Default except that the Secured Party may exercise its rights under Section 11.6(a) from the date of this Agreement with respect to preparation and filing of financing statements or mortgages and such other documents and instruments as may be required to register or give notice of or perfect or preserve the Security Interest or to give effect to Section 11.7.

(c) The appointment in Section 11.6(a) is coupled with an interest and shall not be revoked by the insolvency, bankruptcy, dissolution, liquidation or other termination of the existence of the Debtor or for any other reason.

11.7 Registrations

The Debtor will, from time to time at the reasonable request of the Secured Party, promptly effect all registrations, filings, recordings and all re-registrations, re-filings and re-recordings of or in respect of this Agreement and the Security Interest in such offices of public record and at such times as may be necessary or of advantage in perfecting, maintaining and protecting the validity, effectiveness and priority of this Agreement and/or of the Security Interest.

11.8 Application of Payments

Subject to the provisions of the Tenth Amended and Restated Loan Agreement, any and all payments made by the Debtor to the Secured Party in respect of the Obligations from time to time and any and all moneys realized by the Secured Party whether hereunder or otherwise may be applied by the Secured Party to such part or parts of the Obligations as the Secured Party shall in its sole discretion determine. The Secured Party shall at all times and from time to time have the right to change any application so made.

11.9 Assignment

Except as permitted under the Tenth Amended and Restated Loan Agreement:

(a) the Debtor may not assign any of its rights or benefits under this Agreement or delegate any of its duties or obligations without the prior written consent of the Secured Party; and

(b) the Secured Party shall have the right to assign, at any time, all or any part of its rights or benefits under this Agreement to any of its affiliates and shall advise the Debtor of such assignment.

11.10 Successors and Permitted Assigns

This Agreement shall enure to the benefit and be binding and enforceable upon the parties, their successors and permitted assigns.

11.11 Further Assurances

The parties shall, from time to time hereafter and upon any reasonable request of the other party, promptly do, execute, deliver or cause to be done, executed and delivered, at the reasonable expense of the Debtor, all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement or to more fully state the obligations as set out herein or to make any recording, file any notice or obtain any consents, all as may be necessary or appropriate in connection therewith.

11.12 Counterparts

This Agreement may be executed in any number of counterparts, and/or by e-mail transmission of Adobe Acrobat files or by other electronic means, each of which shall constitute an original and all of which, taken together, shall constitute one and the same instrument. Any party executing this Agreement by fax or PDF file shall, promptly following a request by any other party, provide an originally executed counterpart of this Agreement provided, however, that any failure to so provide shall not constitute a breach of this Agreement except to the extent that such electronic execution is not otherwise permitted under applicable law.

11.13 Survival

It is the express intention and agreement of the parties hereto that all covenants, representations, warranties and waivers and indemnities made by the Debtor herein shall survive the execution and delivery of this Agreement until all Obligations have been fully satisfied and performed by the Debtor and the Tenth Amended and Restated Loan Agreement has been terminated in accordance with its terms.

[Signature Page Follows]

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

CANOPY GROWTH CORPORATION

Per _____
Name: Judy Hong
Title: Chief Financial Officer

BIOSTEEL SPORTS NUTRITION INC.

Per _____
Name: Craig Mode
Title: Chief Executive Officer

This is Exhibit “D” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

Execution Version

GUARANTEE AGREEMENT

dated and effective as of

March 18, 2021

among

CANOPY GROWTH CORPORATION

11065220 CANADA INC.

THE SUBSIDIARIES OF CANOPY GROWTH CORPORATION NAMED HEREIN

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent

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This **GUARANTEE AGREEMENT**, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, this "Guaranty"), by and among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "Parent Borrower"), 11065220 Canada Inc., a corporation incorporated under the federal laws of Canada and a direct subsidiary of the Parent Borrower (the "Co-Borrower" and together with the Parent Borrower, the "Borrowers" and each, a "Borrower"), each other Subsidiary of the Parent Borrower listed on the signature page hereof and each other Subsidiary that becomes a party hereto after the date hereof (collectively, the "Subsidiary Guarantors") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent (in such capacity, together with any successors and permitted assigns thereto, the "Administrative Agent") for the Secured Parties.

WITNESSETH:

WHEREAS, the Borrowers, the Lenders party thereto from time to time, the Administrative Agent and Wilmington Trust, National Association, as collateral agent, have entered into that certain Credit Agreement, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing for the extension of credit to the Borrowers;

WHEREAS, it is a condition to the extension of credit to the Borrowers under the Credit Agreement that each Guarantor (as defined below) shall have executed and delivered this Guaranty to guarantee the Obligations; and

WHEREAS, each Guarantor will obtain benefits from the extension of credit to the Borrowers, and accordingly desires to execute this Guaranty in order to satisfy the conditions described in the preceding paragraph and to induce the Lenders to extend credit to the Borrowers.

Accordingly, the parties hereto agree as follows:

1. DEFINITIONS

Capitalized terms used herein shall have the meanings assigned to them in the Credit Agreement (whether or not the Credit Agreement is then in effect) unless otherwise defined herein. References to this "Guaranty" shall mean this Guaranty, including all amendments, modifications and supplements and any annexes, exhibits and schedules to any of the foregoing, and shall refer to this Guaranty as the same may be in effect at the time such reference becomes operative. The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Guaranty.

"Guarantors" shall mean the Parent Borrower (in respect of the Obligations of the Co-Borrower and not its own Obligations), the Co-Borrower (in respect of the Obligations of the Parent Borrower and not its own Obligations) and each Subsidiary Guarantor.

2. THE GUARANTY

(a) Guaranty of Guaranteed Obligations. Subject to the limitations set forth in clause (g) of this Section 2, each Guarantor unconditionally guarantees to the Administrative Agent, jointly and severally with the other Guarantors, as a primary obligor and not merely as a surety, the due and punctual payment and performance of the Obligations (the "Guaranteed Obligations") for the benefit of the Secured Parties. Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed, in whole or in part, without notice to or further assent from it, and that it will remain bound upon its guarantee notwithstanding any extension or renewal of any Guaranteed Obligation. Each Guarantor waives presentment to, demand of payment from and protest to any Borrower or any other Loan Party of any of the Guaranteed Obligations, and also waives notice of acceptance of its guarantee and notice of protest for nonpayment.

(b) Guaranty of Payment. Each Guarantor further agrees that its guarantee hereunder constitutes a guarantee of payment when due (whether at stated maturity, by acceleration or otherwise) and not of collection, and waives any right to require that any resort be had by the Administrative Agent or any other Secured Party to any security held for the payment of the Guaranteed Obligations or to any balance of any deposit account or credit on the books of the Administrative Agent or any other Secured Party in favor of the Borrowers or any other person.

(c) No Limitations. Except for termination or release of a Guarantor's obligations hereunder as expressly provided for in Section 5(g), and subject to the limitations set forth in clause (g) of this Section 2, the obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Guaranteed Obligations or otherwise (other than defense of payment or performance). Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder, to the fullest extent permitted by applicable law, shall not be discharged or impaired or otherwise affected by: (i) the failure of the Administrative Agent or any other Secured Party to assert any claim or demand or to exercise or enforce any right or remedy under the provisions of any Loan Document or otherwise; (ii) any rescission, waiver, amendment, supplement, modification, restatement of (however fundamental and whether or not more onerous), any increase in facilities or other amounts owing under or made available pursuant to, or any release from any of the terms or provisions of, any Loan Document or any other agreement, including with respect to any other Guarantor under this Guaranty; (iii) the failure to perfect any security interest in, or the exchange, substitution, release or any impairment of, any security held by the Administrative Agent or any other Secured Party for the Guaranteed Obligations; (iv) any default, failure or delay, willful or otherwise, in the performance of the Guaranteed Obligations; (v) any other act or omission that may or might in any manner or to any extent vary the risk of any Guarantor or otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the payment in full in cash in immediately available funds of all the Guaranteed Obligations (other than in respect of contingent indemnification and expense reimbursement claims not then due and payable)); (vi) any

illegality, lack of validity or enforceability of any Guaranteed Obligation; (vii) any change in the corporate existence, structure or ownership of the Borrowers, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting the Borrowers or their assets or any resulting release or discharge of any Guaranteed Obligation (other than the payment in full in cash in immediately available funds of all the Guaranteed Obligations); (viii) the existence of any claim, set-off or other rights that such Guarantor may have at any time against any Borrower, any Agent, or any other corporation or person, whether in connection herewith or any unrelated transactions; provided that nothing herein will prevent the assertion of any such claim by separate suit or compulsory counterclaim; and (ix) any other circumstance (including, without limitation, any statute of limitations) or any existence of or reliance on any representation by any Agent that might otherwise constitute a defense to, or a legal or equitable discharge of, any Borrower or any other Loan Party or any other guarantor or surety (other than defense of payment in full and in immediately available funds of all Guaranteed Obligations or performance). Each Guarantor expressly authorizes the Secured Parties (or the Agents on behalf of the Secured Parties) to take and hold security for the payment and performance of the Guaranteed Obligations, to exchange, waive or release any or all such security (with or without consideration), to enforce or apply such security and direct the order and manner of any sale thereof in their sole discretion or to release or substitute any one or more other guarantors or obligors upon or in respect of the Guaranteed Obligations, all without affecting the obligations of any Guarantor hereunder. To the fullest extent permitted by applicable law, each Guarantor waives any defense based on or arising out of any defense of any other Guarantor or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of any other Guarantor, other than the payment in full in cash in immediately available funds of all the Guaranteed Obligations (other than in respect of contingent indemnification and expense reimbursement claims not then due and payable). The Agents and the other Secured Parties may, at their election, foreclose on any security held by one or more of them by one or more judicial or nonjudicial sales, accept an assignment of any such security in lieu of foreclosure, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Borrower or any other Loan Party or exercise any other right or remedy available to them against any Borrower or any other Loan Party, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations (other than in respect of contingent indemnification and expense reimbursement claims not then due and payable) have been paid in full in cash in immediately available funds. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though such election operates, pursuant to applicable law, to impair or to extinguish any right of reimbursement or subrogation or other right or remedy of such Guarantor against any other Guarantor, as the case may be, or any security.

(d) Reinstatement. Notwithstanding the provisions of Section 5(g)(i), each Guarantor agrees that its guarantee hereunder shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of any Guaranteed Obligation is rescinded or must otherwise be restored or returned by the Administrative Agent or any other Secured Party upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of any Borrower or any other Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, any

Borrower or any other Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made.

(e) Agreement To Pay; Subrogation. In furtherance of the foregoing and not in limitation of any other right that the Administrative Agent or any other Secured Party has at law or in equity against any Guarantor by virtue hereof, but subject to the limitations set forth in clause (g) of this Section 2, upon the failure of any Borrower or any other Loan Party to pay any Guaranteed Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will forthwith pay, or cause to be paid, to the Administrative Agent for distribution to the applicable Secured Party in cash in immediately available funds the amount of such unpaid Guaranteed Obligation. Upon payment by any Guarantor of any sums to the Administrative Agent as provided above, all rights of such Guarantor against any Borrower or any other Loan Party arising as a result thereof by way of right of subrogation, contribution, reimbursement, indemnity or otherwise shall in all respects be subject to Section 6.

(f) Information. Each Guarantor assumes all responsibility for being and keeping itself informed of each Borrower's and each other Loan Party's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that such Guarantor assumes and incurs hereunder, and agrees that neither the Administrative Agent nor any other Secured Party will have any duty to advise such Guarantor of information known to it or any of them regarding such circumstances or risks.

(g) Maximum Liability. Each Guarantor, and by its acceptance of this Guaranty, the Administrative Agent and each Secured Party hereby confirms that it is the intention of all such persons that this Guaranty and the Guaranteed Obligations of each Guarantor hereunder not constitute a fraudulent transfer or conveyance for purposes of the Debtor Relief Laws, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal, state, provincial or territorial law to the extent applicable to this Guaranty and the Guaranteed Obligations of each Guarantor hereunder. To effectuate the foregoing intention, the Administrative Agent, the Secured Parties and the Guarantors hereby irrevocably agree that the Guaranteed Obligations of each Guarantor under this Guaranty at any time shall be limited to the maximum amount as will result in the Guaranteed Obligations of such Guarantor under this Guaranty not constituting a fraudulent transfer or conveyance.

3. FURTHER ASSURANCES

Each Guarantor agrees, upon the written request of the Administrative Agent, to execute and deliver to the Administrative Agent, from time to time, any additional instruments or documents reasonably considered necessary by the Administrative Agent (at the direction of the Required Lenders) to cause this Guaranty to be, become or remain valid and effective in accordance with its terms.

4. PAYMENTS FREE AND CLEAR OF TAXES

Each Guarantor agrees that it will perform or observe all of the terms, covenants and agreements that Section 2.15 of the Credit Agreement requires such Guarantor to perform or observe, subject to the qualifications set forth therein.

5. OTHER TERMS

(a) Entire Agreement. This Guaranty, together with the other Loan Documents, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements relating to a guaranty of the Loans and other extensions of credit under the Loan Documents.

(b) Headings. The headings in this Guaranty are for convenience of reference only and are not part of the substance of this Guaranty.

(c) Severability. Whenever possible, each provision of this Guaranty shall be interpreted in such a manner to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under applicable law in any jurisdiction, such provision shall, as to such jurisdiction, be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

(d) Notices. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be given as provided in Section 9.01 of the Credit Agreement.

(e) Successors and Assigns. Whenever in this Guaranty any Guarantor is referred to, such reference shall be deemed to include the permitted successors and assigns of such party (in accordance with the terms of the Credit Agreement); and all covenants, promises and agreements by any Guarantor that are contained in this Guaranty shall bind and inure to the benefit of its respective permitted successors and assigns.

(f) No Waiver; Cumulative Remedies; Amendments. No failure or delay by the Administrative Agent in exercising any right, power or remedy hereunder or any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy, nor any abandonment or discontinuance of steps to enforce such a right, power or remedy, preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Administrative Agent hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights, powers or remedies that it would otherwise have. No waiver of any provision of this Guaranty or consent to any departure by any Guarantor therefrom shall in any event be effective unless the same shall be permitted by this Section 5(f), and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of any Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Administrative Agent may have had notice or knowledge of such Default

or Event of Default at the time. No notice or demand on any Guarantor in any case shall entitle any Guarantor to any other or further notice or demand in similar or other circumstances. When making any demand hereunder against any of the Guarantors, the Administrative Agent or any other Secured Party may, but shall be under no obligation to, make a similar demand on any Borrower or any other Guarantor or guarantor, and any failure by the Administrative Agent or any other Secured Party to make any such demand or to collect any payments from any Borrower or any other Guarantor or guarantor or any release of any Borrower or any other Guarantor or guarantor shall not relieve any of the Guarantors in respect of which a demand or collection is not made or any of the Guarantors not so released of their several obligations or liabilities hereunder, and shall not impair or affect the rights and remedies, express or implied, or as a matter of law, of the Administrative Agent or any other Secured Party against any of the Guarantors. For the purposes hereof "demand" shall include the commencement and continuance of any legal proceedings. Neither this Guaranty nor any provision hereof may be waived, amended or modified (other than termination or release of this Guaranty pursuant to Section 5(g) or as provided in Section 11) except as provided in Section 9.08 of the Credit Agreement.

(g) Termination and Release.

(i) This Guaranty shall automatically terminate on the Termination Date.

(ii) A Guarantor shall automatically be released from its obligations hereunder in accordance with Section 9.18 of the Credit Agreement.

(iii) In connection with any termination or release pursuant to this Section 5(g), the Administrative Agent shall execute and deliver to the Borrowers all documents that the Borrowers shall reasonably request in writing to evidence such termination or release. Any execution and delivery of documents pursuant to this Section 5(g) shall be made without recourse to or warranty by the Administrative Agent. The Borrowers agree to pay all reasonable and documented out-of-pocket expenses incurred by the Administrative Agent and the Lenders in connection with the execution and delivery of such documents.

(h) Counterparts. This Guaranty may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract. Delivery of an executed counterpart to this Guaranty by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

6. INDEMNITY; SUBROGATION AND SUBORDINATION

(a) Indemnity and Subrogation. In addition to all such rights of indemnity and subrogation as the Guarantors may have under applicable law (but subject to Section 6(c)), the Borrowers agree that (i) in the event a payment shall be made by any Guarantor under this Guaranty in respect of any Guaranteed Obligation of any Borrower, the Borrowers shall indemnify such Guarantor for the full amount of such payment and such Guarantor

shall be subrogated to the rights of the person to whom such payment shall have been made to the extent of such payment and (ii) in the event any assets of any Guarantor shall be sold pursuant to any Security Document to satisfy in whole or in part a Guaranteed Obligation of the Borrowers, the Borrowers shall indemnify such Guarantor in an amount equal to the greater of the book value or the fair market value of the assets so sold.

(b) Contribution and Subrogation. Each Guarantor (a "Contributing Guarantor") agrees (subject to Section 6(c)) that, in the event a payment shall be made by any other Guarantor hereunder in respect of any Guaranteed Obligation or assets of any other Guarantor shall be sold pursuant to any Security Document to satisfy any Guaranteed Obligation owed to any Secured Party and such other Guarantor (the "Claiming Guarantor") shall not have been fully indemnified by the Borrowers as provided in Section 6(a) hereof, the Contributing Guarantor shall indemnify the Claiming Guarantor in an amount equal to the amount of such payment or the greater of the book value or the fair market value of such assets, as applicable, in each case multiplied by a fraction of which the numerator shall be the net worth of such Contributing Guarantor on the date hereof and the denominator shall be the aggregate net worth of all the Guarantors on the date hereof (or, in the case of any Guarantor becoming a party hereto pursuant to Section 5.09 of the Credit Agreement, the date of the supplement hereto executed and delivered by such Guarantor). Any Contributing Guarantor making any payment to a Claiming Guarantor pursuant to this Section 6(b) shall be subrogated to the rights of such Claiming Guarantor under Section 6(a) hereof to the extent of such payment. The provisions of this Section 6(b) shall in no respect limit the obligations and liabilities of any Guarantor to the Administrative Agent and the other Secured Parties, and each Guarantor shall remain liable to the Administrative Agent and the other Secured Parties for the full amount guaranteed by such Guarantor hereunder.

(c) Subordination. Notwithstanding any provision of this Guaranty to the contrary, all rights of the Guarantors under Sections 6(a) and 6(b) and all other rights of indemnity, contribution or subrogation of any Guarantor under applicable law or otherwise shall be fully subordinated to the Guaranteed Obligations until the occurrence of the Termination Date. Notwithstanding any payment or payments made by any of the Guarantors hereunder or any set-off or appropriation or application of funds of any of the Guarantors by any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of the Administrative Agent or any other Secured Party against any Borrower or any other Guarantor or any collateral security or guarantee or right of set-off held by any Secured Party for the payment of the Guaranteed Obligations until the Termination Date shall have occurred, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower or any other Guarantor in respect of payments made by such Guarantor hereunder until the Termination Date shall have occurred. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time prior to the Termination Date of the Guaranteed Obligations, such amount shall be held by such Guarantor in trust for the Administrative Agent and the other Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be paid to the Administrative Agent to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Agreement. No failure on the part of any Borrower or any Guarantor to make the payments

required by Sections 6(a) and 6(b) (or any other payments required under applicable law or otherwise) shall in any respect limit the obligations and liabilities of the Borrowers with respect to the Obligations or any Guarantor with respect to the Guaranteed Obligations**,** and the Borrowers shall remain liable for the full amount of the Obligations and each Guarantor shall remain liable for the full amount of the Guaranteed Obligations.

7. GOVERNING LAW

THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS GUARANTY AND ANY CLAIMS, CONTROVERSY, DISPUTE OR OTHER CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS GUARANTY SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

8. JURISDICTION; CONSENT TO SERVICE OF PROCESS

(a) Each party hereto irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise in any way relating to this Guaranty or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Notwithstanding the foregoing, each party hereto agrees that the Administrative Agent or any other Secured Party retains the right to bring proceedings against any Canadian Loan Party in the courts of any other jurisdiction in Canada permitted by Section 5.14 of the Canadian Pledge and Security Agreement solely in connection with the exercise of any rights under this Guaranty.

(b) Each of the parties hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Guaranty or any other Loan Document in any New York State or federal court. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Guaranty irrevocably consents to service of process in the manner provided for notices in Section 5(d). Nothing in this Guaranty or any other Loan

Document will affect the right of any party to this Guaranty to serve process in any other manner permitted by law.

9. WAIVER OF JURY TRIAL

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY OR ANY OF THE OTHER LOAN DOCUMENTS (WHETHER IN CONTRACT OR TORT OR OTHERWISE). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS GUARANTY BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 9.

10. RIGHT OF SET-OFF

If an Event of Default shall have occurred and be continuing, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to 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 such Lender to or for the credit or the account of any Guarantor against any of and all the obligations of such Guarantor now or hereafter existing under this Guaranty owed to such Lender, irrespective of whether or not such Lender shall have made any demand under this Guaranty and although such obligations may be unmatured; provided, however, that any Defaulting Lender's set-off right hereunder shall be subject to Section 9.06 of the Credit Agreement. Each Lender agrees promptly to notify the Parent Borrower and the Administrative Agent after any such set off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set off and application. The rights of each Lender under this Section 10 are in addition to other rights and remedies (including other rights of set off) that such Lender may have.

11. ADDITIONAL SUBSIDIARIES

Upon execution and delivery by any Subsidiary of the Parent Borrower that is required to become a party hereto pursuant to Section 5.09 of the Credit Agreement (or that is referred to in clause (c) of the definition of Subsidiary Loan Party) of an instrument substantially in the form of Exhibit A hereto (or another instrument reasonably satisfactory to the Administrative Agent and the Borrowers), such Subsidiary shall become a Guarantor hereunder with the same force and effect as if originally named as a Guarantor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Guaranty. The rights and obligations of each party to this Guaranty shall remain in full force and effect notwithstanding the addition of any new party to this

Guaranty. Each reference to "Subsidiary Guarantor" or "Guarantor" in this Guaranty shall be deemed to include such Subsidiary.

12. AGENCY OF PARENT BORROWER FOR SUBSIDIARY GUARANTORS

The Co-Borrower and each of the Subsidiary Guarantors hereby appoints the Parent Borrower as its agent for all purposes relevant to this Guaranty and the other Loan Documents, including the giving and receipt of notices and the execution and delivery of all documents, instruments and certificates contemplated herein and therein and all modifications hereto and thereto.

[*remainder of page intentionally left blank; signature pages follow*]

IN WITNESS WHEREOF, the undersigned have caused this Guaranty to be executed and delivered as of the date first above written.

CANOPY GROWTH CORPORATION,
as a Guarantor

By:_____
Name:
Title:

11065220 CANADA INC.,
as a Guarantor

By:_____
Name:
Title:

102021766 Saskatchewan Ltd.
1208640 B.C. Ltd.
10252832 Canada Inc.
10607410 Canada Inc
10663824 Canada Inc.
11128752 Canada Inc.
11239490 Canada Inc.
11318152 Canada Inc.
1175908 B.C. Ltd.
1955625 Ontario Inc.
2344823 Ontario Inc.
2703740 Ontario Inc.
9388036 Canada Inc.
Apollo Applied Research Inc.
BC Tweed Joint Venture Inc.
Canopy Growth LATAM Holdings Corporation
DOJA Cannabis Ltd.
East Coast Tweed Inc.
Hiku Brands Company Ltd.
JuJu Joints Canada Corp.
POS Management Corp.
POS Pilot Plant Corporation
Spectrum Cannabis Canada Ltd.
Spectrum Health Corp.
The Tweed Tree Lot Inc.
TS Brandco Inc.
Tweed Farms Inc.
Tweed Franchise Inc.
Tweed Inc.
Tweed Leasing Corp.
Wachstum Produce GP Inc.
Wachstum Produce Limited Partnership
Algarithm Ingredients Inc
BioSteel Sports Nutrition USA LLC
Canopy Growth USA LLC
Coldstream Manufacturing I LLC
Coldstream Real Estate Holdings I LLC
Coldstream Real Estate Holdings II LLC
Coldstream Real Estate Holdings III LLC
EB Transaction Corp
EB Transaction Sub I LLC
HIP DEVELOPMENTS LLC
HIP NY DEVELOPMENTS LLC
POS Bio-Sciences USA Inc.
Batavia Bio Processing Limited
Storz & Bickel America, Inc.
TWD USA Inc.,
each as a Subsidiary Guarantor

By:_____
Name:
Title:

Accepted and Agreed to:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Administrative Agent

By:_____
Name:
Title:

Exhibit A
to the Subsidiary Guarantee Agreement

SUPPLEMENT NO. __
TO SUBSIDIARY GUARANTEE AGREEMENT

SUPPLEMENT NO. __, dated as of _____ __, ____ (as amended, restated, supplemented or otherwise modified from time to time, this "Supplement"), to the Guarantee Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Guaranty"), among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "Parent Borrower"), 11065220 Canada Inc., a corporation incorporated under the federal laws of Canada and a direct subsidiary of the Parent Borrower (the "Co-Borrower" and together with the Parent Borrower, the "Borrowers" and each, a "Borrower"), each other Subsidiary of the Parent Borrower listed on the signature page hereof and each other Subsidiary that became a party thereto after the date thereof (each an "Existing Guarantor" and collectively, the "Existing Guarantors") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent (in such capacity, together with its successors and permitted assigns, the "Administrative Agent") for the Secured Parties.

A. Reference is made to the Credit Agreement, dated as of March 18, 2021 (as amended, restated, supplemented, or otherwise modified from time to time, the "Credit Agreement"), among the Borrowers, the Lenders party thereto from time to time, the Administrative Agent and Wilmington Trust, National Association, as collateral agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement.

C. Each Existing Guarantor has entered into the Guaranty in order to induce the Lenders to make Loans. Section 11 of the Guaranty provides that additional Subsidiaries may become Guarantors (as defined in the Guaranty) under the Guaranty by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary of the Parent Borrower (the "New Subsidiary") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Guarantor under the Guaranty in order to induce the Lenders to maintain and/or make additional Loans, and as consideration for Loans previously made.

Accordingly, the New Subsidiary agrees as follows:

SECTION 1. In accordance with Section 11 of the Guaranty, the New Subsidiary by its signature below becomes a Guarantor under the Guaranty with the same force and effect as if originally named therein as a Subsidiary Guarantor and the New Subsidiary hereby agrees to all the terms and provisions of the Guaranty applicable to it as a Subsidiary Guarantor thereunder. In furtherance of the foregoing, the New Subsidiary does hereby guarantee to the Administrative Agent the due and punctual payment of the Guaranteed Obligations (as defined in the Guaranty) as set forth in the Guaranty. Each reference to a "Subsidiary Guarantor" or a "Guarantor" in the Guaranty and in this

Supplement shall be deemed to include the New Subsidiary. The Guaranty is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Administrative Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in two or more counterparts, each of which shall constitute an original but all of which, when taken together, shall constitute but one contract. This Supplement shall become effective when the Administrative Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary. Delivery of an executed counterpart to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 4. Except as expressly supplemented hereby, the Guaranty shall remain in full force and effect.

SECTION 5. THIS SUPPLEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND ANY CLAIMS, CONTROVERSY, DISPUTE OR OTHER CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS SUPPLEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

SECTION 6. In the event any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Guaranty shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 7. All communications and notices hereunder shall be in writing and given as provided in Section 5(d) of the Guaranty.

SECTION 8. The New Subsidiary agrees to reimburse the Administrative Agent and the Lenders for its reasonable and documented out-of-pocket expenses in connection with this Supplement, including the reasonable and documented fees, disbursements and other charges of counsel to the Administrative Agent and the Lenders.

[*remainder of page intentionally left blank; signature page follows*]

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Supplement as of the day and year first above written.

[Name of New Subsidiary]

By:_____
Name:
Title:

This is Exhibit “E” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.

Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

Execution Version

CANADIAN PLEDGE AND SECURITY AGREEMENT

dated and effective as of

March 18, 2021

among

Canopy Growth Corporation

11065220 Canada Inc.

each Subsidiary Loan Party party hereto

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

TABLE OF CONTENTS

Schedules

Exhibits

CANADIAN PLEDGE AND SECURITY AGREEMENT dated and effective as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, this "***Agreement***"), is among the Parent Borrower (as defined below), the Co-Borrower (as defined below), each Subsidiary of the Parent Borrower party hereto and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent for the Secured Parties referred to herein (together with its successors and assigns in such capacity, the "***Collateral Agent***").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "***Parent Borrower***"), 11065220 Canada Inc., a corporation incorporated under the federal laws of Canada (the "***Co-Borrower***" and, together with the Parent Borrower, the "***Borrowers***" and each, a "***Borrower***"), the lenders party thereto from time to time (the "***Lenders***") and Wilmington Trust, National Association, as administrative agent for the Lenders and as collateral agent for the Secured Parties.

The Lenders have agreed to extend credit to the Borrowers subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement by the Pledgors. The Subsidiary Loan Parties, as Subsidiaries and/or affiliates of the Borrowers, will derive substantial benefits from the extension of credit to the Borrowers pursuant to the Credit Agreement. The Pledgors are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit under the Credit Agreement. Therefore, to induce the Lenders to make their respective extensions of credit, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Credit Agreement***. (a) Capitalized terms used in this Agreement and not otherwise defined herein have the respective meanings assigned thereto in the Credit Agreement. All terms defined in the PPSA or STA, as the case may be, and not defined in this Agreement or the Credit Agreement have the meanings specified therein.

(b) The rules of construction specified in SECTION 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. ***Other Defined Terms***. As used in this Agreement, the following terms have the meanings specified below:

"***Account Debtor***" means any person who is or who may become obligated to any Pledgor under, with respect to or on account of an Account, Chattel Paper, Intangibles or receivables.

"***Agreement***" has the meaning assigned to such term in the introductory paragraph of this agreement.

"***Borrower***" and "***Borrowers***" have the meanings assigned to such terms in the preliminary statement of this Agreement.

"***Co-Borrower***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Collateral***" means General Collateral and Pledged Collateral. For the avoidance of doubt, the term Collateral does not include any Excluded Property or Excluded Securities.

"***Collateral Agent***" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Credit Agreement***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Credit Agreement Documents***" means (a) the Loan Documents and (b) any other related documents or instruments executed and delivered pursuant to the Loan Documents, in each case, as such documents or instruments may be amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time.

"***Crops***" means Cannabis seeds or plants planted by any Pledgor to produce harvestable cannabis plants for the purpose of producing saleable cannabis products of any nature or kind.

"***Designs***" shall mean all industrial designs and industrial design applications in any worldwide jurisdiction, together with the reissues, divisions, continuations, renewals, extensions and continuations in part thereof, all income, royalties, damages and payments now or hereafter due and/or payable with respect thereto, all damages and payments for past or future infringements thereof and rights to sue therefor, and all rights corresponding thereto throughout the world.

"***Fixtures***" means trade fixtures and other fixtures (wherever located), and all additions and accessories thereto and replacements therefor.

"***General Collateral***" has the meaning assigned to such term in SECTION 3.01.

"***Immaterial Instruments***" means an Instrument (other than an instrument evidencing debt obligations which are governed by Article II and cheques or checks received and processed in the ordinary course of business) or Chattel Paper in an amount (a) not individually in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, (b) taken together with all other Immaterial Instruments, not in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, and (c) not otherwise material to the

Parent Borrower and its Subsidiaries, taken as a whole, as determined in good faith by the Parent Borrower.

"***Immaterial Pledged Debt***" means Pledged Debt in an amount (a) not individually in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, (b) taken together with all other Immaterial Pledged Debt, not in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, and (c) not otherwise material to the Parent Borrower and its Subsidiaries, taken as a whole, as determined in good faith by the Parent Borrower.

"***Immaterial Pledged Stock***" means Pledged Stock in any Person that is not a Loan Party that (a) does not have assets with a value in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis (in the case of any Person other than a Wholly Owned Subsidiary, determined ratably based on the ownership interests of the Parent Borrower and its Wholly Owned Subsidiaries therein), (b) taken together with all other Immaterial Pledged Stock, does not have assets with a value in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis (in the case of any Person other than a Wholly Owned Subsidiary, determined ratably based on the ownership interests of the Parent Borrower and its Wholly Owned Subsidiaries therein), and (c) is not otherwise material to the Parent Borrower and its Subsidiaries, taken as a whole, in each case as determined in good faith by the Parent Borrower as of (x) the Closing Date, for Pledged Stock owned as of such date, (y) the date of acquisition or formation, for Pledged Stock acquired after the Closing Date or (z) any other date of determination reasonably requested by the Required Lenders.

"***Instruments***" shall mean, collectively, with respect to each Pledgor, all "instruments" as such term is defined in the PPSA and shall include all promissory notes, drafts, bills of exchange or acceptances, including, without limitation, those described on Schedule V annexed hereto.

"***Intellectual Property***" shall mean any rights in intellectual property protectable under the intellectual property laws of any worldwide jurisdiction, including all Copyrights, all Patents, all Designs and all Trademarks, together with (a) all inventions, proprietary know-how and trade secrets (including, to the extent proprietary, processes, production and manufacturing methods, software, information, customer lists, identification of suppliers, data, plans, blueprints, specifications, formulations, designs, drawings, recorded knowledge, surveys, engineering reports, test reports, manuals, materials standards, processing standards, performance standards, catalogs, computer and automatic machinery software and programs); and (b) all causes of action, claims and warranties now or hereafter owned or acquired by any Pledgor in respect of any of the items listed above and any proceeds relating to any of the foregoing.

"***Intellectual Property Collateral***" has the meaning assigned to such term in SECTION 3.02.

"***Intercreditor Agreements***" means an Intercreditor Agreement (upon and during the effectiveness thereof) entered into in compliance with the Credit Agreement Documents.

"***Issuer Control Agreement***" means with respect to any Uncertificated Securities included in the Pledged Stock, an agreement among the Issuer of such Uncertificated Securities, the holder of such Uncertificated Securities and another Person whereby such Issuer agrees to comply with instructions that are originated by such Person in respect of such Uncertificated Securities, without the further consent of the holder of such Uncertificated Securities.

"***IP Licenses***" means any and all written agreements, now or hereafter in effect, granting to any Pledgor any right under any third-party Intellectual Property (including any such rights that such Pledgor has the right to license), together with any amendments, modifications, renewals, extensions and supplements thereof.

"***Lenders***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Material Pledged Debt***" means any Pledged Debt other than Immaterial Pledged Debt.

"***Material Pledged Instrument***" means any Instruments (other than instruments evidencing debt obligations which are governed by Article II and cheques or checks received and processed in the ordinary course of business) or Chattel Paper other than Immaterial Instruments.

"***Material Pledged Stock***" means (x) any Pledged Stock representing Equity Interests in a Loan Party and (y) any other Pledged Stock other than Immaterial Pledged Stock.

"***Notices of Grant of Security Interest in Intellectual Property***" means the notices of grant of security interest substantially in the form attached hereto as *Exhibit II* or such other form as shall be reasonably acceptable to the Collateral Agent (at the direction of the Required Lenders).

"***Parent Borrower***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Perfection Certificate***" means the Perfection Certificate with respect to the Borrowers and each Subsidiary Loan Party as of the Closing Date delivered to the Collateral Agent on the Closing Date.

"***Planting Material***" has the meaning assigned to such term in SECTION 3.01.

"***Pledged Collateral***" has the meaning assigned to such term in SECTION 2.01.

"***Pledged Debt***" has the meaning assigned to such term in SECTION 2.01.

"***Pledged Securities***" means any promissory notes, shares, stock certificates, share certificates or other certificated securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"***Pledged Stock***" has the meaning assigned to such term in SECTION 2.01.

"***Pledged ULC Shares***" has the meaning assigned to such term in SECTION 2.01.

"***Pledgor***" means the Borrowers and each Subsidiary Loan Party party hereto.

"***Proceeds***" means "Proceeds" as defined in the PPSA and, in any event, also includes all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, any Collateral, including all claims of the relevant Pledgor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral.

"***Receiver***" means a receiver, manager, interim receiver, or receiver and manager.

"***Registered IP***" means issued or applied for Canadian Patents, Canadian Designs, registered or applied for Canadian Trademarks and registered Canadian Copyrights, in each case owned by any Pledgor, pursuant to which a Pledgor is the exclusive licensee of a registered Canadian Copyright, in each case excluding any Excluded Property.

"***Secured Obligations***" means the "Obligations" as defined in the Credit Agreement.

"***Securities Laws***" has the meaning assigned to such term in SECTION 4.03.

"***Security Interest***" has the meaning assigned to such term in SECTION 3.01.

"***Specified Pledged Debt Instrument***" has the meaning assigned to such term in SECTION 2.02(b).

"*STA*" means the *Securities Transfer Act* (2006) (Ontario) and comparable securities transfer legislation in effect in any other jurisdiction, as such legislation may be amended, consolidated or replaced from time to time.

"***Subsidiary Loan Party***" means any Subsidiary of the Parent Borrower set forth on *Schedule I* and any Subsidiary of the Parent Borrower that becomes a party hereto pursuant to SECTION 5.16.

"***ULC***" means any unlimited company, unlimited liability company or unlimited liability corporation or any similar entity existing under the laws of any province or territory of Canada and any successor to any such entity.

"***ULC Shares***" means the shares and other equity interests which are shares or other equity interests in the capital stock of a ULC and, where context permits, includes Proceeds of Collateral which are shares or other equity interests in the capital stock of a ULC.

ARTICLE II

Pledge of Securities

SECTION 2.01. ***Pledge***. As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, each Pledgor hereby assigns (except for the Pledged ULC Shares until transferred in accordance with the last paragraph of this Section 2.01) and pledges to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in all of such Pledgor's right, title and interest in, to and under:

(a) the Equity Interests directly owned by it (including those listed on *Schedule II*) and any other Equity Interests obtained in the future by such Pledgor and the certificates, if any, representing all such Equity Interests (the "***Pledged Stock***"); *provided* that the Pledged Stock shall not include any Excluded Securities or other Excluded Property;

(b) (i) the debt obligations listed opposite the name of such Pledgor on *Schedule II,* (ii) any debt obligations in the future issued to such Pledgor having, in the case of each instance of debt obligations, an aggregate principal amount in excess of $5,000,000**,** and (iii) the certificates, promissory notes and any other instruments, if any, evidencing such debt obligations (the property described in clauses (b)(i), (ii) and (iii) above, the "***Pledged Debt***"); *provided* that the Pledged Debt shall not include any Excluded Securities or other Excluded Property;

(c) subject to SECTION 2.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of the Pledged Stock and the Pledged Debt;

(d) subject to SECTION 2.06, all rights and privileges of such Pledgor with respect to the Pledged Stock, Pledged Debt and other property referred to in clause (c) above; and

(e) all Proceeds of any of the foregoing (the Pledged Stock, Pledged Debt and other property referred to in this clause (e) and in clauses (c) through (d) above being collectively referred to as the "***Pledged Collateral***"); *provided* that the Pledged Collateral shall not include any Excluded Securities or other Excluded Property.

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, forever; subject, however, to the terms, covenants and conditions hereinafter set forth.

Notwithstanding any provisions to the contrary contained in this Agreement, the Credit Agreement or any of the other Credit Agreement Documents or any other document or agreement among all or some of the parties hereto, where a Pledgor is the registered owned of ULC Shares which are Pledged Stock (the "***Pledged ULC Shares***"), such Pledgor will remain so until such time as such Pledged ULC Shares are fully and effectively transferred into the name of the Collateral Agent, any Lender, or any other Person on the books and records of such ULC. Nothing in this Agreement, the Credit Agreement Documents or any other document or agreement delivered among all or some of the parties hereto is intended or shall constitute the Collateral Agent, any Lender or any Person other than the applicable Pledgor to be a member or shareholder of any ULC until such time as written notice is given to the applicable Pledgor and all further steps are taken so as to register the Collateral Agent, such Lender, or other Person as holder of all Pledged ULC Shares. The granting of the security interest pursuant to this SECTION 2.01 does not make the Collateral Agent or Lender a successor to any Pledgor as a member or shareholder of any ULC, and neither the Collateral Agent, the Lenders, nor any of their respective successors and assigns hereunder shall be deemed to become a member or shareholder of any ULC by accepting this Agreement or exercising any right granted herein unless and until such time, if any, when the Collateral Agent, any Lender, or any successor or assign expressly becomes a registered member or shareholder of any ULC. Each Pledgor shall be entitled to receive and retain for its own account any dividends or other distributions, if any, in respect of Pledged ULC Shares, and shall have the right to vote such Pledged ULC Shares and to control the direction, management and policies of the ULC issuing such Pledged ULC Shares to the same extent as such Pledgor would if such Pledged ULC Shares were not pledged to the Collateral Agent until the Collateral Agent has notified the applicable Pledgor of the Collateral Agent's election to exercise such rights with respect to the Pledged ULC Shares pursuant to this Agreement. To the extent any provision hereof would have the effect of constituting the Collateral Agent or any Lender to be a member or shareholder of a ULC prior to such time, such provision shall be severed herefrom and be ineffective with respect to the relevant Pledged ULC Shares without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Pledged Stock other than Pledged ULC Shares. Notwithstanding anything herein to the contrary (except to the extent, if any, that the Collateral Agent, any Lender or any of their respective successors or assigns hereafter expressly becomes a registered member or shareholder of any ULC), neither the Collateral Agent, any Lender, nor any of their respective successors or assigns shall be deemed to have assumed or otherwise become liable for any debts or obligations of any ULC. Except

upon the exercise by the Collateral Agent or other Persons, of rights to sell or otherwise dispose of Pledged ULC Shares or other remedies following the occurrence and during the continuance of an Event of Default, each Pledgor shall not cause or permit, or enable any ULC in which it holds Pledged ULC Shares to cause or permit, the Collateral Agent or any Lender to: (a) be registered as a member or shareholder of such ULC, (b) have any notation entered in its favour in the share register of such ULC, (c) be held out as a member or shareholder of such ULC, (d) receive, directly or indirectly, any dividends, property or other distributions from such ULC by reason of the Collateral Agent or any Lender holding a Security Interest in the Pledged ULC Shares, or (e) act as a member or shareholder of such ULC, or exercise any rights of a member or shareholder of such ULC, including the right to attend a meeting of such ULC or vote the shares of such ULC.

SECTION 2.02. ***Delivery of the Pledged Collateral***. (a) With respect to certificates evidencing any Material Pledged Stock in existence on the Closing Date, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, any and all such certificates on the Closing Date or as otherwise specified on Schedule 5.13 of the Credit Agreement. With respect to any certificates evidencing any Material Pledged Stock hereafter owned or acquired, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, as promptly as possible, but in any event, within sixty (60) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion) of such Pledgor acquiring rights therein, such certificates. With respect to Material Pledged Stock that are Uncertificated Securities in existence on the Closing Date, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, an Issuer Control Agreement with respect to such Material Pledged Stock on the Closing Date or as otherwise specified on Schedule 5.13 of the Credit Agreement. With respect to Material Pledged Stock that are Uncertificated Securities hereafter owned or acquired, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, as promptly as possible, but in any event, within sixty (60) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion) of such Pledgor acquiring rights therein, an Issuer Control Agreement with respect to such Material Pledged Stock.

(b) To the extent any Indebtedness constituting Material Pledged Debt (other than (i) intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Parent Borrower and its Subsidiaries or (ii) to the extent that a pledge of such promissory note or instrument would violate applicable law) owed to any Pledgor is evidenced by a promissory note or other instrument (a "***Specified Pledged Debt Instrument***"), such Pledgor shall cause such promissory note or instrument to be pledged and delivered to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the terms hereof and in accordance with the timing requirements set forth in paragraph (c) of this SECTION 2.02.

(c) With respect to any Specified Pledged Debt Instrument in existence on the Closing Date, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, on the Closing Date or as otherwise specified

on Schedule 5.13 of the Credit Agreement (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion), such Specified Pledged Debt Instrument. With respect to any Specified Pledged Debt Instrument hereafter owned or acquired, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, as promptly as possible, but in any event, within sixty (60) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion) of such Pledgor acquiring rights therein, such Specified Pledged Debt Instruments.

(d) Upon delivery to the Collateral Agent, (i) any Pledged Securities required to be delivered pursuant to the foregoing paragraphs (a), (b) and (c) of this SECTION 2.02 shall be accompanied by stock powers or note powers, as applicable, duly executed in blank or other instruments of transfer reasonably satisfactory to the Collateral Agent, and (ii) all other property comprising part of the Pledged Collateral delivered pursuant to the terms of this Agreement shall be accompanied to the extent necessary to perfect the security interest in or allow realization on the Pledged Collateral by proper instruments of assignment duly executed by the applicable Pledgor. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be attached hereto as *Schedule II* (or a supplement or amendment to *Schedule II*, as applicable) and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement or amend any prior schedules so delivered.

(e) Without limiting the obligations of the Pledgors under SECTION 2.02(a), (b), (c) and (d), until such time as the Pledged Securities are delivered to the Collateral Agent, each Pledgor agrees that the Pledgors are holding the Pledged Securities (including, without limitation, the Pledged Securities described on *Schedule II*) on behalf of and for the benefit of the Collateral Agent, for all purposes of the PPSA.

SECTION 2.03. ***Representations, Warranties and Covenants***. The Pledgors, jointly and severally, represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) *Schedule II* correctly sets forth (and, with respect to any Immaterial Pledged Stock issued by an issuer that is not a Subsidiary of the Parent Borrower, correctly sets forth, to the knowledge of the relevant Pledgor), as of the Closing Date, the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder (except, in the case of Immaterial Pledged Stock, to the extent constituting Excluded Securities or Excluded Property) and (ii) all debt obligations and promissory notes or instruments evidencing Indebtedness, in each case under this clause (ii) pledged hereunder (except, in the case of Immaterial Pledged Debt, to the extent constituting Excluded Securities or Excluded Property) and in an aggregate principal amount in excess of $5,000,000;

(b) the Pledged Stock and Pledged Debt (and, with respect to any Immaterial Pledged Stock or Pledged Debt issued by an issuer that is not a Subsidiary of the Parent Borrower, to the knowledge of the relevant Pledgor), as of the Closing Date, (x) have been duly and validly authorized and issued by the issuers thereof and (y) (i) in the case of Pledged Stock, are fully paid and, with respect to Equity Interests constituting capital stock of a corporation, nonassessable (except in the case of ULC Shares) and (ii) in the case of Pledged Debt, are legal, valid and binding obligations of the issuers thereof, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding at law or in equity) and an implied covenant of good faith and fair dealing;

(c) except for the security interests granted hereunder (or otherwise not prohibited by the Credit Agreement Documents), each Pledgor (i) is and, subject to any transfers made not in violation of the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on *Schedule II* (as may be supplemented or amended from time to time pursuant to SECTION 2.02(d)) as owned by such Pledgor, (ii) holds the same free and clear of all Liens, other than Permitted Liens, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than pursuant to a transaction not prohibited by the Credit Agreement and other than Permitted Liens and (iv) subject to the rights of such Pledgor under the Credit Agreement Documents to Dispose of Pledged Collateral, will use commercially reasonable efforts to defend its title or interest thereto or therein against any and all Liens (other than Permitted Liens), however arising, of all persons;

(d) each Pledgor has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(e) other than as provided under the Credit Agreement, as of the Closing Date, no consent or approval of any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge of the Pledged Collateral effected hereby (or the transfer of the Pledged Securities upon a foreclosure thereof (other than compliance with any securities law applicable to the transfer of securities)), in each case other than such as have been obtained and are in full force and effect; and

(f) by virtue of the execution and delivery by the Pledgors of this Agreement, when any Pledged Securities (including Pledged Stock of any Subsidiary Loan Party) are delivered to the Collateral Agent, for the benefit of the Secured Parties, in accordance with this Agreement and a financing statement naming the Collateral Agent as the secured party and covering the Pledged Collateral to which such Pledged Securities relate is filed in the appropriate filing office, the Collateral Agent will obtain, for the benefit of the Secured Parties, a

legal, valid and perfected lien upon and security interest in such Pledged Collateral under the PPSA, subject only to Permitted Liens, as security for the payment and performance of the Secured Obligations, to the extent such perfection is governed by the PPSA.

SECTION 2.04. ***Certification of Limited Liability Company and Limited Partnership Interests***.

(a) As of the Closing Date, except as set forth on *Schedule II*, the Equity Interests in limited liability companies or limited partnerships that are pledged by the Pledgors hereunder and do not have a certificate number listed on *Schedule II* (and, with respect to any Immaterial Pledged Stock issued by an issuer that is not a Subsidiary of the Parent Borrower, to the relevant Pledgor's knowledge) do not constitute a "security" under the STA.

(b) The Pledgors shall at no time elect to treat any interest in any limited liability company or limited partnership Controlled by a Pledgor and pledged hereunder as a "security" within the meaning of the STA or issue any certificate representing such interest, unless the applicable Pledgor provides prior written notice to the Collateral Agent of such election and promptly delivers, as applicable, any such certificate to the Collateral Agent pursuant to the terms hereof.

(c) In the case of each Pledgor which is an issuer of Pledged Collateral, such Pledgor agrees (i) to be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and will comply with such terms insofar as such terms are applicable to it and (ii) that it will comply with instructions of the Collateral Agent in accordance with this Agreement with respect to the Pledged Collateral (including all Equity Interests of such issuer) without further consent by the applicable Pledgor.

SECTION 2.05. ***Registration in Nominee Name; Denominations***. The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in the name of the applicable Pledgor, endorsed or assigned in blank or in favour of the Collateral Agent or, if an Event of Default shall have occurred and be continuing, in its own name as pledgee or the name of its nominee (as pledgee or as sub-agent). During the continuance of any Event of Default or as otherwise required by the Credit Agreement, each Pledgor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to Pledged Securities registered in the name of such Pledgor. If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the right to exchange the certificates representing Pledged Securities held by it for certificates of smaller or larger denominations for any purpose consistent with this Agreement. Each Pledgor shall use its commercially reasonable efforts to cause any Subsidiary that is not a party to this Agreement to comply with a request by the Collateral Agent, pursuant to this SECTION 2.05, to exchange certificates representing Pledged Securities of such Subsidiary for certificates of smaller or larger denominations.

SECTION 2.06. ***Voting Rights; Dividends and Interest, Etc.*** (a) Unless and until an Event of Default shall have occurred and be continuing, and the Collateral Agent shall have given written notice (which, in the case of clauses (i) and (ii) below, shall be at least two (2) Business Days advance written notice) to the relevant Pledgors of the Collateral Agent's intention to exercise its rights hereunder:

(i) Each Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the Credit Agreement and the Credit Agreement Documents; *provided* that except as permitted by the Credit Agreement, such rights and powers shall not be exercised in any manner that could be reasonably likely to materially and adversely affect the rights and remedies of any of the Collateral Agent or the other Secured Parties under this Agreement, any Credit Agreement Document or the ability of the Secured Parties to exercise the same.

(ii) The Collateral Agent shall promptly, at the sole cost and expense of the Pledgors, execute and deliver to each Pledgor, or cause to be executed and delivered to such Pledgor, all such proxies, powers of attorney and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Each Pledgor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that such dividends, interest, principal and other distributions are not prohibited by, and otherwise paid or distributed in accordance with, the terms and conditions of the Credit Agreement, the other Credit Agreement Documents, and applicable laws; *provided* that (A) any non-cash dividends, interest, principal or other distributions, payments or other consideration in respect thereof, including any rights to receive the same to the extent not so distributed or paid, that would constitute Pledged Securities to the extent such Pledgor has the rights to receive such Pledged Securities if they were declared, distributed and paid on the date of this Agreement, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities, received in exchange for Pledged Securities or any part thereof, or in redemption thereof, as a result of any merger, amalgamation, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise or (B) any non-cash dividends and other distributions paid or payable in respect of any Pledged Securities that would constitute Pledged Securities to the extent such Pledgor has the rights to receive such Pledged Securities if they were declared, distributed and paid on the date of this Agreement, in connection with a partial or total liquidation or dissolution or

in connection with a reduction of capital, capital surplus or paid in surplus, shall be and become part of the Pledged Collateral, and, if received by any Pledgor, shall not be commingled by such Pledgor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent, for the benefit of the Secured Parties, and shall be promptly delivered to the Collateral Agent, for the benefit of the Secured Parties, in the same form as so received (endorsed in a manner reasonably satisfactory to the Collateral Agent).

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of any Pledgor to receive dividends, interest, principal or other distributions with respect to Pledged Securities that such Pledgor is authorized to receive pursuant to paragraph (a)(iii) of this SECTION 2.06 shall cease, and all such rights shall thereupon become vested, for the benefit of the Secured Parties, in the Collateral Agent which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions; *provided* that the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Pledgors to receive and retain such amounts. All dividends, interest, principal or other distributions received by any Pledgor contrary to the provisions of this SECTION 2.06 shall not be commingled by such Pledgor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent, for the benefit of the Secured Parties, and shall be forthwith delivered to the Collateral Agent, for the benefit of the Secured Parties, in the same form as so received (endorsed in a manner reasonably satisfactory to the Collateral Agent). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of SECTION 4.02. After all Events of Default have been cured or waived and the Parent Borrower has delivered to the Collateral Agent a certificate to that effect, the Collateral Agent shall promptly repay to each Pledgor (without interest) all dividends, interest, principal or other distributions that such Pledgor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this SECTION 2.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default and after two (2) Business Day's advance written notice by the Collateral Agent to the Parent Borrower of the Collateral Agent's intention to exercise its rights hereunder, all rights of any Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this SECTION 2.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this SECTION 2.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, for the benefit of the Secured Parties, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers; *provided* that the Collateral Agent (acting on the instructions of the Required Lenders) shall have the right from time to time

following and during the continuance of an Event of Default to permit the Pledgors to exercise such rights. After all Events of Default have been cured or waived and the Parent Borrower has delivered to the Collateral Agent a certificate to that effect then, each Pledgor shall have the right to exercise the voting and/or consensual rights and powers that such Pledgor would otherwise be entitled to exercise pursuant to the terms of paragraph (a)(i) above and the obligations of the Collateral Agent under paragraph (a)(ii) shall be in effect.

ARTICLE III

Security Interests in Other Personal Property

SECTION 3.01. ***Security Interest***. (a) As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest (the "***Security Interest***") in all right, title and interest in or to such Pledgor's undertakings including any and all of the following assets and properties now owned or at any time hereafter acquired by such Pledgor or in which such Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, the "***General Collateral***"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all cash and Deposit Accounts, and all of such Pledgor's Financial Assets credited to such Deposit Accounts and all Security Entitlements in respect thereof;

(iv) all Documents of Title;

(v) all Equipment;

(vi) all Fixtures;

(vii) [Reserved];

(viii) all Instruments (other than the Pledged Collateral, which are governed by Article II);

(ix) all Intangibles;

(x) all Inventory and all other Goods not otherwise described above;

(xi) all Investment Property (other than the Pledged Collateral, which are governed by Article II);

(xii) [Reserved];

(xiii) [Reserved];

(xiv) all books and records pertaining to the General Collateral; and

(xv) to the extent not otherwise included, all Proceeds and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Without limiting the generality of the foregoing, each Pledgor grants to the Collateral Agent, for the benefit of the Secured Parties an additional security interest in all seeds, plants, fertilizers and other materials purchased with respect to the planting and growing of each new Crop ("**Planting Material**") and the Crop itself immediately prior to the acquisition of the first item of Planting Material for a new Crop. The foregoing sentence is intended to grant to the Collateral Agent, for the benefit of the Secured Parties a new security interest in each Crop within six months of a Crop becoming a growing Crop in accordance with Section 32(1) of the PPSA.

Notwithstanding anything to the contrary in this Agreement or the other Credit Agreement Documents, this Agreement shall not constitute a grant of a security interest in (and the General Collateral shall not include), and the other provisions of the Credit Agreement Documents with respect to Collateral need not be satisfied with respect to (i) Excluded Property, (ii) Consumer Goods, or (iii) the last day of the term of any lease or agreement therefor to which a Pledgor is a party in respect of any leased real or personal property located in Canada provided that upon the enforcement of the Security Interest granted hereby in the Collateral, the applicable Pledgor shall stand possessed of such last day in trust to assign the same to any person acquiring such term. Notwithstanding anything to the contrary in this Agreement or any other Credit Agreement Documents, any grant of security in Trademarks by the applicable Pledgor shall be limited to a grant by such Pledgor of a security interest in such Pledgor's right, title and interest in such trade marks and does not constitute an assignment or mortgage of such Collateral to the Collateral Agent or any Secured Party.

Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any financing statements with respect to the Collateral or any part thereof and amendments thereto that contain the information required by the PPSA for the filing of any financing statement, financing change statement or amendment, including (i) if required, whether such Pledgor is an organization and the type of organization and (ii) a description of collateral that describes such property in any other manner as the Collateral Agent may reasonably determine is necessary or advisable to ensure the perfection of the security interest in the Collateral granted under this Agreement, including describing such property as "all assets" or "all personal property" or words of similar effect or the appropriate checked boxes. Each Pledgor agrees to provide such information to the Collateral Agent promptly upon request.

The Collateral Agent is further authorized to file with the Canadian Intellectual Property Office the Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as Exhibit II and such other documents as may be reasonably necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Pledgor in such Pledgor's Registered IP, without the signature of such Pledgor, and naming such Pledgor or the Pledgors as debtors and the Collateral Agent as secured party.

Notwithstanding anything herein to the contrary, the Collateral Agent shall not be liable for the preparation, filing, recording, registration, re-filing, re-recording or maintenance of any financing statements or continuation statements, amendments, charges, mortgages or any other such instruments, agreements or other documents or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Loan Document) and such responsibility shall be solely that of the Pledgors.

(b) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Pledgor with respect to or arising out of the General Collateral.

(c) Notwithstanding anything to the contrary in this Agreement or the Credit Agreement Documents, (1) no landlord, mortgagee or bailee waivers shall be required, (2) no Pledgor shall be required to take any action under the laws of any jurisdiction other than the United States of America or Canada (or, in each case, any political subdivision thereof) for the purpose of perfecting the Security Interest in any Collateral of such Pledgor or any other assets and (3) no notice shall be required to be sent to insurers, account debtors or other contractual third parties when no Event of Default has occurred and is continuing. For the avoidance of doubt, the Pledgors' obligations with respect to perfection of the Collateral Agent's security interest in Deposit Accounts and Securities Accounts shall be governed by SECTION 5.11 of the Credit Agreement and not by the terms of this Agreement.

SECTION 3.02. ***Representations and Warranties***. The Pledgors jointly and severally represent and warrant to the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Each Pledgor has good and valid rights in and title to the General Collateral with respect to which it has purported to grant a Security Interest hereunder, except as set forth in Section 3.07 of the Credit Agreement and has full power and authority to grant to the Collateral Agent the Security Interest in such General Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person as of the Closing Date other than any consent or approval that has been obtained and is in full force and effect or has otherwise been disclosed herein or in the Credit Agreement.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of each Pledgor as of the Closing Date, is correct and complete, in all material respects, as of the Closing Date.

(c) The Security Interest constitutes a legal and valid security interest in all the General Collateral securing the payment and performance of the Secured Obligations, as applicable. The Security Interest is and shall be prior to any other Lien on any of the General Collateral other than Permitted Liens.

(d) The General Collateral is owned by the Pledgors free and clear of any Lien, other than Permitted Liens. None of the Pledgors has filed or consented to the filing of (i) any financing statement, financing change statement or analogous document under the PPSA or any other applicable laws covering any General Collateral, (ii) any assignment in which any Pledgor assigns any General Collateral or any security agreement or similar instrument covering any General Collateral with the Canadian Intellectual Property Office for the benefit of a third party or (iii) any assignment in which any Pledgor assigns any General Collateral or any security agreement or similar instrument covering any General Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Permitted Liens.

(e) [Reserved].

(f) As to itself and its General Collateral consisting of Intellectual Property, (the "***Intellectual Property Collateral***"), to each Pledgor's knowledge:

(i) The Intellectual Property Collateral set forth on *Schedule III* includes a true and complete list of all of the Registered IP held by such Pledgor as of the Closing Date.

(ii) The Intellectual Property Collateral is subsisting and, to the best of such Pledgor's knowledge, is in good standing and enforceable, except as would not reasonably be expected to have a Material Adverse Effect. Such Pledgor is not aware of any current uses of any item of Intellectual Property Collateral that would be expected to lead to such item becoming invalid or unenforceable, except as would not reasonably be expected to have a Material Adverse Effect.

(iii) Except as would not reasonably be expected to have a Material Adverse Effect, (A) such Pledgor has made or performed all commercially reasonable acts, including without limitation filings, recordings and payment of all required fees and taxes, required to maintain and protect its interest in each and every item of Intellectual Property Collateral in full force and effect in Canada and the United States and (B) such Pledgor has used proper statutory notice in connection with its use of

each Patent, Design, Trademark and Copyright in the Intellectual Property Collateral.

(iv) With respect to each IP License, the absence, termination or violation of which would reasonably be expected to have a Material Adverse Effect: (A) such Pledgor has not received any written notice of termination or cancellation under such IP License; (B) such Pledgor has not received a notice of a breach or default under such IP License, which breach or default has not been cured or waived; and (C) such Pledgor is not in breach or default thereof in any material respect.

(v) Except as would not reasonably be expected to have a Material Adverse Effect, no Intellectual Property Collateral is subject to any outstanding license, consent, covenant not to sue, settlement, release, decree, order, injunction, judgment or ruling restricting the use, license or transfer thereof or that would impair the validity or enforceability of such Intellectual Property Collateral.

SECTION 3.03. ***Covenants***. (a) Each Pledgor agrees to furnish to the Collateral Agent prompt written notice (but in no event later than 10 days after the occurrence thereof) of any change in (i) its legal or organization name, including any French form of name or combined English/French form of name, (ii) its identity or organizational structure, (iii) its organizational identification number, (iv) in its jurisdiction of organization or (v) the location of its chief executive office or registered office (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction).

(b) Subject to any rights of such Pledgor to Dispose of Collateral provided for in the Credit Agreement Documents, each Pledgor shall, at its own expense, use commercially reasonable efforts to defend title to the General Collateral against all persons and to defend the Security Interest of the Collateral Agent, for the benefit of the Secured Parties, in the General Collateral and the priority thereof against any Lien that is not a Permitted Lien.

(c) Each Pledgor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent (acting on the instructions of the Required Lenders) may from time to time reasonably request to better assure, preserve, protect, defend and perfect (with respect to perfection only, subject to SECTION 3.01(c)) the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement and the granting of the Security Interest and the filing of any financing statements or other documents in connection herewith or therewith, all in accordance with the terms hereof and the terms of the Credit Agreement.

Without limiting the generality of the foregoing, each Pledgor hereby authorizes the Collateral Agent (acting on the instructions of the Required Lenders), with

prompt notice thereof to the Pledgors, to supplement this Agreement by supplementing or amending *Schedule III* or adding additional schedules hereto to specifically identify any asset or item that may constitute Registered IP of such Pledgor.

(d) After the occurrence of an Event of Default and during the continuance thereof, the Collateral Agent shall have the right to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the General Collateral, including, in the case of Accounts or General Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such General Collateral for the purpose of making such a verification. The Collateral Agent shall have the right to share any information it gains from such inspection or verification with any Secured Party, subject to SECTION 9.16 of the Credit Agreement.

(e) The Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the General Collateral and not a Permitted Lien, and may pay for the maintenance and preservation of the General Collateral to the extent any Pledgor fails to do so as required by the Credit Agreement, this Agreement, and each Pledgor jointly and severally agrees to reimburse the Collateral Agent on demand for any reasonable and documented payment made or any reasonable and documented out-of-pocket expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided*, *however*, that nothing in this SECTION 3.03(e) shall be interpreted as excusing any Pledgor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Pledgor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Credit Agreement Documents.

(f) Each Pledgor (rather than the Collateral Agent or any Secured Party) shall remain liable for the observance and performance of all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the General Collateral and each Pledgor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(g) None of the Pledgors shall make or permit to be made an assignment, pledge or hypothecation of the General Collateral or shall grant any other Lien in respect of the General Collateral, except as not prohibited by the Credit Agreement. None of the Pledgors shall make or permit to be made any transfer of the General Collateral, except as not prohibited by the Credit Agreement, or any Intercreditor Agreement.

(h) Each Pledgor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Pledgor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default of making, settling and adjusting claims in respect of General Collateral under policies of insurance, endorsing the name of such Pledgor on any

cheque, check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Pledgor at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Credit Agreement Documents or to pay any premium in whole or part relating thereto, the Collateral Agent may (but shall be obligated to), without waiving or releasing any obligation or liability of the Pledgors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent (acting on the instructions of the Required Lenders) reasonably deems advisable. Subject to SECTION 9.05 of the Credit Agreement, all sums disbursed by the Collateral Agent in connection with this SECTION 3.03(h), including reasonable and documented legal and other professional fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Pledgors to the Collateral Agent and shall be additional Secured Obligations secured hereby.

SECTION 3.04. ***Other Actions***. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, for the benefit of the Secured Parties, the Security Interest in the General Collateral, each Pledgor agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following General Collateral:

(a) *Instruments and Tangible Chattel Paper*. If any Pledgor shall at any time own or acquire any Instruments (other than instruments evidencing debt obligations which are governed by Article II and cheques or checks received and processed in the ordinary course of business) or tangible Chattel Paper evidencing an amount in excess of $5,000,000, such Pledgor shall promptly (and in any event within sixty (60) days of its acquisition or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may permit in its reasonable discretion) notify the Collateral Agent and promptly (and in any event within 5 days following such notice or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may permit in its reasonable discretion) endorse, assign and deliver any such Instrument or Chattel Paper that constitutes a Material Instrument to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request.

(b) [Reserved].

SECTION 3.05. ***Covenants Regarding Intellectual Property Collateral***. Except as not prohibited by the Credit Agreement:

(a) Each Pledgor agrees that it will not knowingly do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act) whereby any Patent or Design that is owned by such Pledgor and is material to the normal conduct of such Pledgor's business may become prematurely invalidated, abandoned, lapsed or dedicated to the public.

(b) Each Pledgor will, and will use its commercially reasonable efforts to cause its licensees or its sublicensees to, for each Trademark that is owned by such Pledgor and is material to the normal conduct of such Pledgor's business, (i) maintain such Trademark in full force free from any adjudication of abandonment or invalidity for non-use (other than by expiration as permitted by the Credit Agreement) and (ii) maintain the quality of products and services offered under such Trademark in a manner consistent with the operation of such Pledgor's business.

(c) Each Pledgor shall notify the Collateral Agent within forty-five (45) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may reasonably agree) if it knows that any Registered IP that is material to the normal conduct of such Pledgor's business may imminently become abandoned, lapsed or dedicated to the public, or of any materially adverse determination or development, excluding non-final office actions in the ordinary course of such Pledgor's business and similar determinations or developments in the Canadian Intellectual Property Office, any court or any similar office of any country, regarding such Pledgor's ownership of any such material Registered IP or its right to register or to maintain the same.

(d) Each Pledgor, either by itself or through any agent, employee, licensee or designee, shall (i) inform the Collateral Agent on an annual basis in accordance with the Credit Agreement of any Registered IP filed by or on behalf of, or issued to, or acquired by, any Pledgor during the preceding twelve-month period, and (ii) upon the reasonable request of the Collateral Agent (acting on the instructions of the Required Lenders), execute and deliver the Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as *Exhibit II* and any and all agreements, instruments, documents and papers necessary or as the Collateral Agent may otherwise reasonably request to evidence the Collateral Agent's Security Interest in such Registered IP and the perfection thereof, *provided* that the provisions hereof shall automatically apply to any such Registered IP and any such Registered IP shall automatically constitute Collateral as if such would have constituted Collateral at the time of execution hereof and be subject to the Lien and Security Interest created by this Agreement without further action by any party. Notwithstanding anything to the contrary herein, no Pledgor shall be required to take any action under the laws of any jurisdiction other than the United States of America or Canada for the purpose of perfecting the Collateral Agent's security interest in the Intellectual Property Collateral of such Pledgor.

(e) Each Pledgor shall exercise its reasonable business judgment consistent with its past practice in any proceeding before the Canadian Intellectual Property Office with respect to maintaining and pursuing each application relating to any Registered IP (and obtaining the relevant grant or registration) material to the normal conduct of such Pledgor's business and to maintain (i) each issued Patent or Design that is material to the normal conduct of such Pledgor's business and (ii) the registrations of each registered Trademark and each registered Copyright that is material to the normal conduct of such Pledgor's business, including, when applicable and necessary in such Pledgor's reasonable business judgment, timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if any Pledgor believes necessary

in its reasonable business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(f) In the event that any Pledgor becomes aware that any Intellectual Property Collateral material to the normal conduct of its business has been materially infringed, misappropriated or diluted by a third party, such Pledgor shall notify the Collateral Agent within forty-five (45) days of becoming aware thereof (or such longer period as the Collateral Agent (acting on the instructions of the Required Lenders) may reasonably agree) and shall, if such Pledgor deems it necessary in its reasonable business judgment, promptly sue and recover any and all damages, and take such other actions as are reasonably appropriate under the circumstances.

(g) Upon and during the continuance of an Event of Default, at the reasonable request of the Collateral Agent (acting on the instructions of the Required Lenders), each Pledgor shall use commercially reasonable efforts to obtain all requisite consents or approvals from each licensor under each material IP License to which such Pledgor is party to effect the assignment of all such Pledgor's right, title and interest thereunder to (in the Collateral Agent's sole discretion) the designee of the Collateral Agent or the Collateral Agent; *provided, however*, that nothing contained in this SECTION 3.05(g) should be construed as an obligation of any Pledgor to incur any costs or expenses in connection with obtaining such approval.

(h) Notwithstanding the foregoing provisions of this SECTION 3.05, nothing in this SECTION 3.05 shall prevent any Pledgor from abandoning or discontinuing the use or maintenance of any of its Intellectual Property if such Pledgor has determined in good faith in its reasonable business judgment to do so and such abandonment or discontinuation is in compliance with the Credit Agreement.

(i) Such Pledgor agrees that, should it obtain an ownership or other interest in any Intellectual Property after the Closing Date (i) the provisions of this Agreement shall automatically apply thereto and (ii) any such Intellectual Property shall automatically become Intellectual Property subject to the terms and conditions of this Agreement.

ARTICLE IV

Remedies

SECTION 4.01. ***Remedies Upon Default***. Subject to the terms of any applicable Intercreditor Agreement, the Collateral Agent (acting on the instructions of the Required Lenders) may take any action specified in this SECTION 4.01. Upon the occurrence and during the continuance of an Event of Default, each Pledgor agrees to deliver each item of Collateral to the Collateral Agent on demand. It is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any General Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such General Collateral by the applicable Pledgors to the

Collateral Agent or to license or sublicense (subject to any such licensee's obligation to maintain the quality of the goods and/or services provided under any Trademark consistent with the quality of such goods and/or services provided by the Pledgors immediately prior to the Event of Default), whether general, special or otherwise, and whether on an exclusive or a nonexclusive basis, any such General Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing or trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use), and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the General Collateral and without liability for trespass to the applicable Pledgor to enter any premises where the General Collateral may be located for the purpose of taking possession of or removing the General Collateral and, generally, to exercise any and all rights and remedies afforded to a secured party under the PPSA and/or other applicable law and/or in equity, (c) appoint, by instrument in writing, any person or persons (whether an officer or employee of the Collateral Agent or not) to be a Receiver of the Collateral or any part of the Collateral and remove or replace any person so appointed, and (d) apply to a court of competent jurisdiction for the appointment of a Receiver of the Collateral or any part of the Collateral. Any Receiver so appointed shall have, in addition to any other powers afforded by the law, the same powers and authorities afforded to the Collateral Agent under this SECTION 4.01. The Collateral Agent agrees and covenants not to exercise any of the rights or remedies set forth in the two preceding sentences unless and until the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, each Pledgor agrees that the Collateral Agent shall have the right to exercise all rights and remedies of a secured party on default under the PPSA or other applicable law and subject to the mandatory requirements of applicable law (including Cannabis Law), but without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Pledgors, the Parent Borrower, the Co-Borrower or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), to forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or to forthwith sell or otherwise Dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized in connection with any sale of a security (if it deems it advisable to do so) pursuant to the foregoing to restrict the prospective bidders or purchasers to persons who represent and agree that they are purchasing such security for their own account, for investment, and not with a view to the distribution or sale thereof. Upon consummation of any such Disposition of Collateral pursuant to this SECTION 4.01 the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold (other than in violation of any then-existing Intellectual Property licensing or trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use). Each such purchaser at any such Disposition shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives and releases

(to the extent permitted by law) all rights of redemption, stay, valuation and appraisal that such Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

To the extent any notice is required by applicable law, the Collateral Agent shall give the applicable Pledgors 10 Business Days' written notice (which each Pledgor agrees is reasonable notice) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale, in the case of a private sale, shall state the time after which the sale is to be made and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or the portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In the case of any sale of all or any part of the Collateral made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in the event that any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in the case of any such failure, such Collateral may be sold again upon notice given in accordance with provisions above. At any public (or, to the extent permitted by law, private) sale made pursuant to this SECTION 4.01, any Secured Party may bid for or purchase for cash, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Pledgor (all such rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and such Secured Party may, upon compliance with the terms of sale, hold, retain and Dispose of such property without further accountability to any Pledgor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Pledgor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver.

Solely for the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies hereunder at such time

as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent a non-exclusive license to use, license or sublicense (solely as permitted by the terms of any applicable license) any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located; provided that, with respect to Trademarks, such Pledgor shall have such rights of quality control which are reasonably necessary under applicable law to maintain the validity and enforceability of such Trademarks. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

The term "Collateral Agent" when used in the remedial sections of this Agreement will include any such Receiver so appointed and the agents, officers and employees of such Receiver. In the absence of the Collateral Agent's gross negligence or willful misconduct as finally determined by a court of competent jurisdiction, the Collateral Agent and the Lenders will not be in any way responsible for any misconduct or negligence of any such Receiver.

SECTION 4.02. ***Application of Proceeds***. The Collateral Agent shall, subject to any applicable Intercreditor Agreement, promptly apply the proceeds, moneys or balances of any collection or sale of Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, as well as any Collateral consisting of cash at any time when remedies are being exercised hereunder, in the order set forth in SECTION 7.02 of the Credit Agreement. The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. ***Securities Laws Etc***. In view of the position of the Pledgors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act (Ontario) or any similar federal or provincial statute hereafter enacted analogous in purpose or effect (such Securities Act as amended from time to time in effect and the laws thereunder being called the "***Securities Laws***") with respect to any Disposition of the Pledged Collateral permitted hereunder. Each Pledgor understands that compliance with the Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to Dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could Dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to Dispose of all or part of the Pledged Collateral under other provincial securities laws or similar laws analogous in purpose or effect. Each Pledgor acknowledges and agrees that in light of such restrictions and

limitations, the Collateral Agent, subject to the terms of any applicable Intercreditor Agreement, in its sole and absolute discretion, (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Securities Laws or, to the extent applicable, other provincial securities laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Pledgor acknowledges and agrees that any such sale might result in prices and other terms less favourable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, subject to the terms of any applicable Intercreditor Agreement, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this SECTION 4.03 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

SECTION 4.04. ***Compliance with Cannabis Laws***

(a) If an Event of Default exists, each Pledgor shall use reasonable best efforts to take any action consistent with the Cannabis Laws that the Collateral Agent (acting on the instructions of the Required Lenders) may reasonably request in the exercise of its rights and remedies under this Agreement for the purpose of transferring or assigning the Pledged Collateral to one or more purchasers as the Collateral Agent may designate.

(b) Upon notice from the Collateral Agent (acting on the instructions of the Required Lenders), each Pledgor promptly shall assist in obtaining the consent or approval of any Governmental Authority, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with any applicable Governmental Authority of the transferor's portion of any application or applications for consent to the transfer of control or assignment necessary or appropriate under the Cannabis Laws for approval of the transfer or assignment of any portion of the Collateral. Anything herein to the contrary notwithstanding, no Pledgor shall be obligated to sign or certify any such document which such Pledgor has reasonable cause to believe contains any inaccuracy or to make any statements concerning the qualifications of any transferee or assignee.

ARTICLE V

Miscellaneous

SECTION 5.01. ***Notices***. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in SECTION 9.01 of the Credit Agreement. All communications and notices hereunder to any Pledgor shall be given to it in care of the Parent Borrower, with such notice to be given as provided in SECTION 9.01 of the Credit Agreement.

SECTION 5.02. ***Security Interest Absolute***. To the extent permitted by law, all rights of the Collateral Agent hereunder, the Security Interest in the General Collateral, the security interest in the Pledged Collateral and all obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Credit Agreement, any Credit Agreement Document, any other agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any Credit Agreement Document, any Intercreditor Agreement or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Secured Obligations or this Agreement (other than a defense of payment or performance).

SECTION 5.03. ***Limitation By Law***. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law. Each Pledgor and the Collateral Agent, for itself and on behalf of each Secured Party, hereby confirms that it is the intention of all such persons that this Agreement and the pledge and security interest in the Collateral granted under this Agreement not constitute a preference, transfer at undervalue, fraudulent transfer or conveyance, or other voidable transaction for purposes of the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or any other federal, state, provincial or foreign bankruptcy, insolvency, receivership or similar law, the *Fraudulent Conveyances Act* (Ontario), the *Assignments and Preferences Act* (Ontario) or any similar foreign, federal, provincial or state law, including the common law, to the extent applicable to this Agreement and the Security Interest and the security interest in the Pledged Collateral granted hereunder. To effectuate the foregoing intention, the Collateral Agent, for itself and on behalf of each Secured Party, and the Pledgors hereby irrevocably agree that the Security Interest and the security interest in the Pledged Collateral granted hereunder at any time shall be limited to the maximum extent as will result in the Security Interest and the security interest in the Pledged Collateral granted under this Agreement not constituting a preference, transfer at undervalue, fraudulent transfer or conveyance, or other voidable transaction.

SECTION 5.04. ***Binding Effect; Several Agreements***. This Agreement shall become effective as to any party to this Agreement when a counterpart hereof executed on behalf of such party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such party, the Collateral Agent and the other Secured Parties and their respective permitted successors and assigns,

except that no party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as permitted by this Agreement or any Credit Agreement Document. This Agreement shall be construed as a separate agreement with respect to each party and may be amended, modified, supplemented, waived or released in accordance with SECTION 5.09 or SECTION 5.15, as applicable.

SECTION 5.05. ***Successors and Assigns***. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party and all covenants, promises and agreements by or on behalf of any Pledgor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective permitted successors and assigns, *provided* that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Agreement except as permitted by SECTION 5.04.

SECTION 5.06. ***Collateral Agent's Fees and Expenses; Indemnification***.

(a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder by the Pledgors, and the Collateral Agent and other Indemnitees shall be indemnified by the Pledgors, in each case of this clause (a), *mutatis mutandis*, as provided in SECTION 9.05 of the Credit Agreement.

(b) Any such amounts payable as provided hereunder shall be additional Secured Obligations secured hereby and by the other Security Documents. The provisions of this SECTION 5.06 shall remain operative and in full force and effect regardless of the termination of this Agreement, any other Credit Agreement Document, the consummation of the transactions contemplated hereby, the repayment of any of the Secured Obligations, the invalidity or unenforceability of any term or provision of this Agreement, any other Credit Agreement Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this SECTION 5.06 shall be payable within fifteen days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree) of written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(c) The agreements in this SECTION 5.06 shall survive the resignation of the Collateral Agent and the termination of this Agreement.

(d) For the avoidance of doubt, the provisions of Article VIII of the Credit Agreement shall also apply to the Collateral Agent acting under or in connection with this Agreement. No provision of this Agreement shall require the Collateral Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

SECTION 5.07. ***Collateral Agent Appointed Attorney-in-Fact***. Subject to any applicable Intercreditor Agreement, each Pledgor hereby appoints the Collateral

Agent the attorney-in-fact of such Pledgor for the purpose of carrying out the provisions of this Agreement and, upon the occurrence and during the continuance of an Event of Default, taking any action and executing any instrument that the Collateral Agent (acting on the instructions of the Required Lenders) may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, subject to applicable Requirements of Law and any applicable Intercreditor Agreement, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Pledgor, (a) to receive, endorse, assign or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due under and by virtue of any Collateral; (d) to sign the name of any Pledgor on any invoice or bill of lading relating to any of the Collateral; (e) to send verifications of Accounts to any Account Debtor; (f) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise, realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (g) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (h) to notify, or to require any Pledgor to notify, Account Debtors to make payment directly to the Collateral Agent; and (i) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided* that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Pledgor for any act or failure to act hereunder, except for their own or their Related Parties' gross negligence or willful misconduct.

SECTION 5.08. ***Governing Law***. **THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO, AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW AND SHALL BE TREATED, IN ALL RESPECTS, AS AN ONTARIO CONTRACT.**

SECTION 5.09. ***Waivers; Amendment***. (a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right, power or remedy hereunder or under any other Credit Agreement Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy, or any abandonment or discontinuance of steps to enforce such a right, power or remedy, preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Collateral Agent and the other Secured Parties hereunder and under the other Credit Agreement Documents are cumulative and are not exclusive of any rights, powers or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Pledgor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this SECTION 5.09, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Collateral Agent or any other Secured Party may have had notice or knowledge of such Default or Event of Default at the time. No notice or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified (other than as provided in SECTION 5.15 and SECTION 5.16) except as provided in SECTION 9.08 of the Credit Agreement. The Collateral Agent may conclusively rely on a certificate of an officer of the Parent Borrower as to whether any amendment contemplated by this SECTION 5.09(b) is permitted.

SECTION 5.10. ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR, ANY OTHER CREDIT AGREEMENT DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.10.

SECTION 5.11. ***Severability***. In the event any one or more of the provisions contained in this Agreement, any other Credit Agreement Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavour in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.12. ***Counterparts***. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract, and shall become effective as provided in SECTION 5.04. Delivery of an executed counterpart to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5.13. ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.14. ***Jurisdiction; Consent to Service of Process***. (a) Each party to this Agreement hereby irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party or any affiliate thereof, in any way relating to this Agreement, any other Credit Agreement Document or the transactions relating hereto or thereto, in any forum other than the courts of the Province of Ontario and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such courts or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Notwithstanding the foregoing, each party hereto agrees that the Administrative Agent and the Collateral Agent each retain the right to bring proceedings against any Loan Party in the courts of any other jurisdiction solely in connection with the exercise of any rights under any Security Document or as otherwise provided in the Guarantee Agreement.

(b) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, any other Credit Agreement Document in any court in the Province of Ontario and any appellate court from any thereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in SECTION 5.01. Nothing in this Agreement, any other Credit Agreement Document will affect the right of any party to this Agreement, any other Credit Agreement Document to serve process in any other manner permitted by law.

SECTION 5.15. ***Termination or Release***. In each case subject to the terms of any applicable Intercreditor Agreement:

(a) This Agreement and the pledges made by the Pledgors herein and all other security interests granted by the Pledgors hereby shall automatically terminate and be released upon the occurrence of the Termination Date.

(b) A Pledgor shall automatically be released from its obligations hereunder and/or the security interests in any Collateral in each case be automatically released upon the occurrence of any of the circumstances set forth in SECTION 9.18 of the Credit Agreement pursuant to and in accordance with the terms thereof.

(c) In connection with any termination or release pursuant to this SECTION 5.15, the Collateral Agent shall execute and deliver to any Pledgor all documents that such Pledgor shall reasonably request to evidence such termination or release (including PPSA (or equivalent) termination and/or discharge statements), and will duly assign and transfer to such Pledgor, such of the Pledged Collateral that may be in the possession of the Collateral Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement. Any execution and delivery of documents pursuant to this SECTION 5.15 shall be made without recourse to or warranty by the Collateral Agent. Upon the receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Parent Borrower, the Collateral Agent shall promptly execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Agreement. The Pledgors agree to pay all reasonable and documented out-of-pocket expenses incurred by the Collateral Agent (and its representatives and counsel) in connection with the execution and delivery of such release documents or instruments.

SECTION 5.16. ***Additional Subsidiaries***. Upon execution and delivery by any Subsidiary that is required or permitted to become a party hereto by SECTION 5.09 of the Credit Agreement (or that is referred to in clause (c) of the definition of "Subsidiary Loan Party" in the Credit Agreement) of an instrument substantially in the form of *Exhibit I* hereto (or another instrument reasonably satisfactory to the Collateral Agent and the Parent Borrower), such subsidiary shall become a Subsidiary Loan Party and Pledgor hereunder with the same force and effect as if originally named as a Subsidiary Loan Party and a Pledgor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Agreement. The rights and obligations of each party to this Agreement shall remain in full force and effect notwithstanding the addition of any new party to this Agreement. Each reference to "Subsidiary Loan Party" or "Pledgor" in this Agreement shall be deemed to include such Subsidiary.

SECTION 5.17. ***General Authority of the Collateral Agent***.

(a) By acceptance of the benefits of this Agreement and any other Security Documents, each Secured Party (whether or not a signatory hereto) shall be deemed irrevocably (i) to consent to the appointment of the Collateral Agent as its agent hereunder and under such other Security Documents, (ii) to confirm that the Collateral Agent shall have the authority to act as the exclusive agent of such Secured Party for the enforcement of any provision of this Agreement and such other Security Documents against any Pledgor, the exercise of remedies hereunder or thereunder and the giving or

withholding of any consent or approval hereunder or thereunder relating to any Collateral or any Pledgor's obligations with respect thereto, (iii) to agree that it shall not take any action to enforce any provisions of this Agreement or any other Security Document against any Pledgor, to exercise any remedy hereunder or thereunder or to give any consents or approvals hereunder or thereunder except as expressly provided in this Agreement or any other Security Document and (iv) to agree to be bound by the terms of this Agreement and any other Security Documents and any applicable Intercreditor Agreement then in effect.

(b) Each Pledgor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Credit Agreement, and such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Pledgors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Pledgor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 5.18. ***Subject to Intercreditor Agreements; Conflicts***. Notwithstanding anything else herein to the contrary, (i) the Liens and security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement and (ii) the exercise of any right or remedy by the Collateral Agent hereunder or the application of proceeds (including insurance and condemnation proceeds) of any Collateral, in each case, are subject to the limitations and provisions of any applicable Intercreditor Agreement to the extent provided therein. In the event of any conflict between the terms of such applicable Intercreditor Agreement and the terms of this Agreement, the terms of such applicable Intercreditor Agreement shall govern.

SECTION 5.19. ***Attachment***. Each Pledgor hereby acknowledges that (i) value has been given, (ii) it has rights in the Collateral existing on the date hereof, (iii) it has not agreed to postpone the time for attachment of the Lien granted hereunder, and (iv) it has received a copy of this Agreement. Each Pledgor acknowledges that any security interest in this Agreement shall attach to existing Collateral upon the execution of this Agreement and to each item of after-acquired Collateral at the time that such Pledgor acquires rights in such after-acquired Collateral

SECTION 5.20. ***Copy of Verification Statement.*** To the extent permitted by law, each Pledgor hereby waives its right to receive a copy of any financing statement, financing change statement or verification statement filed or received by or on behalf of the Collateral Agent in connection with the Collateral Agent's interest in the Collateral.

SECTION 5.21. ***Amalgamation; Merger.*** If any Pledgor is a corporation, such Pledgor acknowledges that if it amalgamates or merges with any other corporation or corporations, then (i) the Collateral and the Liens of such Pledgor created hereunder shall extend to and include all the property and assets of the amalgamated corporation and to

any property or assets of the amalgamated corporation thereafter owned or acquired, (ii) the term "Pledgor", where used in this Agreement, shall extend to and include the amalgamated corporation, and (iii) the term "Secured Obligations", where used in this Agreement, shall extend to and include the Secured Obligations of the amalgamated corporation.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written

Canopy Growth Corporation
11065220 Canada Inc.
10663824 Canada Inc.
11128752 Canada Inc.
1175908 B.C. Ltd.
Apollo Applied Research Inc.
2344823 Ontario Inc.
Canopy Growth LATAM Holdings Corporation
POS Management Corp.
Tweed Franchise Inc.
Tweed Leasing Corp.
Wachstum Produce Limited Partnership, by its GP Wachstum Produce GP Inc.
Wachstum Produce GP Inc.
1208640 B.C. Ltd.
JuJu Joints Canada Corp.
POS Pilot Plant Corporation
Wachstum Produce GP Inc.
Tweed Inc.
10252832 Canada Inc.
11239490 Canada Inc.
East Coast Tweed Inc.
The Tweed Tree Lot Inc.
WandaCo Holdings Inc.
StarkCo Holdings Inc.
2703740 Ontario Inc.
DOJA Cannabis Ltd.
Hiku Brands Company Ltd.
TS Brandco Inc.
Tweed Farms Inc.
Spectrum Health Corp.
Spectrum Cannabis Canada Ltd.
1955625 Ontario Inc.
11318152 Canada Inc.
BC Tweed Joint Venture Inc.
Batavia Bio Processing Limited
BioSteel Sports Nutrition USA LLC
Canopy Growth USA, LLC
Coldstream Manufacturing I LLC
Coldstream Real Estate Holdings I LLC
Coldstream Real Estate Holdings II LLC
Coldstream Real Estate Holdings III LLC
EB Transaction Corp.

EB Transaction Sub I LLC
HIP DEVELOPMENTS LLC
HIP NY DEVELOPMENTS LLC
POS Bio-Sciences USA Inc.
Storz & Bickel America, Inc.
TWP USA Inc.

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent

By: _____
Name:
Title:

Schedule I to the
Canadian Pledge and Security Agreement

Pledging Subsidiary Loan Parties

	Legal Name	Type of Entity	Jurisdiction of Formation	Organizational Number	Federal Taxpayer ID Number
1.					
2.					
3.					
4.					
5.					
6.					
7.					

Schedule II to the
Canadian Pledge and Security Agreement

Pledged Stock; Pledged Debt

A. Pledged Stock

Issuer	Record Owner	Certificate No.	Number and Class	Percentage of Equity Interest Owned	Percent (of Owned Equity Interests) Pledged
[__]	[__]	[__]	[__]	[__]%	[__]%

B. Pledged Debt

Entity	Principal	Date of Issuance
[__]	[__]	[__]

Schedule III to the
Canadian Pledge and Security Agreement

Intellectual Property

Patents

Title	Patent No.	Issue Date

Designs

Title	Design No.	Issue Date

Patent Applications

Title	Application No.	Filing Date

Copyright Registrations

Title	Registration No.	Registration Date

Trademark Registrations

Mark	Registration No.	Registration Date

Trademark Applications

Mark	Application No.	Filing Date

Schedule IV to the

Canadian Pledge and Security Agreement

[Reserved]

Schedule V to the

Canadian Pledge and Security Agreement

Instruments

Exhibit I to the
Canadian Pledge and Security Agreement

Form of Supplement to the Canadian Pledge and Security Agreement

SUPPLEMENT NO. [●] (this "***Supplement***"), dated as of [●], 20[●][●] to the Canadian Pledge and Security Agreement dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Canadian Pledge and Security Agreement***"), among the Parent Borrower (as defined below), the Co-Borrower (as defined below) and each of the other Subsidiary Loan Parties from time to time party thereto (each, a "***Subsidiary Loan Party***") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent (together with its successors and assigns in such capacity, the "***Collateral Agent***") for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "***Parent Borrower***"), 11065220 Canada Inc., a corporation incorporated under the federal laws of Canada (the "***Co-Borrower***" and, together with the Parent Borrower, the "***Borrowers***" and each, a "***Borrower***"), the Lenders party thereto from time to time and Wilmington Trust, National Association, as administrative agent and collateral agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the Canadian Pledge and Security Agreement, as applicable.

C. The Pledgors have entered into the Canadian Pledge and Security Agreement pursuant to the requirements set forth in SECTION 5.09 of the Credit Agreement. SECTION 5.16 of the Canadian Pledge and Security Agreement provides that certain additional Subsidiaries of the Parent Borrower may become Subsidiary Loan Parties and Pledgors under the Canadian Pledge and Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "***New Subsidiary***") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Pledging Subsidiary Loan Party and a Pledgor under the Canadian Pledge and Security Agreement.

Accordingly, the New Subsidiary agrees as follows:

SECTION 1. In accordance with SECTION 5.16 of the Canadian Pledge and Security Agreement, the New Subsidiary by its signature below becomes a Subsidiary Loan Party and a Pledgor under the Canadian Pledge and Security Agreement with the same force and effect as if originally named therein as a Subsidiary Loan Party and a Pledgor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the Canadian Pledge and Security Agreement applicable to it as a Subsidiary Loan Party and a Pledgor thereunder and (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all material respects

on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment and performance in full of the Secured Obligations, does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the Canadian Pledge and Security Agreement) of the New Subsidiary. Each reference to a "Subsidiary Loan Party" or a "Pledgor" in the Canadian Pledge and Security Agreement shall be deemed to include the New Subsidiary (except as otherwise provided in clause (ii) of the definition of Pledgor to the extent applicable). The Canadian Pledge and Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that, as of the date hereof, (a) set forth on *Schedule I* attached hereto is a true and correct schedule of any and all of (and, with respect to any Pledged Stock issued by an issuer that is not a subsidiary of the New Subsidiary, correctly sets forth, to the knowledge of the New Subsidiary) the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder and (ii) the debt obligations and promissory notes or instruments evidencing Indebtedness, in each case under this clause (ii) pledged hereunder and in an aggregate principal amount in excess of $5,000,000 now owned by the New Subsidiary required to be pledged in order to satisfy the Collateral and Guarantee Requirement or delivered pursuant to SECTION 2.02(a), SECTION 2.02(b) and SECTION 2.02(c) of the Canadian Pledge and Security Agreement, (b) set forth on *Schedule II* attached hereto is a list of any and all Registered IP of the New Subsidiary, (c) [Reserved], and (d) set forth under its signature hereto is the true and correct legal name of the New Subsidiary, its jurisdiction of organization and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the Canadian Pledge and Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE PROVINCE OF ONTARIO, AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW AND SHALL BE TREATED, IN ALL RESPECTS, AS AN ONTARIO CONTRACT.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the Canadian Pledge and Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavour in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the Canadian Pledge and Security Agreement) be in writing and given as provided in SECTION 5.01 of the Canadian Pledge and Security Agreement.

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable and documented out-of-pocket expenses in connection with this Supplement, including the reasonable and documented fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Supplement to the Canadian Pledge and Security Agreement as of the day and year first above written.

[Signature Page Follows]

[NAME OF NEW SUBSIDIARY]

BY:_____
Name:
Title

Address:
Legal Name:
Jurisdiction of Organization:

Schedule I to
Supplement No. __ to the
Canadian Pledge and Security Agreement

Pledged Stock; Pledged Debt

A. Pledged Stock

Issuer	Record Owner	Certificate No.	Number and Class	Percentage of Equity Interest Owned	Percent Of Owned Equity Interests Pledged

B. Pledged Debt

Payee	Payor	Principal	Date of Issuance	Maturity Date

Schedule II to
Supplement No. __ to the
Canadian Pledge and Security Agreement

Intellectual Property

A. Issued or Applied for Patents Owned by [New Subsidiary]

Patents

Title	Patent No.	Issue Date

Patent Applications

Title	Application No.	Filing Date

B. **Registered Copyrights Owned by [New Subsidiary]**

Canadian Copyright Registrations

Title	Registration No.	Registration Date

C. **Registered or Applied for Trademarks Owned by [New Subsidiary]**

Trademark Registrations

Mark	Registration No.	Registration Date

Trademark Applications

Mark	Application No.	Filing Date

D. **Registered Designs Owned by [New Subsidiary]**

Designs

Title	Design No.	Issue Date

Exhibit II to the
Canadian Pledge and Security Agreement

Form of Notice of Grant of Security Interest in [Copyrights] [Patents] [Trademarks] [Designs]

[NOTICE OF] GRANT OF SECURITY INTEREST IN [COPYRIGHTS] [PATENTS] [TRADEMARKS] [DESIGNS], dated as of [DATE] (this "Notice"), made by [●], a [●] [●] (the "Pledgor"), in favour of WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent (as defined below).

Reference is made to the Canadian Pledge and Security Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "Canadian Pledge and Security Agreement"), among the Parent Borrower, the Co-Borrower and each of the other Subsidiary Loan Parties from time to time party thereto and Wilmington Trust, National Association, as collateral agent (together with its successors and assigns in such capacity, the "Collateral Agent") for the Secured Parties (as defined therein). The parties hereto agree as follows:

SECTION 1. ***Terms***. Capitalized terms used in this Notice and not otherwise defined herein have the meanings specified in the Canadian Pledge and Security Agreement. The rules of construction specified in SECTION 1.01(b) of the Canadian Pledge and Security Agreement also apply to this Notice.

SECTION 2. ***Grant of Security Interest***. As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, the Pledgor pursuant to the Canadian Pledge and Security Agreement did, and hereby does, assign and pledge to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, a security interest in all of the Pledgor's right, title and interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by the Pledgor or in which the Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, the "[Patent] [Copyright] [Trademark] [Design] Collateral"):

[all Patents, including those listed on Schedule I;]

[all Copyrights, including those listed on Schedule I;]

[all Trademarks, including those listed on Schedule I;]

[all Designs, including those listed on Schedule I;]

provided, however, that the foregoing pledge and grant of security interest will not cover, and the [Patent] [Copyright] [Trademark] [Design] Collateral shall not include, any Excluded Property.

SECTION 3. ***Canadian Pledge and Security Agreement***. The security interests granted to the Collateral Agent herein are granted in furtherance, and not in limitation of, the security interests granted to the Collateral Agent pursuant to the Canadian Pledge and Security Agreement. The Pledgor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the [Patent] [Copyright] [Trademark] [Design] Collateral are more fully set forth in the Canadian Pledge and Security Agreement, the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Notice and the Canadian Pledge and Security Agreement, the terms of the Canadian Pledge and Security Agreement shall govern.

SECTION 4. ***Counterparts***. This Notice may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart to this Notice by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5. ***Governing Law***. THIS NOTICE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS NOTICE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS NOTICE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE PROVINCE OF ONTARIO, AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW AND SHALL BE TREATED, IN ALL RESPECTS, AS AN ONTARIO CONTRACT.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Notice as of the day and year first above written.

[Name of Pledgor]

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent,

By: _____
Name:
Title:

Schedule I
to Notice of Grant of Security Interest in Patents

Patents Owned by [Name of Pledgor]

Patents

Title	Patent No.	Issue Date

Patent Applications

Title	Application No.	Filing Date

Schedule I
to Notice of Grant of Security Interest in Copyrights

Copyrights Owned by [Name of Pledgor]

Canadian Copyright Registrations

Title	Registration No.	Registration Date

Schedule I
to Notice of Grant of Security Interest in Trademarks

Trademarks Owned by [Name of Pledgor]

Trademark Registrations

Mark	Registration No.	Registration Date

Trademark Applications

Mark	Application No.	Filing Date

Schedule I
to Notice of Grant of Security Interest in Designs

Registered Designs Owned by [Name of Pledgor]

Designs

Title	Design No.	Issue Date

Execution Version

U.S. PLEDGE AND SECURITY AGREEMENT

dated and effective as of

March 18, 2021

among

each Subsidiary Loan Party party hereto

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent

TABLE OF CONTENTS

Schedules

Exhibits

U.S. PLEDGE AND SECURITY AGREEMENT dated and effective as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, this "***Agreement***"), is among each Subsidiary of the Parent Borrower (as defined below) party hereto and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent for the Secured Parties referred to herein (together with its successors and assigns in such capacity, the "***Collateral Agent***").

PRELIMINARY STATEMENT

Reference is made to the Credit Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "***Parent Borrower***"), 11065220 Canada, Inc., a corporation incorporated under the federal laws of Canada (the "***Co-Borrower***" and, together with the Parent Borrower, the "***Borrowers***" and each, a "***Borrower***"), the lenders party thereto from time to time (the "***Lenders***") and Wilmington Trust, National Association, as administrative agent for the Lenders and as collateral agent for the Secured Parties.

The Lenders have agreed to extend credit to the Borrowers subject to the terms and conditions set forth in the Credit Agreement. The obligations of the Lenders to extend such credit are conditioned upon, among other things, the execution and delivery of this Agreement by the Subsidiary Loan Parties party hereto. The Subsidiary Loan Parties, as Subsidiaries and/or affiliates of the Borrowers, will derive substantial benefits from the extension of credit to the Borrowers pursuant to the Credit Agreement. The Subsidiary Loan Parties are willing to execute and deliver this Agreement in order to induce the Lenders to extend such credit under the Credit Agreement. Therefore, to induce the Lenders to make their respective extensions of credit, the parties hereto agree as follows:

ARTICLE I

Definitions

SECTION 1.01. ***Credit Agreement***. (a) Capitalized terms used in this Agreement and not otherwise defined herein have the respective meanings assigned thereto in the Credit Agreement. All terms defined in the New York UCC (as defined herein) and not defined in this Agreement or the Credit Agreement have the meanings specified therein. The term "instrument" shall have the meaning specified in Article 9 of the New York UCC.

(b) The rules of construction specified in Section 1.02 of the Credit Agreement also apply to this Agreement.

SECTION 1.02. ***Other Defined Terms***. As used in this Agreement, the following terms have the meanings specified below:

"***Account Debtor***" means any person who is or who may become obligated to any Pledgor under, with respect to or on account of an Account, Chattel Paper, General Intangibles or Receivables.

"***Agreement***" has the meaning assigned to such term in the introductory paragraph of this agreement.

"***Article 9 Collateral***" has the meaning assigned to such term in Section 3.01.

"***Borrower***" and "***Borrowers***" have the meanings assigned to such terms in the preliminary statement of this Agreement.

"***Co-Borrower***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Collateral***" means Article 9 Collateral and Pledged Collateral. For the avoidance of doubt, the term Collateral does not include any Excluded Property or Excluded Securities.

"***Collateral Agent***" has the meaning assigned to such term in the introductory paragraph of this Agreement.

"***Credit Agreement***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Credit Agreement Documents***" means (a) the Loan Documents and (b) any other related documents or instruments executed and delivered pursuant to the Loan Documents, in each case, as such documents or instruments may be amended, restated, amended and restated, supplemented, replaced or otherwise modified from time to time.

"***Crops***" means Cannabis seeds or plants planted by any Pledgor to produce harvestable cannabis plants for the purpose of producing saleable cannabis products of any nature or kind.

"***Fixtures***" means trade fixtures, other fixtures and storage facilities (wherever located), and all additions and accessories thereto and replacements therefor.

"***Federal Securities Laws***" has the meaning assigned to such term in Section 4.03.

"***General Intangibles***" means all "general intangibles" as defined in the New York UCC, including all choses in action and causes of action and all other intangible personal property of any Pledgor of every kind and nature (other than Accounts) now owned or hereafter acquired by any Pledgor, including corporate or other business records, indemnification claims, contract rights (including rights under leases, whether entered into as lessor or lessee, swap agreements and other agreements), Intellectual Property, IP Licenses, goodwill, registrations, franchises, tax refund claims and any guarantee, claim, security interest or other security held by or granted to any Pledgor to secure payment by an Account Debtor of any of the Accounts.

"***Immaterial Instruments***" means an Instrument (other than an instrument evidencing debt obligations which are governed by Article II and checks received and processed in the ordinary course of business) or Tangible Chattel Paper in an amount (a) not individually in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, (b) taken together with all other Immaterial Instruments, not in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, and (c) not otherwise material to the Parent Borrower and its Subsidiaries, taken as a whole, as determined in good faith by the Parent Borrower.

"***Immaterial Pledged Debt***" means Pledged Debt in an amount (a) not individually in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, (b) taken together with all other Immaterial Pledged Debt, not in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis, and (c) not otherwise material to the Parent Borrower and its Subsidiaries, taken as a whole, as determined in good faith by the Parent Borrower.

"***Immaterial Pledged Stock***" means Pledged Stock in any Person that is not a Loan Party that (a) does not have assets with a value in excess of 2.5% of the Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis (in the case of any Person other than a Wholly Owned Subsidiary, determined ratably based on the ownership interests of the Parent Borrower and its Wholly Owned Subsidiaries therein), (b) taken together with all other Immaterial Pledged Stock, does not have assets with a value in excess of 5.0% of Consolidated Total Assets of the Parent Borrower and its Subsidiaries on a consolidated basis (in the case of any Person other than a Wholly Owned Subsidiary, determined ratably based on the ownership interests of the Parent Borrower and its Wholly Owned Subsidiaries therein), and (c) is not otherwise material to the Parent Borrower and its Subsidiaries, taken as a whole, in each case as determined in good faith by the Parent Borrower as of (x) the Closing Date, for Pledged Stock owned as of such date, (y) the date of acquisition or formation, for Pledged Stock acquired after the Closing Date or (z) any other date of determination reasonably requested by the Required Lenders.

"***Intellectual Property Collateral***" has the meaning assigned to such term in Section 3.02.

"***Intercreditor Agreements***" means an Intercreditor Agreement (upon and during the effectiveness thereof) entered into in compliance with the Credit Agreement Documents.

"***IP Licenses***" means any and all written agreements, now or hereafter in effect, granting to any Pledgor any right under any third-party Intellectual Property (including any such rights that such Pledgor has the right to license), together with any amendments, modifications, renewals, extensions and supplements thereof.

"***Instruments***" shall mean, collectively, with respect to each Pledgor, all "instruments," as such term is defined in Article 9 of the New York UCC, and shall include

all promissory notes, drafts, bills of exchange or acceptances, including, without limitation, those described on Schedule V annexed hereto.

"***Lenders***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Material Pledged Debt***" means any Pledged Debt other than Immaterial Pledged Debt.

"***Material Pledged Instrument***" means any Instruments (other than instruments evidencing debt obligations which are governed by Article II and checks received and processed in the ordinary course of business) or Tangible Chattel Paper other than Immaterial Instruments.

"***Material Pledged Stock***" means (x) any Pledged Stock representing Equity Interests in a Loan Party and (y) any other Pledged Stock other than Immaterial Pledged Stock.

"***New York UCC***" means the Uniform Commercial Code as from time to time in effect in the State of New York; provided, however, that, at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of the Collateral Agent's and the Secured Parties' security interest in any item or portion of the Article 9 Collateral is governed by the Uniform Commercial Code or similar law as in effect in a jurisdiction other than the State of New York, the term "New York UCC" shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"***Notices of Grant of Security Interest in Intellectual Property***" means the notices of grant of security interest substantially in the form attached hereto as *Exhibit II* or such other form as shall be reasonably acceptable to the Collateral Agent (at the direction of the Required Lenders).

"***Parent Borrower***" has the meaning assigned to such term in the preliminary statement of this Agreement.

"***Perfection Certificate***" means the Perfection Certificate with respect to the Borrowers and each Subsidiary Loan Party as of the Closing Date delivered to the Collateral Agent on the Closing Date.

"***Planting Material***" has the meaning assigned to such term in Section 3.01.

"***Pledged Collateral***" has the meaning assigned to such term in Section 2.01.

"***Pledged Debt***" has the meaning assigned to such term in Section 2.01.

"***Pledged Securities***" means any promissory notes, shares, stock certificates, share certificates or other certificated securities now or hereafter included in the Pledged Collateral, including all certificates, instruments or other documents representing or evidencing any Pledged Collateral.

"***Pledged Stock***" has the meaning assigned to such term in Section 2.01.

"***Pledgor***" means each Subsidiary Loan Party party hereto.

"***Proceeds***" means "Proceeds" as defined in Article 9 of the New York UCC and, in any event, also includes all proceeds of, and all other profits, products, rents or receipts, in whatever form, arising from the collection, sale, lease, exchange, assignment, licensing or other disposition of, or other realization upon, any Collateral, including all claims of the relevant Pledgor against third parties for loss of, damage to or destruction of, or for proceeds payable under, or unearned premiums with respect to, policies of insurance in respect of, any Collateral, and any condemnation or requisition payments with respect to any Collateral.

"***Registered U.S. IP***" means issued or applied for U.S. Patents, registered or applied for U.S. Trademarks and registered U.S. Copyrights, in each case owned by any Pledgor, and IP Licenses pursuant to which a Pledgor is the exclusive licensee of a registered U.S. Copyright, in each case excluding any Excluded Property.

"***SEC***" has the meaning assigned to such term in Section 2.01.

"***Secured Obligations***" means the "Obligations" as defined in the Credit Agreement.

"***Security Interest***" has the meaning assigned to such term in Section 3.01.

"***Specified Pledged Debt Instrument***" has the meaning assigned to such term in Section 2.02(b).

"***Subsidiary Loan Party***" means any Subsidiary of the Parent Borrower set forth on *Schedule I* and any Subsidiary of the Parent Borrower that becomes a party hereto pursuant to Section 5.16.

"***Successor Collateral Agent***" has the meaning assigned to such term in Section 5.20.

ARTICLE II

Pledge of Securities

SECTION 2.01. ***Pledge***. As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral

Agent, for the benefit of the Secured Parties, a security interest in all of such Pledgor's right, title and interest in, to and under:

(a) the Equity Interests directly owned by it (including those listed on *Schedule II*) and any other Equity Interests obtained in the future by such Pledgor and the certificates, if any, representing all such Equity Interests (the "***Pledged Stock***"); *provided* that the Pledged Stock shall not include any Excluded Securities or other Excluded Property;

(b) (i) the debt obligations listed opposite the name of such Pledgor on *Schedule II,* (ii) any debt obligations in the future issued to such Pledgor having, in the case of each instance of debt obligations, an aggregate principal amount in excess of $5,000,000, and (iii) the certificates, promissory notes and any other instruments, if any, evidencing such debt obligations (the property described in clauses (b)(i), (ii) and (iii) above, the "***Pledged Debt***"); *provided* that the Pledged Debt shall not include any Excluded Securities or other Excluded Property;

(c) subject to Section 2.06, all payments of principal or interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of, in exchange for or upon the conversion of, and all other Proceeds received in respect of the Pledged Stock and the Pledged Debt;

(d) subject to Section 2.06, all rights and privileges of such Pledgor with respect to the Pledged Stock, Pledged Debt and other property referred to in clause (c) above; and

(e) all Proceeds of any of the foregoing (the Pledged Stock, Pledged Debt and other property referred to in this clause (e) and in clauses (c) through (d) above being collectively referred to as the "***Pledged Collateral***"); *provided* that the Pledged Collateral shall not include any Excluded Securities or other Excluded Property.

TO HAVE AND TO HOLD the Pledged Collateral, together with all right, title, interest, powers, privileges and preferences pertaining or incidental thereto, unto the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, forever; subject, however, to the terms, covenants and conditions hereinafter set forth.

SECTION 2.02. ***Delivery of the Pledged Collateral***. (a) With respect to certificates evidencing any Material Pledged Stock in existence on the Closing Date, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, any and all such certificates on the Closing Date or as otherwise specified on Schedule 5.13 of the Credit Agreement. With respect to any certificates evidencing any Material Pledged Stock hereafter owned or acquired, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, as promptly as possible, but in any event, within sixty (60) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders)

may agree in its reasonable discretion) of such Pledgor acquiring rights therein, such certificates.

(b) To the extent any Indebtedness constituting Material Pledged Debt (other than (i) intercompany current liabilities incurred in the ordinary course of business in connection with the cash management operations of the Parent Borrower and its Subsidiaries or (ii) to the extent that a pledge of such promissory note or instrument would violate applicable law) owed to any Pledgor is evidenced by a promissory note or other instrument (a "***Specified Pledged Debt Instrument***"), such Pledgor shall cause such promissory note or instrument to be pledged and delivered to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the terms hereof and in accordance with the timing requirements set forth in paragraph (c) of this Section 2.02.

(c) With respect to any Specified Pledged Debt Instrument in existence on the Closing Date, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, on the Closing Date or as otherwise specified on Schedule 5.13 of the Credit Agreement (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion), such Specified Pledged Debt Instrument. With respect to any Specified Pledged Debt Instrument hereafter owned or acquired, each Pledgor agrees to deliver or cause to be delivered to the Collateral Agent, for the benefit of the Secured Parties, as promptly as possible, but in any event, within sixty (60) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree in its reasonable discretion) of such Pledgor acquiring rights therein, such Specified Pledged Debt Instruments.

(d) Upon delivery to the Collateral Agent, (i) any Pledged Securities required to be delivered pursuant to the foregoing paragraphs (a), (b) and (c) of this Section 2.02 shall be accompanied by stock powers or note powers, as applicable, duly executed in blank or other instruments of transfer reasonably satisfactory to the Collateral Agent, and (ii) all other property comprising part of the Pledged Collateral delivered pursuant to the terms of this Agreement shall be accompanied to the extent necessary to perfect the security interest in or allow realization on the Pledged Collateral by proper instruments of assignment duly executed by the applicable Pledgor. Each delivery of Pledged Securities shall be accompanied by a schedule describing the securities, which schedule shall be attached hereto as *Schedule II* (or a supplement or amendment to *Schedule II*, as applicable) and made a part hereof; *provided* that failure to attach any such schedule hereto shall not affect the validity of such pledge of such Pledged Securities. Each schedule so delivered shall supplement or amend any prior schedules so delivered.

(e) Without limiting the obligations of the Pledgors under Sections 2.02(a), (b), (c) and (d), until such time as the Pledged Securities are delivered to the Collateral Agent, each Pledgor agrees that the Pledgors are holding the Pledged Securities (including, without limitation, the Pledged Securities described on Schedule II) on behalf of and for the benefit of the Collateral Agent, for all purposes of the New York UCC.

SECTION 2.03. ***Representations, Warranties and Covenants***. The Pledgors, jointly and severally, represent, warrant and covenant to and with the Collateral Agent, for the benefit of the Secured Parties, that:

(a) *Schedule II* correctly sets forth (and, with respect to any Immaterial Pledged Stock issued by an issuer that is not a Subsidiary of the Parent Borrower, correctly sets forth, to the knowledge of the relevant Pledgor), as of the Closing Date, the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder (except, in the case of Immaterial Pledged Stock, to the extent constituting Excluded Securities or Excluded Property) and (ii) all debt obligations and promissory notes or instruments evidencing Indebtedness, in each case under this clause (ii) pledged hereunder (except, in the case of Immaterial Pledged Debt, to the extent constituting Excluded Securities or Excluded Property) and in an aggregate principal amount in excess of $5,000,000;

(b) the Pledged Stock and Pledged Debt (and, with respect to any Immaterial Pledged Stock or Pledged Debt issued by an issuer that is not a Subsidiary of the Parent Borrower, to the knowledge of the relevant Pledgor), as of the Closing Date, (x) have been duly and validly authorized and issued by the issuers thereof and (y) (i) in the case of Pledged Stock, are fully paid and, with respect to Equity Interests constituting capital stock of a corporation, nonassessable and (ii) in the case of Pledged Debt, are legal, valid and binding obligations of the issuers thereof, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, general equitable principles (whether considered in a proceeding at law or in equity) and an implied covenant of good faith and fair dealing;

(c) except for the security interests granted hereunder (or otherwise not prohibited by the Credit Agreement Documents), each Pledgor (i) is and, subject to any transfers made not in violation of the Credit Agreement, will continue to be the direct owner, beneficially and of record, of the Pledged Securities indicated on *Schedule II* (as may be supplemented or amended from time to time pursuant to Section 2.02(d)) as owned by such Pledgor, (ii) holds the same free and clear of all Liens, other than Permitted Liens, (iii) will make no assignment, pledge, hypothecation or transfer of, or create or permit to exist any security interest in or other Lien on, the Pledged Collateral, other than pursuant to a transaction not prohibited by the Credit Agreement and other than Permitted Liens and (iv) subject to the rights of such Pledgor under the Credit Agreement Documents to Dispose of Pledged Collateral, will use commercially reasonable efforts to defend its title or interest thereto or therein against any and all Liens (other than Permitted Liens), however arising, of all persons;

(d) each Pledgor has the power and authority to pledge the Pledged Collateral pledged by it hereunder in the manner hereby done or contemplated;

(e) other than as provided under the Credit Agreement, as of the Closing Date, no consent or approval of any Governmental Authority, any securities exchange or any other person was or is necessary to the validity of the pledge of the Pledged Collateral effected hereby (or the transfer of the Pledged Securities upon a foreclosure thereof (other than compliance with any securities law applicable to the transfer of securities)), in each case other than such as have been obtained and are in full force and effect; and

(f) by virtue of the execution and delivery by the Pledgors of this Agreement, when any Pledged Securities (including Pledged Stock of any Subsidiary Loan Party) are delivered to the Collateral Agent, for the benefit of the Secured Parties, in accordance with this Agreement and a financing statement naming the Collateral Agent as the secured party and covering the Pledged Collateral to which such Pledged Securities relate is filed in the appropriate filing office, the Collateral Agent will obtain, for the benefit of the Secured Parties, a legal, valid and perfected lien upon and security interest in such Pledged Collateral under the New York UCC (or in the case of uncertificated Pledged Collateral, the applicable Uniform Commercial Code), subject only to Permitted Liens, as security for the payment and performance of the Secured Obligations, to the extent such perfection is governed by the New York UCC (or in the case of uncertificated Pledged Collateral, the applicable Uniform Commercial Code).

SECTION 2.04. ***Certification of Limited Liability Company and Limited Partnership Interests***.

(a) As of the Closing Date, except as set forth on *Schedule II*, the Equity Interests in limited liability companies that are pledged by the Pledgors hereunder and do not have a certificate number listed on *Schedule II* (and, with respect to any Immaterial Pledged Stock issued by an issuer that is not a Subsidiary of the Parent Borrower, to the relevant Pledgor's knowledge) do not constitute a security under Section 8-103 of the New York UCC or the corresponding code or statute of any other applicable jurisdiction.

(b) The Pledgors shall at no time elect to treat any interest in any limited liability company or limited partnership Controlled by a Pledgor and pledged hereunder as a "security" within the meaning of Article 8 of the New York UCC or its equivalent in other jurisdictions or issue any certificate representing such interest, unless the applicable Pledgor provides prior written notice to the Collateral Agent of such election and promptly delivers, as applicable, any such certificate to the Collateral Agent pursuant to the terms hereof.

(c) In the case of each Pledgor which is an issuer of Pledged Collateral, such Pledgor agrees (i) to be bound by the terms of this Agreement relating to the Pledged Collateral issued by it and will comply with such terms insofar as such terms are applicable to it and (ii) that it will comply with instructions of the Collateral Agent in accordance with this Agreement with respect to the Pledged Collateral (including all Equity Interests of such issuer) without further consent by the applicable Pledgor.

SECTION 2.05. ***Registration in Nominee Name; Denominations***. The Collateral Agent, on behalf of the Secured Parties, shall have the right (in its sole and absolute discretion) to hold the Pledged Securities in the name of the applicable Pledgor, endorsed or assigned in blank or in favor of the Collateral Agent or, if an Event of Default shall have occurred and be continuing, in its own name as pledgee or the name of its nominee (as pledgee or as sub-agent). During the continuance of any Event of Default or as otherwise required by the Credit Agreement, each Pledgor will promptly give to the Collateral Agent copies of any notices or other communications received by it with respect to Pledged Securities registered in the name of such Pledgor. If an Event of Default shall have occurred and be continuing, the Collateral Agent shall have the right to exchange the certificates representing Pledged Securities held by it for certificates of smaller or larger denominations for any purpose consistent with this Agreement. Each Pledgor shall use its commercially reasonable efforts to cause any Subsidiary that is not a party to this Agreement to comply with a request by the Collateral Agent, pursuant to this Section 2.05, to exchange certificates representing Pledged Securities of such Subsidiary for certificates of smaller or larger denominations.

SECTION 2.06. ***Voting Rights; Dividends and Interest, Etc***. (a) Unless and until an Event of Default shall have occurred and be continuing, and the Collateral Agent shall have given written notice (which, in the case of clauses (i) and (ii) below, shall be at least two (2) Business Days advance written notice) to the relevant Pledgors of the Collateral Agent's intention to exercise its rights hereunder:

(i) Each Pledgor shall be entitled to exercise any and all voting and/or other consensual rights and powers inuring to an owner of Pledged Collateral or any part thereof for any purpose not prohibited by the terms of this Agreement or the Credit Agreement and the Credit Agreement Documents; *provided* that except as permitted by the Credit Agreement, such rights and powers shall not be exercised in any manner that could be reasonably likely to materially and adversely affect the rights and remedies of any of the Collateral Agent or the other Secured Parties under this Agreement, any Credit Agreement Document or the ability of the Secured Parties to exercise the same.

(ii) The Collateral Agent shall promptly, at the sole cost and expense of the Pledgors, execute and deliver to each Pledgor, or cause to be executed and delivered to such Pledgor, all such proxies, powers of attorney and other instruments as such Pledgor may reasonably request for the purpose of enabling such Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to subparagraph (i) above.

(iii) Each Pledgor shall be entitled to receive and retain any and all dividends, interest, principal and other distributions paid on or distributed in respect of the Pledged Collateral to the extent and only to the extent that such dividends, interest, principal and other distributions are not prohibited by, and otherwise paid or distributed in accordance with, the

terms and conditions of the Credit Agreement, the other Credit Agreement Documents, and applicable laws; *provided* that (A) any non-cash dividends, interest, principal or other distributions, payments or other consideration in respect thereof, including any rights to receive the same to the extent not so distributed or paid, that would constitute Pledged Securities to the extent such Pledgor has the rights to receive such Pledged Securities if they were declared, distributed and paid on the date of this Agreement, whether resulting from a subdivision, combination or reclassification of the outstanding Equity Interests of the issuer of any Pledged Securities, received in exchange for Pledged Securities or any part thereof, or in redemption thereof, as a result of any merger, amalgamation, consolidation, acquisition or other exchange of assets to which such issuer may be a party or otherwise or (B) any non-cash dividends and other distributions paid or payable in respect of any Pledged Securities that would constitute Pledged Securities to the extent such Pledgor has the rights to receive such Pledged Securities if they were declared, distributed and paid on the date of this Agreement, in connection with a partial or total liquidation or dissolution or in connection with a reduction of capital, capital surplus or paid in surplus, shall be and become part of the Pledged Collateral, and, if received by any Pledgor, shall not be commingled by such Pledgor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent, for the benefit of the Secured Parties, and shall be promptly delivered to the Collateral Agent, for the benefit of the Secured Parties, in the same form as so received (endorsed in a manner reasonably satisfactory to the Collateral Agent).

(b) Upon the occurrence and during the continuance of an Event of Default, all rights of any Pledgor to receive dividends, interest, principal or other distributions with respect to Pledged Securities that such Pledgor is authorized to receive pursuant to paragraph (a)(iii) of this Section 2.06 shall cease, and all such rights shall thereupon become vested, for the benefit of the Secured Parties, in the Collateral Agent which shall have the sole and exclusive right and authority to receive and retain such dividends, interest, principal or other distributions; *provided* that the Collateral Agent shall have the right from time to time following and during the continuance of an Event of Default to permit the Pledgors to receive and retain such amounts. All dividends, interest, principal or other distributions received by any Pledgor contrary to the provisions of this Section 2.06 shall not be commingled by such Pledgor with any of its other funds or property but shall be held separate and apart therefrom, shall be held in trust for the benefit of the Collateral Agent, for the benefit of the Secured Parties, and shall be forthwith delivered to the Collateral Agent, for the benefit of the Secured Parties, in the same form as so received (endorsed in a manner reasonably satisfactory to the Collateral Agent). Any and all money and other property paid over to or received by the Collateral Agent pursuant to the provisions of this paragraph (b) shall be retained by the Collateral Agent in an account to be established by the Collateral Agent upon receipt of such money or other property and shall be applied in accordance with the provisions of Section 4.02. After all Events of Default have been cured or waived

and the Parent Borrower has delivered to the Collateral Agent a certificate to that effect, the Collateral Agent shall promptly repay to each Pledgor (without interest) all dividends, interest, principal or other distributions that such Pledgor would otherwise be permitted to retain pursuant to the terms of paragraph (a)(iii) of this Section 2.06 and that remain in such account.

(c) Upon the occurrence and during the continuance of an Event of Default and after two (2) Business Day's advance written notice by the Collateral Agent to the Parent Borrower of the Collateral Agent's intention to exercise its rights hereunder, all rights of any Pledgor to exercise the voting and/or consensual rights and powers it is entitled to exercise pursuant to paragraph (a)(i) of this Section 2.06, and the obligations of the Collateral Agent under paragraph (a)(ii) of this Section 2.06, shall cease, and all such rights shall thereupon become vested in the Collateral Agent, for the benefit of the Secured Parties, which shall have the sole and exclusive right and authority to exercise such voting and consensual rights and powers; *provided* that the Collateral Agent (acting on the instructions of the Required Lenders) shall have the right from time to time following and during the continuance of an Event of Default to permit the Pledgors to exercise such rights. After all Events of Default have been cured or waived and the Parent Borrower has delivered to the Collateral Agent a certificate to that effect then, each Pledgor shall have the right to exercise the voting and/or consensual rights and powers that such Pledgor would otherwise be entitled to exercise pursuant to the terms of paragraph (a)(i) above and the obligations of the Collateral Agent under paragraph (a)(ii) shall be in effect.

ARTICLE III

Security Interests in Other Personal Property

SECTION 3.01. ***Security Interest***. (a) As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, each Pledgor hereby assigns and pledges to the Collateral Agent, for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest (the "***Security Interest***") in all right, title and interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by such Pledgor or in which such Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, the "***Article 9 Collateral***"):

(i) all Accounts;

(ii) all Chattel Paper;

(iii) all cash and Deposit Accounts and all of such Pledgor's Financial Assets credited to such Deposit Accounts and all Security Entitlements in respect thereof;

(iv) all Documents;

(v) all Equipment;

(vi) all Fixtures;

(vii) all General Intangibles;

(viii) all Instruments (other than the Pledged Collateral, which are governed by Article II);

(ix) all Inventory and all other Goods not otherwise described above;

(x) all Investment Property (other than the Pledged Collateral, which are governed by Article II);

(xi) all Letters of Credit and Letter of Credit Rights;

(xii) all Commercial Tort Claims individually in excess of $10,000,000, as described on *Schedule IV* (as may be supplemented or amended from time to time pursuant to Section 3.04);

(xiii) all books and records pertaining to the Article 9 Collateral; and

(xiv) to the extent not otherwise included, all Proceeds, Supporting Obligations and products of any and all of the foregoing and all collateral security and guarantees given by any person with respect to any of the foregoing.

Without limiting the generality of the foregoing, each Pledgor grants to the Collateral Agent, for the benefit of the Secured Parties, an additional security interest in all seeds, plants, fertilizers and other materials purchased with respect to the planting and growing of each new Crop ("***Planting Material***") and the Crop itself immediately prior to the acquisition of the first item of Planting Material for a new Crop. The foregoing sentence is intended to grant to the Collateral Agent, for the benefit of the Secured Parties, a new security interest in each Crop within six months of a Crop becoming a growing Crop.

Notwithstanding anything to the contrary in this Agreement or the other Credit Agreement Documents, this Agreement shall not constitute a grant of a security interest in (and the Article 9 Collateral shall not include), and the other provisions of the Credit Agreement Documents with respect to Collateral need not be satisfied with respect to, the Excluded Property.

Each Pledgor hereby irrevocably authorizes the Collateral Agent at any time and from time to time to file in any relevant jurisdiction any initial financing statements (including fixture filings) with respect to the Collateral or any part thereof and amendments thereto that

contain the information required by Article 9 of the Uniform Commercial Code of each applicable jurisdiction for the filing of any financing statement or amendment, including (i) if required, whether such Pledgor is an organization and the type of organization, (ii) in the case of a financing statement filed as a fixture filing, a sufficient description of the real property to which such Collateral relates and (iii) a description of collateral that describes such property in any other manner as the Collateral Agent may reasonably determine is necessary or advisable to ensure the perfection of the security interest in the Collateral granted under this Agreement, including describing such property as "all assets" or "all personal property" or words of similar effect. Each Pledgor agrees to provide such information to the Collateral Agent promptly upon request.

The Collateral Agent is further authorized to file with the United States Patent and Trademark Office and/or United States Copyright Office the Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as Exhibit II and such other documents as may be reasonably necessary or advisable for the purpose of perfecting, confirming, continuing, enforcing or protecting the Security Interest granted by each Pledgor in such Pledgor's Registered U.S. IP, without the signature of such Pledgor, and naming such Pledgor or the Pledgors as debtors and the Collateral Agent as secured party.

Notwithstanding anything herein to the contrary, the Collateral Agent shall not be liable for the preparation, filing, recording, registration, re-filing, re-recording or maintenance of any financing statements or continuation statements, amendments, charges, mortgages or any other such instruments, agreements or other documents or be responsible for maintaining the security interests purported to be created as described herein (except for the safe custody of any Collateral in its possession and the accounting for moneys actually received by it hereunder or under any other Loan Document) and such responsibility shall be solely that of the Pledgors.

(b) The Security Interest is granted as security only and shall not subject the Collateral Agent or any other Secured Party to, or in any way alter or modify, any obligation or liability of any Pledgor with respect to or arising out of the Article 9 Collateral.

(c) Notwithstanding anything to the contrary in this Agreement or the Credit Agreement Documents, (1) no landlord, mortgagee or bailee waivers shall be required, (2) no Pledgor shall be required to take any action under the laws of any jurisdiction other than the United States of America or Canada (or, in each case, any political subdivision thereof) for the purpose of perfecting the Security Interest in any Collateral of such Pledgor or any other assets and (3) no notice shall be required to be sent to insurers, account debtors or other contractual third parties when no Event of Default has occurred and is continuing. For the avoidance of doubt, the Pledgors' obligations with respect to perfection of the Collateral Agent's security interest in Deposit Accounts and Securities Accounts shall be governed by Section 5.11 of the Credit Agreement and not by the terms of this Agreement.

SECTION 3.02. ***Representations and Warranties***. The Pledgors jointly and severally represent and warrant to the Collateral Agent, for the benefit of the Secured Parties, that:

(a) Each Pledgor has good and valid rights in and title to the Article 9 Collateral with respect to which it has purported to grant a Security Interest hereunder, except as set forth in Section 3.07 of the Credit Agreement, and has full power and authority to grant to the Collateral Agent the Security Interest in such Article 9 Collateral pursuant hereto and to execute, deliver and perform its obligations in accordance with the terms of this Agreement, without the consent or approval of any other person as of the Closing Date other than any consent or approval that has been obtained and is in full force and effect or has otherwise been disclosed herein or in the Credit Agreement.

(b) The Perfection Certificate has been duly prepared, completed and executed and the information set forth therein, including the exact legal name of each Pledgor as of the Closing Date, is correct and complete, in all material respects, as of the Closing Date. The Uniform Commercial Code financing statements or other appropriate filings, recordings or registrations containing a description of the Article 9 Collateral that have been prepared for filing in each governmental, municipal or other office specified in the Perfection Certificate constitute (to the extent such Article 9 Collateral can be perfected by filing under the Uniform Commercial Code) all the filings, recordings and registrations (other than filings required to be made in the United States Patent and Trademark Office and/or the United States Copyright Office in order to perfect the Security Interest in Article 9 Collateral consisting of Registered U.S. IP) that are necessary as of the Closing Date to publish notice of and protect the validity of and to establish a legal, valid and perfected security interest in favor of the Collateral Agent (for the benefit of the Secured Parties) in respect of all Article 9 Collateral in which the Security Interest may be perfected by filing, recording or registration in the United States (or any political subdivision thereof), and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary in any such jurisdiction, except as provided under applicable law with respect to the filing of continuation statements or amendments. Each Pledgor represents and warrants that the Notices of Grant of Security Interest in Intellectual Property executed by the applicable Pledgors containing descriptions of all Article 9 Collateral that consists of Registered U.S. IP have been delivered for recording with the United States Patent and Trademark Office and/or the United States Copyright Office pursuant to 35 U.S.C. § 261, 15 U.S.C. § 1060 or 17 U.S.C. § 205 and the regulations thereunder, as applicable, to protect the validity of and to establish a legal, valid and perfected security interest (or, in the case of Patents and Trademarks, notice thereof) in favor of the Collateral Agent, for the benefit of the Secured Parties, in respect of all Article 9 Collateral consisting of Registered U.S. IP as of the Closing Date in which a security interest may be perfected by recording with the United States Patent and Trademark Office and/or the United States Copyright Office, and no further or subsequent filing, refiling, recording, rerecording, registration or reregistration is necessary (other than such actions as are necessary to perfect the Security Interest with respect to any Article 9 Collateral consisting of Registered U.S. IP acquired, applied for or developed after the Closing Date).

(c) The Security Interest constitutes (i) a legal and valid security interest in all the Article 9 Collateral securing the payment and performance of the Secured Obligations, as applicable, (ii) subject to the filings described in Section 3.02(b), a perfected security interest in all Article 9 Collateral in which a security interest may be perfected by filing, recording or registering a financing statement or analogous document in the United States (or any political subdivision thereof) pursuant to the Uniform Commercial Code or other applicable law in such jurisdictions and (iii) a security interest that shall be perfected in all Article 9 Collateral in which a security interest may be perfected upon the receipt and recording of the Notices of Grant of Security Interest in Intellectual Property with the United States Patent and Trademark Office and the United States Copyright Office, as applicable. The Security Interest is and shall be prior to any other Lien on any of the Article 9 Collateral other than Permitted Liens.

(d) The Article 9 Collateral is owned by the Pledgors free and clear of any Lien, other than Permitted Liens. None of the Pledgors has filed or consented to the filing of (i) any financing statement or analogous document under the Uniform Commercial Code or any other applicable laws covering any Article 9 Collateral, (ii) any assignment in which any Pledgor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with the United States Patent and Trademark Office or the United States Copyright Office for the benefit of a third party or (iii) any assignment in which any Pledgor assigns any Article 9 Collateral or any security agreement or similar instrument covering any Article 9 Collateral with any foreign governmental, municipal or other office, which financing statement or analogous document, assignment, security agreement or similar instrument is still in effect, except, in each case, for Permitted Liens.

(e) None of the Pledgors holds any Commercial Tort Claim individually reasonably estimated to exceed $10,000,000 as of the Closing Date except as indicated on *Schedule IV*.

(f) As to itself and its Article 9 Collateral consisting of Intellectual Property, including IP Licenses (the "***Intellectual Property Collateral***"), to each Pledgor's knowledge:

(i) The Intellectual Property Collateral set forth on *Schedule III* includes a true and complete list of all of the Registered U.S. IP held by such Pledgor as of the Closing Date.

(ii) The Intellectual Property Collateral is subsisting and, to the best of such Pledgor's knowledge, is valid and enforceable, except as would not reasonably be expected to have a Material Adverse Effect. Such Pledgor is not aware of any current uses of any item of Intellectual Property Collateral that would be expected to lead to such item becoming invalid or unenforceable, except as would not reasonably be expected to have a Material Adverse Effect.

(iii) Except as would not reasonably be expected to have a Material Adverse Effect, (A) such Pledgor has made or performed all commercially reasonable acts, including without limitation filings, recordings and payment of all required fees and taxes, required to maintain and protect its interest in each and every item of Intellectual Property Collateral in full force and effect in the United States and (B) such Pledgor has used proper statutory notice in connection with its use of each Patent, Trademark and Copyright in the Intellectual Property Collateral.

(iv) With respect to each IP License, the absence, termination or violation of which would reasonably be expected to have a Material Adverse Effect: (A) such Pledgor has not received any written notice of termination or cancellation under such IP License; (B) such Pledgor has not received a notice of a breach or default under such IP License, which breach or default has not been cured or waived; and (C) such Pledgor is not in breach or default thereof in any material respect.

(v) Except as would not reasonably be expected to have a Material Adverse Effect, no Intellectual Property Collateral is subject to any outstanding license, consent, covenant not to sue, settlement, release, decree, order, injunction, judgment or ruling restricting the use, license or transfer thereof or that would impair the validity or enforceability thereof.

SECTION 3.03. ***Covenants***. (a) Each Pledgor agrees to furnish to the Collateral Agent prompt written notice (but in no event later than 10 days after the occurrence thereof) of any change in (i) its legal or organization name, (ii) the location of its chief executive office, (iii) its organizational type, (iv) its federal taxpayer identification number or organizational identification number, if any, or (v) its jurisdiction of organization (in each case, including by merging with or into any other entity, reorganizing, dissolving, liquidating, reorganizing or organizing in any other jurisdiction).

(b) Subject to any rights of such Pledgor to Dispose of Collateral provided for in the Credit Agreement Documents, each Pledgor shall, at its own expense, use commercially reasonable efforts to defend title to the Article 9 Collateral against all persons and to defend the Security Interest of the Collateral Agent, for the benefit of the Secured Parties, in the Article 9 Collateral and the priority thereof against any Lien that is not a Permitted Lien.

(c) Each Pledgor agrees, at its own expense, to execute, acknowledge, deliver and cause to be duly filed all such further instruments and documents and take all such actions as the Collateral Agent (acting on the instructions of the Required Lenders) may from time to time reasonably request to better assure, preserve, protect, defend and perfect (with respect to perfection only, subject to Section 3.01(c)) the Security Interest and the rights and remedies created hereby, including the payment of any fees and taxes required in connection with the execution and delivery of this Agreement and the granting of the Security Interest and the filing of any financing statements (including fixture filings)

or other documents in connection herewith or therewith, all in accordance with the terms hereof and the terms of the Credit Agreement.

Without limiting the generality of the foregoing, each Pledgor hereby authorizes the Collateral Agent (acting on the instructions of the Required Lenders), with prompt notice thereof to the Pledgors, to supplement this Agreement by supplementing or amending *Schedule III* or adding additional schedules hereto to specifically identify any asset or item that may constitute Registered U.S. IP of such Pledgor.

(d) After the occurrence of an Event of Default and during the continuance thereof, the Collateral Agent shall have the right to verify under reasonable procedures the validity, amount, quality, quantity, value, condition and status of, or any other matter relating to, the Article 9 Collateral, including, in the case of Accounts or Article 9 Collateral in the possession of any third person, by contacting Account Debtors or the third person possessing such Article 9 Collateral for the purpose of making such a verification. The Collateral Agent shall have the right to share any information it gains from such inspection or verification with any Secured Party, subject to Section 9.16 of the Credit Agreement.

(e) The Collateral Agent may discharge past due taxes, assessments, charges, fees, Liens, security interests or other encumbrances at any time levied or placed on the Article 9 Collateral and not a Permitted Lien, and may pay for the maintenance and preservation of the Article 9 Collateral to the extent any Pledgor fails to do so as required by the Credit Agreement, this Agreement, and each Pledgor jointly and severally agrees to reimburse the Collateral Agent on demand for any reasonable and documented payment made or any reasonable and documented out-of-pocket expense incurred by the Collateral Agent pursuant to the foregoing authorization; *provided*, *however*, that nothing in this Section 3.03(e) shall be interpreted as excusing any Pledgor from the performance of, or imposing any obligation on the Collateral Agent or any Secured Party to cure or perform, any covenants or other promises of any Pledgor with respect to taxes, assessments, charges, fees, Liens, security interests or other encumbrances and maintenance as set forth herein or in the other Credit Agreement Documents.

(f) Each Pledgor (rather than the Collateral Agent or any Secured Party) shall remain liable for the observance and performance of all the conditions and obligations to be observed and performed by it under each contract, agreement or instrument relating to the Article 9 Collateral and each Pledgor jointly and severally agrees to indemnify and hold harmless the Collateral Agent and the Secured Parties from and against any and all liability for such performance.

(g) None of the Pledgors shall make or permit to be made an assignment, pledge or hypothecation of the Article 9 Collateral or shall grant any other Lien in respect of the Article 9 Collateral, except as not prohibited by the Credit Agreement. None of the Pledgors shall make or permit to be made any transfer of the Article 9 Collateral, except as not prohibited by the Credit Agreement, or any Intercreditor Agreement.

(h) Each Pledgor irrevocably makes, constitutes and appoints the Collateral Agent (and all officers, employees or agents designated by the Collateral Agent) as such Pledgor's true and lawful agent (and attorney-in-fact) for the purpose, during the continuance of an Event of Default of making, settling and adjusting claims in respect of Article 9 Collateral under policies of insurance, endorsing the name of such Pledgor on any check, draft, instrument or other item of payment for the proceeds of such policies of insurance and for making all determinations and decisions with respect thereto. In the event that any Pledgor at any time or times shall fail to obtain or maintain any of the policies of insurance required by the Credit Agreement Documents or to pay any premium in whole or part relating thereto, the Collateral Agent may (but shall not be obligated to), without waiving or releasing any obligation or liability of the Pledgors hereunder or any Event of Default, in its sole discretion, obtain and maintain such policies of insurance and pay such premium and take any other actions with respect thereto as the Collateral Agent (acting on the instructions of the Required Lenders) reasonably deems advisable. Subject to Section 9.05 of the Credit Agreement, all sums disbursed by the Collateral Agent in connection with this Section 3.03(h), including reasonable and documented legal and other professional fees, court costs, expenses and other charges relating thereto, shall be payable, upon demand, by the Pledgors to the Collateral Agent and shall be additional Secured Obligations secured hereby.

SECTION 3.04. ***Other Actions***. In order to further ensure the attachment, perfection and priority of, and the ability of the Collateral Agent to enforce, for the benefit of the Secured Parties, the Security Interest in the Article 9 Collateral, each Pledgor agrees, in each case at such Pledgor's own expense, to take the following actions with respect to the following Article 9 Collateral:

(a) *Instruments and Tangible Chattel Paper*. If any Pledgor shall at any time own or acquire any Instruments (other than instruments evidencing debt obligations which are governed by Article II and checks received and processed in the ordinary course of business) or Tangible Chattel Paper evidencing an amount in excess of $5,000,000, such Pledgor shall promptly (and in any event within sixty (60) days of its acquisition or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may permit in its reasonable discretion) notify the Collateral Agent and promptly (and in any event within 5 days following such notice or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may permit in its reasonable discretion) endorse, assign and deliver any such Instrument or Tangible Chattel Paper that constitutes a Material Instrument to the Collateral Agent, accompanied by such instruments of transfer or assignment duly executed in blank as the Collateral Agent may from time to time reasonably request.

(b) *Commercial Tort Claims*. If any Pledgor shall at any time hold or acquire a Commercial Tort Claim in an amount reasonably estimated to exceed $10,000,000, such Pledgor shall promptly notify the Collateral Agent thereof in a writing signed by such Pledgor, including a summary description of such claim, and deliver to the Collateral Agent in writing a supplement to *Schedule IV* including such description.

SECTION 3.05. ***Covenants Regarding Intellectual Property Collateral***. Except as not prohibited by the Credit Agreement:

(a) Each Pledgor agrees that it will not knowingly do any act or omit to do any act (and will exercise commercially reasonable efforts to prevent its licensees from doing any act or omitting to do any act) whereby any Patent that is owned by such Pledgor and is material to the normal conduct of such Pledgor's business may become prematurely invalidated, abandoned, lapsed or dedicated to the public.

(b) Each Pledgor will, and will use its commercially reasonable efforts to cause its licensees or its sublicensees to, for each Trademark that is owned by such Pledgor and is material to the normal conduct of such Pledgor's business, (i) maintain such Trademark in full force free from any adjudication of abandonment or invalidity for non-use (other than by expiration as permitted by the Credit Agreement) and (ii) maintain the quality of products and services offered under such Trademark in a manner consistent with the operation of such Pledgor's business.

(c) Each Pledgor shall notify the Collateral Agent within forty-five (45) days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may reasonably agree) if it knows that any Registered U.S. IP that is material to the normal conduct of such Pledgor's business may imminently become abandoned, lapsed or dedicated to the public, or of any materially adverse determination or development, excluding non-final office actions in the ordinary course of such Pledgor's business and similar determinations or developments in the United States Patent and Trademark Office, United States Copyright Office, any court or any similar office of any country, regarding such Pledgor's ownership of any such material Registered U.S. IP or its right to register or to maintain the same.

(d) Each Pledgor, either by itself or through any agent, employee, licensee or designee, shall (i) inform the Collateral Agent on an annual basis in accordance with the Credit Agreement of any Registered U.S. IP filed by or on behalf of, or issued to, or acquired by, any Pledgor during the preceding twelve-month period, and (ii) upon the reasonable request of the Collateral Agent (acting on the instructions of the Required Lenders), execute and deliver the Notice of Grant of Security Interest in Intellectual Property substantially in the form attached hereto as *Exhibit II* and any and all agreements, instruments, documents and papers necessary or as the Collateral Agent may otherwise reasonably request to evidence the Collateral Agent's Security Interest in such Registered U.S. IP and the perfection thereof, *provided* that the provisions hereof shall automatically apply to any such Registered U.S. IP and any such Registered U.S. IP shall automatically constitute Collateral as if such would have constituted Collateral at the time of execution hereof and be subject to the Lien and Security Interest created by this Agreement without further action by any party. Notwithstanding anything to the contrary herein, no Pledgor shall be required to take any action under the laws of any jurisdiction other than the United States of America or Canada for the purpose of perfecting the Collateral Agent's security interest in the Intellectual Property Collateral of such Pledgor.

(e) Each Pledgor shall exercise its reasonable business judgment consistent with its past practice in any proceeding before the United States Patent and Trademark Office or the United States Copyright Office with respect to maintaining and pursuing each application relating to any Registered U.S. IP (and obtaining the relevant grant or registration) material to the normal conduct of such Pledgor's business and to maintain (i) each United States federally issued Patent that is material to the normal conduct of such Pledgor's business and (ii) the registrations of each United States federally registered Trademark and each United States federally registered Copyright that is material to the normal conduct of such Pledgor's business, including, when applicable and necessary in such Pledgor's reasonable business judgment, timely filings of applications for renewal, affidavits of use, affidavits of incontestability and payment of maintenance fees, and, if any Pledgor believes necessary in its reasonable business judgment, to initiate opposition, interference and cancellation proceedings against third parties.

(f) In the event that any Pledgor becomes aware that any Intellectual Property Collateral material to the normal conduct of its business has been materially infringed, misappropriated or diluted by a third party, such Pledgor shall notify the Collateral Agent within forty-five (45) days of becoming aware thereof (or such longer period as the Collateral Agent (acting on the instructions of the Required Lenders) may reasonably agree) and shall, if such Pledgor deems it necessary in its reasonable business judgment, promptly sue and recover any and all damages, and take such other actions as are reasonably appropriate under the circumstances.

(g) Upon and during the continuance of an Event of Default, at the reasonable request of the Collateral Agent (acting on the instructions of the Required Lenders), each Pledgor shall use commercially reasonable efforts to obtain all requisite consents or approvals from each licensor under each material IP License to which such Pledgor is party to effect the assignment of all such Pledgor's right, title and interest thereunder to (in the Collateral Agent's sole discretion) the designee of the Collateral Agent or the Collateral Agent; *provided, however*, that nothing contained in this Section 3.05(g) should be construed as an obligation of any Pledgor to incur any costs or expenses in connection with obtaining such approval.

(h) Notwithstanding the foregoing provisions of this Section 3.05, nothing in this Section 3.05 shall prevent any Pledgor from abandoning or discontinuing the use or maintenance of any of its Intellectual Property if such Pledgor has determined in good faith in its reasonable business judgment to do so and such abandonment or discontinuation is in compliance with the Credit Agreement.

(i) Such Pledgor agrees that, should it obtain an ownership or other interest in any Intellectual Property after the Effective Date (i) the provisions of this Agreement shall automatically apply thereto and (ii) any such Intellectual Property shall automatically become Intellectual Property subject to the terms and conditions of this Agreement.

ARTICLE IV

Remedies

SECTION 4.01. ***Remedies Upon Default***. Subject to the terms of any applicable Intercreditor Agreement, the Collateral Agent (acting on the instructions of the Required Lenders) may take any action specified in this Section 4.01. Upon the occurrence and during the continuance of an Event of Default, each Pledgor agrees to deliver each item of Collateral to the Collateral Agent on demand. It is agreed that the Collateral Agent shall have the right to take any of or all the following actions at the same or different times: (a) with respect to any Article 9 Collateral consisting of Intellectual Property, on demand, to cause the Security Interest to become an assignment, transfer and conveyance of any of or all such Article 9 Collateral by the applicable Pledgors to the Collateral Agent or to license or sublicense (subject to any such licensee's obligation to maintain the quality of the goods and/or services provided under any Trademark consistent with the quality of such goods and/or services provided by the Pledgors immediately prior to the Event of Default), whether general, special or otherwise, and whether on an exclusive or a nonexclusive basis, any such Article 9 Collateral throughout the world on such terms and conditions and in such manner as the Collateral Agent shall determine (other than in violation of any then-existing licensing or trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use) and (b) with or without legal process and with or without prior notice or demand for performance, to take possession of the Article 9 Collateral and without liability for trespass to the applicable Pledgor to enter any premises where the Article 9 Collateral may be located for the purpose of taking possession of or removing the Article 9 Collateral and, generally, to exercise any and all rights and remedies afforded to a secured party under the applicable Uniform Commercial Code and/or other applicable law and/or in equity. The Collateral Agent agrees and covenants not to exercise any of the rights or remedies set forth in the two preceding sentences unless and until the occurrence and during the continuance of an Event of Default. Without limiting the generality of the foregoing, each Pledgor agrees that, upon the occurrence and during the continuance and an Event of Default, the Collateral Agent shall have the right to exercise all rights and remedies of a secured party on default under the Uniform Commercial Code or other applicable law and, subject to the mandatory requirements of applicable law (including Cannabis Law), but without demand of performance or other demand, presentment, protest, advertisement or notice of any kind (except any notice required by law referred to below) to or upon the Pledgors, the Parent Borrower, the Co-Borrower or any other person (all and each of which demands, defenses, advertisements and notices are hereby waived), to forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and/or to forthwith sell or otherwise Dispose of all or any part of the Collateral at a public or private sale or at any broker's board or on any securities exchange, for cash, upon credit or for future delivery as the Collateral Agent shall deem appropriate. The Collateral Agent shall be authorized in connection with any sale of a security (if it deems it advisable to do so) pursuant to the foregoing to restrict the prospective bidders or purchasers to persons who represent and agree that they are purchasing such security for their own account, for investment, and not with a view to the distribution or sale thereof. Upon consummation of any such Disposition of Collateral pursuant to this Section 4.01,

the Collateral Agent shall have the right to assign, transfer and deliver to the purchaser or purchasers thereof the Collateral so sold (other than in violation of any then-existing Intellectual Property licensing or trademark co-existence arrangements to the extent that waivers thereunder cannot be obtained with the use of commercially reasonable efforts, which each Pledgor hereby agrees to use). Each such purchaser at any such Disposition shall hold the property sold absolutely, free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives and releases (to the extent permitted by law) all rights of redemption, stay, valuation and appraisal that such Pledgor now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted.

To the extent any notice is required by applicable law, the Collateral Agent shall give the applicable Pledgors 10 Business Days' written notice (which each Pledgor agrees is reasonable notice within the meaning of Section 9-611 of the New York UCC or its equivalent in other jurisdictions) of the Collateral Agent's intention to make any sale of Collateral. Such notice, in the case of a public sale, shall state the time and place for such sale, in the case of a private sale, shall state the time after which the sale is to be made and, in the case of a sale at a broker's board or on a securities exchange, shall state the board or exchange at which such sale is to be made and the day on which the Collateral, or portion thereof, will first be offered for sale at such board or exchange. Any such public sale shall be held at such time or times within ordinary business hours and at such place or places as the Collateral Agent may fix and state in the notice (if any) of such sale. At any such sale, the Collateral, or the portion thereof, to be sold may be sold in one lot as an entirety or in separate parcels, as the Collateral Agent may (in its sole and absolute discretion) determine. The Collateral Agent shall not be obligated to make any sale of any Collateral if it shall determine not to do so, regardless of the fact that notice of sale of such Collateral shall have been given. The Collateral Agent may, without notice or publication, adjourn any public or private sale or cause the same to be adjourned from time to time by announcement at the time and place fixed for sale, and such sale may, without further notice, be made at the time and place to which the same was so adjourned. In the case of any sale of all or any part of the Collateral made on credit or for future delivery, the Collateral so sold may be retained by the Collateral Agent until the sale price is paid by the purchaser or purchasers thereof, but the Collateral Agent shall not incur any liability in the event that any such purchaser or purchasers shall fail to take up and pay for the Collateral so sold and, in the case of any such failure, such Collateral may be sold again upon notice given in accordance with provisions above. At any public (or, to the extent permitted by law, private) sale made pursuant to this Section 4.01, any Secured Party may bid for or purchase for cash, free (to the extent permitted by law) from any right of redemption, stay, valuation or appraisal on the part of any Pledgor (all such rights being also hereby waived and released to the extent permitted by law), the Collateral or any part thereof offered for sale and such Secured Party may, upon compliance with the terms of sale, hold, retain and Dispose of such property without further accountability to any Pledgor therefor. For purposes hereof, a written agreement to purchase the Collateral or any portion thereof shall be treated as a sale thereof; the Collateral Agent shall be free to carry out such sale pursuant to such agreement and no Pledgor shall be entitled to the return of the Collateral or any portion thereof subject thereto, notwithstanding the fact that after the Collateral Agent shall have entered into such an agreement all Events of Default shall have been remedied and the Secured Obligations paid in full. As an alternative to exercising the power of sale herein conferred upon it, the

Collateral Agent may proceed by a suit or suits at law or in equity to foreclose this Agreement and to sell the Collateral or any portion thereof pursuant to a judgment or decree of a court or courts having competent jurisdiction or pursuant to a proceeding by a court-appointed receiver. Any sale pursuant to the provisions of this Section 4.01 shall be deemed to conform to the commercially reasonable standards as provided in Section 9-610(b) of the New York UCC or its equivalent in other jurisdictions.

Solely for the purpose of enabling the Collateral Agent, during the continuance of an Event of Default, to exercise rights and remedies hereunder at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, and for no other purpose, each Pledgor hereby grants to the Collateral Agent a non-exclusive license to use, license or sublicense (solely as permitted by the terms of any applicable license) any of the Intellectual Property Collateral now owned or hereafter acquired by such Pledgor, wherever the same may be located; provided that, with respect to Trademarks, such Pledgor shall have such rights of quality control which are reasonably necessary under applicable law to maintain the validity and enforceability of such Trademarks. Such license shall include access to all media in which any of the licensed items may be recorded or stored and to all computer programs used for the compilation or printout hereof.

SECTION 4.02. ***Application of Proceeds***. The Collateral Agent shall, subject to any applicable Intercreditor Agreement, promptly apply the proceeds, moneys or balances of any collection or sale of Collateral realized through the exercise by the Collateral Agent of its remedies hereunder, as well as any Collateral consisting of cash at any time when remedies are being exercised hereunder, in the order set forth in Section 7.02 of the Credit Agreement. The Collateral Agent shall have absolute discretion as to the time of application of any such proceeds, moneys or balances in accordance with this Agreement. Upon any sale of Collateral by the Collateral Agent (including pursuant to a power of sale granted by statute or under a judicial proceeding), the receipt of the purchase money by the Collateral Agent or of the officer making the sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Collateral Agent or such officer or be answerable in any way for the misapplication thereof.

SECTION 4.03. ***Securities Act, Etc***. In view of the position of the Pledgors in relation to the Pledged Collateral, or because of other current or future circumstances, a question may arise under the Securities Act of 1933, as amended, or any similar federal statute hereafter enacted analogous in purpose or effect (such Securities Act and any such similar statute as from time to time in effect being called the "***Federal Securities Laws***") with respect to any Disposition of the Pledged Collateral permitted hereunder. Each Pledgor understands that compliance with the Federal Securities Laws might very strictly limit the course of conduct of the Collateral Agent if the Collateral Agent were to attempt to Dispose of all or any part of the Pledged Collateral, and might also limit the extent to which or the manner in which any subsequent transferee of any Pledged Collateral could Dispose of the same. Similarly, there may be other legal restrictions or limitations affecting the Collateral Agent in any attempt to Dispose of all or

part of the Pledged Collateral under applicable Blue Sky or other state securities laws or similar laws analogous in purpose or effect. Each Pledgor acknowledges and agrees that in light of such restrictions and limitations, the Collateral Agent, subject to the terms of any applicable Intercreditor Agreement, in its sole and absolute discretion, (a) may proceed to make such a sale whether or not a registration statement for the purpose of registering such Pledged Collateral or part thereof shall have been filed under the Federal Securities Laws or, to the extent applicable, Blue Sky or other state securities laws and (b) may approach and negotiate with a single potential purchaser to effect such sale. Each Pledgor acknowledges and agrees that any such sale might result in prices and other terms less favorable to the seller than if such sale were a public sale without such restrictions. In the event of any such sale, the Collateral Agent shall incur no responsibility or liability for selling all or any part of the Pledged Collateral at a price that the Collateral Agent, subject to the terms of any applicable Intercreditor Agreement, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might have been realized if the sale were deferred until after registration as aforesaid or if more than a single purchaser were approached. The provisions of this Section 4.03 will apply notwithstanding the existence of a public or private market upon which the quotations or sales prices may exceed substantially the price at which the Collateral Agent sells.

SECTION 4.04. ***Compliance with Cannabis Laws***

(a) If an Event of Default exists, each Pledgor shall use reasonable best efforts to take any action consistent with the Cannabis Laws that the Collateral Agent (acting on the instructions of the Required Lenders) may reasonably request in the exercise of its rights and remedies under this Agreement for the purpose of transferring or assigning the Pledged Collateral to one or more purchasers as the Collateral Agent may designate.

(b) Upon notice from the Collateral Agent (acting on the instructions of the Required Lenders), each Pledgor promptly shall assist in obtaining the consent or approval of any Governmental Authority, if required, for any action or transactions contemplated by this Agreement, including, without limitation, the preparation, execution and filing with any applicable Governmental Authority of the transferor's portion of any application or applications for consent to the transfer of control or assignment necessary or appropriate under the Cannabis Laws for approval of the transfer or assignment of any portion of the Collateral. Anything herein to the contrary notwithstanding, no Pledgor shall be obligated to sign or certify any such document which such Pledgor has reasonable cause to believe contains any inaccuracy or to make any statements concerning the qualifications of any transferee or assignee.

ARTICLE V

Miscellaneous

SECTION 5.01. ***Notices***. All communications and notices hereunder shall (except as otherwise expressly permitted herein) be in writing and given as provided in Section 9.01 of the Credit Agreement. All communications and notices hereunder to

any Pledgor shall be given to it in care of the Parent Borrower, with such notice to be given as provided in Section 9.01 of the Credit Agreement.

SECTION 5.02. ***Security Interest Absolute***. To the extent permitted by law, all rights of the Collateral Agent hereunder, the Security Interest in the Article 9 Collateral, the security interest in the Pledged Collateral and all obligations of each Pledgor hereunder shall be absolute and unconditional irrespective of (a) any lack of validity or enforceability of any Credit Agreement, any Credit Agreement Document, any other agreement with respect to any of the Secured Obligations or any other agreement or instrument relating to any of the foregoing, (b) any change in the time, manner or place of payment of, or in any other term of, all or any of the Secured Obligations, or any other amendment or waiver of or any consent to any departure from any Credit Agreement Document, any Intercreditor Agreement or any other agreement or instrument, (c) any exchange, release or non-perfection of any Lien on other collateral, or any release or amendment or waiver of or consent under or departure from any guarantee, securing or guaranteeing all or any of the Secured Obligations or (d) any other circumstance that might otherwise constitute a defense available to, or a discharge of, any Pledgor in respect of the Secured Obligations or this Agreement (other than a defense of payment or performance).

SECTION 5.03. ***Limitation By Law***. All rights, remedies and powers provided in this Agreement may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Agreement are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they shall not render this Agreement invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law. Each Pledgor and the Collateral Agent, for itself and on behalf of each Secured Party, hereby confirms that it is the intention of all such persons that this Agreement and the pledge and security interest in the Collateral granted under this Agreement not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act or any similar foreign, federal or state law to the extent applicable to this Agreement and the Security Interest and the security interest in the Pledged Collateral granted hereunder. To effectuate the foregoing intention, the Collateral Agent, for itself and on behalf of each Secured Party, and the Pledgors hereby irrevocably agree that the Security Interest and the security interest in the Pledged Collateral granted hereunder at any time shall be limited to the maximum extent as will result in the Security Interest and the security interest in the Pledged Collateral granted under this Agreement not constituting a fraudulent transfer or conveyance.

SECTION 5.04. ***Binding Effect; Several Agreements***. This Agreement shall become effective as to any party to this Agreement when a counterpart hereof executed on behalf of such party shall have been delivered to the Collateral Agent and a counterpart hereof shall have been executed on behalf of the Collateral Agent, and thereafter shall be binding upon such party and the Collateral Agent and their respective permitted successors and assigns, and shall inure to the benefit of such party, the Collateral Agent and the other Secured Parties and their respective permitted successors and assigns,

except that no party shall have the right to assign or transfer its rights or obligations hereunder or any interest herein or in the Collateral (and any such assignment or transfer shall be void) except as permitted by this Agreement or any Credit Agreement Document. This Agreement shall be construed as a separate agreement with respect to each party and may be amended, modified, supplemented, waived or released in accordance with Section 5.09 or 5.15, as applicable.

SECTION 5.05. ***Successors and Assigns***. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the permitted successors and assigns of such party and all covenants, promises and agreements by or on behalf of any Pledgor or the Collateral Agent that are contained in this Agreement shall bind and inure to the benefit of their respective permitted successors and assigns, *provided* that no Pledgor may assign, transfer or delegate any of its rights or obligations under this Agreement except as permitted by Section 5.04.

SECTION 5.06. ***Collateral Agent's Fees and Expenses; Indemnification***.

(a) The parties hereto agree that the Collateral Agent shall be entitled to reimbursement of its expenses incurred hereunder by the Pledgors, and the Collateral Agent and other Indemnitees shall be indemnified by the Pledgors, in each case of this clause (a), *mutatis mutandis*, as provided in Section 9.05 of the Credit Agreement.

(b) Any such amounts payable as provided hereunder shall be additional Secured Obligations secured hereby and by the other Security Documents. The provisions of this Section 5.06 shall remain operative and in full force and effect regardless of the termination of this Agreement, any other Credit Agreement Document, the consummation of the transactions contemplated hereby, the repayment of any of the Secured Obligations, the invalidity or unenforceability of any term or provision of this Agreement, any other Credit Agreement Document, or any investigation made by or on behalf of the Collateral Agent or any other Secured Party. All amounts due under this Section 5.06 shall be payable within fifteen days (or such longer period as the Administrative Agent (acting on the instructions of the Required Lenders) may agree) of written demand therefor accompanied by reasonable documentation with respect to any reimbursement, indemnification or other amount requested.

(c) The agreements in this Section 5.06 shall survive the resignation of the Collateral Agent and the termination of this Agreement.

(d) For the avoidance of doubt, the provisions of Article VIII of the Credit Agreement shall also apply to the Collateral Agent acting under or in connection with this Agreement. No provision of this Agreement shall require the Collateral Agent to expend or risk its own funds or otherwise incur financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers.

SECTION 5.07. ***Collateral Agent Appointed Attorney-in-Fact***. Subject to any applicable Intercreditor Agreement, each Pledgor hereby appoints the Collateral

Agent the attorney-in-fact of such Pledgor for the purpose of carrying out the provisions of this Agreement and, upon the occurrence and during the continuance of an Event of Default, taking any action and executing any instrument that the Collateral Agent (acting on the instructions of the Required Lenders) may deem necessary or advisable to accomplish the purposes hereof, which appointment is irrevocable and coupled with an interest. Without limiting the generality of the foregoing, subject to applicable Requirements of Law and any applicable Intercreditor Agreement, the Collateral Agent shall have the right, upon the occurrence and during the continuance of an Event of Default, with full power of substitution either in the Collateral Agent's name or in the name of such Pledgor, (a) to receive, endorse, assign or deliver any and all notes, acceptances, checks, drafts, money orders or other evidences of payment relating to the Collateral or any part thereof; (b) to demand, collect, receive payment of, give receipt for and give discharges and releases of all or any of the Collateral; (c) to ask for, demand, sue for, collect, receive and give acquittance for any and all moneys due or to become due under and by virtue of any Collateral; (d) to sign the name of any Pledgor on any invoice or bill of lading relating to any of the Collateral; (e) to send verifications of Accounts to any Account Debtor; (f) to commence and prosecute any and all suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect or otherwise, realize on all or any of the Collateral or to enforce any rights in respect of any Collateral; (g) to settle, compromise, compound, adjust or defend any actions, suits or proceedings relating to all or any of the Collateral; (h) to notify, or to require any Pledgor to notify, Account Debtors to make payment directly to the Collateral Agent; and (i) to use, sell, assign, transfer, pledge, make any agreement with respect to or otherwise deal with all or any of the Collateral, and to do all other acts and things necessary to carry out the purposes of this Agreement, as fully and completely as though the Collateral Agent were the absolute owner of the Collateral for all purposes; *provided* that nothing herein contained shall be construed as requiring or obligating the Collateral Agent to make any commitment or to make any inquiry as to the nature or sufficiency of any payment received by the Collateral Agent, or to present or file any claim or notice, or to take any action with respect to the Collateral or any part thereof or the moneys due or to become due in respect thereof or any property covered thereby. The Collateral Agent and the other Secured Parties shall be accountable only for amounts actually received as a result of the exercise of the powers granted to them herein, and neither they nor their officers, directors, employees or agents shall be responsible to any Pledgor for any act or failure to act hereunder, except for their own or their Related Parties' gross negligence or willful misconduct.

SECTION 5.08. ***Governing Law***. **THIS AGREEMENT AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW**.

SECTION 5.09. ***Waivers; Amendment***. (a) No failure or delay by the Collateral Agent or any other Secured Party in exercising any right, power or remedy hereunder or under any other Credit Agreement Document shall operate as a waiver

thereof, nor shall any single or partial exercise of any such right, power or remedy, or any abandonment or discontinuance of steps to enforce such a right, power or remedy, preclude any other or further exercise thereof or the exercise of any other right, power or remedy. The rights, powers and remedies of the Collateral Agent and the other Secured Parties hereunder and under the other Credit Agreement Documents are cumulative and are not exclusive of any rights, powers or remedies that they would otherwise have. No waiver of any provision of this Agreement or consent to any departure by any Pledgor therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section 5.09, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan shall not be construed as a waiver of any Default or Event of Default, regardless of whether the Collateral Agent or any other Secured Party may have had notice or knowledge of such Default or Event of Default at the time. No notice or demand on any Pledgor in any case shall entitle any Pledgor to any other or further notice or demand in similar or other circumstances.

(b) Neither this Agreement nor any provision hereof may be waived, amended or modified (other than as provided in Section 5.15 and Section 5.16) except as provided in Section 9.08 of the Credit Agreement. The Collateral Agent may conclusively rely on a certificate of an officer of the Parent Borrower as to whether any amendment contemplated by this Section 5.09(b) is permitted.

SECTION 5.10. ***WAIVER OF JURY TRIAL***. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR, ANY OTHER CREDIT AGREEMENT DOCUMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION 5.10.

SECTION 5.11. ***Severability***. In the event any one or more of the provisions contained in this Agreement, any other Credit Agreement Document should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 5.12. ***Counterparts***. This Agreement may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken

together shall constitute but one contract, and shall become effective as provided in Section 5.04. Delivery of an executed counterpart to this Agreement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5.13. ***Headings***. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of, or to be taken into consideration in interpreting, this Agreement.

SECTION 5.14. ***Jurisdiction; Consent to Service of Process***. (a) Each party to this Agreement hereby irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against any other party or any affiliate thereof, in any way relating to this Agreement, any other Credit Agreement Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Notwithstanding the foregoing, each party hereto agrees that the Administrative Agent and the Collateral Agent each retain the right to bring proceedings against any Loan Party in the courts of any other jurisdiction solely in connection with the exercise of any rights under any Security Document or as otherwise provided in the Guarantee Agreement.

(b) Each party to this Agreement hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection which it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to this Agreement, any other Credit Agreement Document in any New York State or federal court sitting in New York County and any appellate court from any thereof. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 5.01. Nothing in this Agreement, any other Credit Agreement Document will affect the right of any party to this Agreement, any other Credit Agreement Document to serve process in any other manner permitted by law.

SECTION 5.15. ***Termination or Release***. In each case subject to the terms of any applicable Intercreditor Agreement:

(a) This Agreement and the pledges made by the Pledgors herein and all other security interests granted by the Pledgors hereby shall automatically terminate and be released upon the occurrence of the Termination Date.

(b) A Pledgor shall automatically be released from its obligations hereunder and/or the security interests in any Collateral in each case be automatically released upon the occurrence of any of the circumstances set forth in Section 9.18 of the Credit Agreement pursuant to and in accordance with the terms thereof.

(c) In connection with any termination or release pursuant to this Section 5.15, the Collateral Agent shall execute and deliver to any Pledgor all documents that such Pledgor shall reasonably request to evidence such termination or release (including Uniform Commercial Code termination statements), and will duly assign and transfer to such Pledgor, such of the Pledged Collateral that may be in the possession of the Collateral Agent and has not theretofore been sold or otherwise applied or released pursuant to this Agreement. Any execution and delivery of documents pursuant to this Section 5.15 shall be made without recourse to or warranty by the Collateral Agent. Upon the receipt of any necessary or proper instruments of termination, satisfaction or release prepared by the Parent Borrower, the Collateral Agent shall promptly execute, deliver or acknowledge such instruments or releases to evidence the release of any Collateral permitted to be released pursuant to this Agreement. The Pledgors agree to pay all reasonable and documented out-of-pocket expenses incurred by the Collateral Agent (and its representatives and counsel) in connection with the execution and delivery of such release documents or instruments.

SECTION 5.16. ***Additional Subsidiaries***. Upon execution and delivery by any Subsidiary that is required or permitted to become a party hereto by Section 5.09 of the Credit Agreement (or that is referred to in clause (c) of the definition of "Subsidiary Loan Party" in the Credit Agreement) of an instrument substantially in the form of *Exhibit I* hereto (or another instrument reasonably satisfactory to the Collateral Agent and the Parent Borrower), such subsidiary shall become a Subsidiary Loan Party and Pledgor hereunder with the same force and effect as if originally named as a Subsidiary Loan Party and a Pledgor herein. The execution and delivery of any such instrument shall not require the consent of any other party to this Agreement. The rights and obligations of each party to this Agreement shall remain in full force and effect notwithstanding the addition of any new party to this Agreement. Each reference to "Subsidiary Loan Party" or "Pledgor " in this Agreement shall be deemed to include such Subsidiary.

SECTION 5.17. ***General Authority of the Collateral Agent***.

(a) By acceptance of the benefits of this Agreement and any other Security Documents, each Secured Party (whether or not a signatory hereto) shall be deemed irrevocably (i) to consent to the appointment of the Collateral Agent as its agent hereunder and under such other Security Documents, (ii) to confirm that the Collateral Agent shall have the authority to act as the exclusive agent of such Secured Party for the enforcement of any provision of this Agreement and such other Security Documents against any Pledgor, the exercise of remedies hereunder or thereunder and the giving or

withholding of any consent or approval hereunder or thereunder relating to any Collateral or any Pledgor's obligations with respect thereto, (iii) to agree that it shall not take any action to enforce any provisions of this Agreement or any other Security Document against any Pledgor, to exercise any remedy hereunder or thereunder or to give any consents or approvals hereunder or thereunder except as expressly provided in this Agreement or any other Security Document and (iv) to agree to be bound by the terms of this Agreement and any other Security Documents and any applicable Intercreditor Agreement then in effect.

(b) Each Pledgor acknowledges that the rights and responsibilities of the Collateral Agent under this Agreement with respect to any action taken by the Collateral Agent or the exercise or non-exercise by the Collateral Agent of any option, voting right, request, judgment or other right or remedy provided for herein or resulting or arising out of this Agreement shall, as between the Collateral Agent and the Secured Parties, be governed by the Credit Agreement, and such other agreements with respect thereto as may exist from time to time among them, but, as between the Collateral Agent and the Pledgors, the Collateral Agent shall be conclusively presumed to be acting as agent for the applicable Secured Parties with full and valid authority so to act or refrain from acting, and no Pledgor shall be under any obligation, or entitlement, to make any inquiry respecting such authority.

SECTION 5.18. ***Subject to Intercreditor Agreements; Conflicts***. Notwithstanding anything else herein to the contrary, (i) the Liens and security interests granted to the Collateral Agent for the benefit of the Secured Parties pursuant to this Agreement and (ii) the exercise of any right or remedy by the Collateral Agent hereunder or the application of proceeds (including insurance and condemnation proceeds) of any Collateral, in each case, are subject to the limitations and provisions of any applicable Intercreditor Agreement to the extent provided therein. In the event of any conflict between the terms of such applicable Intercreditor Agreement and the terms of this Agreement, the terms of such applicable Intercreditor Agreement shall govern.

SECTION 5.19. ***Amalgamation; Merger***. If any Pledgor is a corporation, such Pledgor acknowledges that if it amalgamates or merges with any other corporation or corporations, then (i) the Collateral and the Liens of such Pledgor created hereunder shall extend to and include all the property and assets of the amalgamated or merged corporation and to any property or assets of the amalgamated or merged corporation thereafter owned or acquired, (ii) the term "Pledgor", where used in this Agreement, shall extend to and include the amalgamated or merged corporation, and (iii) the term "Secured Obligations", where used in this Agreement, shall extend to and include the Secured Obligations of the amalgamated or merged corporation**.**

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[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first above written

BATAVIA BIO PROCESSING LIMITED
BIOSTEEL SPORTS NUTRITION USA LLC
CANOPY GROWTH USA LLC
COLDSTREAM MANUFACTURING I LLC
COLDSTREAM REAL ESTATE HOLDINGS I LLC
COLDSTREAM REAL ESTATE HOLDINGS II LLC
COLDSTREAM REAL ESTATE HOLDINGS III LLC
EB TRANSACTION CORP.
EB TRANSACTION SUB I LLC
HIP DEVELOPMENTS LLC
HIP NY DEVELOPMENTS LLC
POS BIO-SCIENCES USA INC.
STORZ & BICKEL AMERICA, INC.
TWP USA INC.

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent

By: _____
Name:
Title:

Schedule I to the
U.S. Pledge and Security Agreement

Pledging Subsidiary Loan Parties

	Legal Name	Type of Entity	Jurisdiction of Formation	Organizational Number	Federal Taxpayer ID Number

Schedule II to the
U.S. Pledge and Security Agreement

Pledged Stock; Pledged Debt

A. Pledged Stock

Issuer	Record Owner	Certificate No.	Number and Class	Percentage of Equity Interest Owned	Percent (of Owned Equity Interests) Pledged
[__]	[__]	[__]	[__]	[__]%	[__]%

B. Pledged Debt

Entity	Principal	Date of Issuance
[__]	[__]	[__]

Schedule III to the
U.S. Pledge and Security Agreement

Intellectual Property

U.S. Issued Patents

Owner / Pledgor	Title	Patent No.	Issue Date

U.S. Patent Applications

Owner / Pledgor	Title	Application No.	Filing Date

U.S. Copyright Registrations

Owner / Pledgor	Title	Registration No.	Registration Date

Exclusive Licenses to Third-Party U.S. Copyright Registrations

Licensee / Pledgor	Licensor / Owner	License Agreement	Title	Registration No.	Registration Date

U.S. Trademark Registrations

Owner / Pledgor	Mark	Registration No.	Registration Date

U.S. Trademark Applications

Owner / Pledgor	Mark	Serial No.	Filing Date

Schedule IV to the
U.S. Pledge and Security Agreement

Commercial Tort Claims

Schedule V to the
U.S. Pledge and Security Agreement

Instruments

Exhibit I to the
U.S. Pledge and Security Agreement

Form of Supplement to the U.S. Pledge and Security Agreement

SUPPLEMENT NO. [●] (this "***Supplement***"), dated as of [●], 20[●][●] to the U.S. Pledge and Security Agreement dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***U.S. Pledge and Security Agreement*** "), among the Subsidiary Loan Parties from time to time party thereto (each, a "***Subsidiary Loan Party***") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent (together with its successors and assigns in such capacity, the "***Collateral Agent***") for the Secured Parties (as defined therein).

A. Reference is made to the Credit Agreement, dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***"), among Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada (the "***Parent Borrower***"), 11065220 Canada, Inc., a corporation incorporated under the federal laws of Canada (the "***Co-Borrower***" and, together with the Parent Borrower, the "***Borrowers***" and each, a "***Borrower***"), the Lenders party thereto from time to time and Wilmington Trust, National Association, as administrative agent and collateral agent.

B. Capitalized terms used herein and not otherwise defined herein shall have the meanings assigned to such terms in the Credit Agreement or the U.S. Pledge and Security Agreement , as applicable.

C. The Pledgors have entered into the U.S. Pledge and Security Agreement pursuant to the requirements set forth in Section 5.09 of the Credit Agreement. Section 5.16 of the U.S. Pledge and Security Agreement provides that certain additional Subsidiaries of the Parent Borrower may become Subsidiary Loan Parties and Pledgors under the U.S. Pledge and Security Agreement by execution and delivery of an instrument in the form of this Supplement. The undersigned Subsidiary (the "***New Subsidiary***") is executing this Supplement in accordance with the requirements of the Credit Agreement to become a Pledging Subsidiary Loan Party and a Pledgor under the U.S. Pledge and Security Agreement .

Accordingly, the New Subsidiary agrees as follows:

SECTION 1. In accordance with Section 5.16 of the U.S. Pledge and Security Agreement , the New Subsidiary by its signature below becomes a Subsidiary Loan Party and a Pledgor under the U.S. Pledge and Security Agreement with the same force and effect as if originally named therein as a Subsidiary Loan Party and a Pledgor and the New Subsidiary hereby (a) agrees to all the terms and provisions of the U.S. Pledge and Security Agreement applicable to it as a Subsidiary Loan Party and a Pledgor thereunder and (b) represents and warrants that the representations and warranties made by it as a Pledgor thereunder are true and correct in all material respects on and as of the date hereof. In furtherance of the foregoing, the New Subsidiary, as security for the payment

and performance in full of the Secured Obligations, does hereby create and grant to the Collateral Agent, its successors and assigns, for the benefit of the Secured Parties, their successors and assigns, a security interest in and lien on all of the New Subsidiary's right, title and interest in and to the Collateral (as defined in the U.S. Pledge and Security Agreement) of the New Subsidiary. Each reference to a "Subsidiary Loan Party" or a "Pledgor" in the U.S. Pledge and Security Agreement shall be deemed to include the New Subsidiary (except as otherwise provided in clause (ii) of the definition of Pledgor to the extent applicable). The U.S. Pledge and Security Agreement is hereby incorporated herein by reference.

SECTION 2. The New Subsidiary represents and warrants to the Collateral Agent and the other Secured Parties that this Supplement has been duly authorized, executed and delivered by it and constitutes its legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to (i) the effects of bankruptcy, insolvency, fraudulent conveyance or other similar laws affecting creditors' rights generally, (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law) and (iii) implied covenants of good faith and fair dealing.

SECTION 3. This Supplement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Supplement shall become effective when the Collateral Agent shall have received a counterpart of this Supplement that bears the signature of the New Subsidiary. Delivery of an executed signature page to this Supplement by facsimile or other electronic transmission shall be as effective as delivery of a manually signed counterpart of this Supplement.

SECTION 4. The New Subsidiary hereby represents and warrants that, as of the date hereof, (a) set forth on *Schedule I* attached hereto is a true and correct schedule of any and all of (and, with respect to any Pledged Stock issued by an issuer that is not a subsidiary of the New Subsidiary, correctly sets forth, to the knowledge of the New Subsidiary) the percentage of the issued and outstanding units of each class of the Equity Interests of the issuer thereof represented by the Pledged Stock and includes (i) all Equity Interests pledged hereunder and (ii) the debt obligations and promissory notes or instruments evidencing Indebtedness, in each case under this clause (ii) pledged hereunder and in an aggregate principal amount in excess of $5,000,000 now owned by the New Subsidiary required to be pledged in order to satisfy the Collateral and Guarantee Requirement or delivered pursuant to Section 2.02(a), 2.02(b) and 2.02(c) of the U.S. Pledge and Security Agreement, (b) set forth on *Schedule II* attached hereto is a list of any and all Registered U.S. IP of the New Subsidiary, (c) set forth on *Schedule III* hereto is a list of all Commercial Tort Claims in excess of $10,000,000 held by the New Subsidiary, and (d) set forth under its signature hereto is the true and correct legal name of the New Subsidiary, its jurisdiction of organization and the location of its chief executive office.

SECTION 5. Except as expressly supplemented hereby, the U.S. Pledge and Security Agreement shall remain in full force and effect.

SECTION 6. THIS SUPPLEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

SECTION 7. In case any one or more of the provisions contained in this Supplement should be held invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and in the U.S. Pledge and Security Agreement shall not in any way be affected or impaired thereby (it being understood that the invalidity of a particular provision in a particular jurisdiction shall not in and of itself affect the validity of such provision in any other jurisdiction). The parties hereto shall endeavor in good-faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 8. All communications and notices hereunder shall (except as otherwise expressly permitted by the U.S. Pledge and Security Agreement) be in writing and given as provided in Section 5.01 of the U.S. Pledge and Security Agreement .

SECTION 9. The New Subsidiary agrees to reimburse the Collateral Agent for its reasonable and documented out-of-pocket expenses in connection with this Supplement, including the reasonable and documented fees, other charges and disbursements of counsel for the Collateral Agent.

IN WITNESS WHEREOF, the New Subsidiary has duly executed this Supplement to the U.S. Pledge and Security Agreement as of the day and year first above written.

[Signature Page Follows]

[NAME OF NEW SUBSIDIARY]

BY:_____
Name:
Title

Address:
Legal Name:
Jurisdiction of Formation:

Schedule I to
Supplement No. __ to the
U.S. Pledge and Security Agreement

Pledged Stock; Pledged Debt

A. Pledged Stock

Issuer	Record Owner	Certificate No.	Number and Class	Percentage of Equity Interest Owned	Percent Of Owned Equity Interests Pledged

B. Pledged Debt

Payee	Payor	Principal	Date of Issuance	Maturity Date

Schedule II to
Supplement No. __ to the
U.S. Pledge and Security Agreement

Intellectual Property

A. U.S. Federally Issued or Applied for Patents Owned by [New Subsidiary]

U.S. Patents

Title	Patent No.	Issue Date

U.S. Patent Applications

Title	Application No.	Filing Date

B. **U.S. Federally Registered Copyrights and Exclusive Licensees to Third-Party U.S. Federally Registered Owned or Held by [New Subsidiary]**

U.S. Copyright Registrations

Title	Registration No.	Registration Date

Exclusive Licenses to Third-Party U.S. Copyright Registrations

Licensor / Owner	License Agreement	Title	Registration No.	Registration Date

C. **U.S. Federally Registered or Applied for Trademarks Owned by [New Subsidiary]**

U.S. Trademark Registrations

Mark	Registration No.	Registration Date

U.S. Trademark Applications

Mark	Serial No.	Filing Date

Schedule III to
Supplement No. __ to the
U.S. Pledge and Security Agreement

Commercial Tort Claims

Exhibit II to the
U.S. Pledge and Security Agreement

Form of Notice of Grant of Security Interest in [Copyrights] [Patents] [Trademarks]

[NOTICE OF] GRANT OF SECURITY INTEREST IN [COPYRIGHTS] [PATENTS] [TRADEMARKS], dated as of [DATE] (this "Notice"), made by [●], a [●] [●] (the "Pledgor"), in favor of WILMINGTON TRUST, NATIONAL ASSOCIATION, as Collateral Agent (as defined below).

Reference is made to the U.S. Pledge and Security Agreement , dated as of March 18, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "U.S. Pledge and Security Agreement "), among the Subsidiary Loan Parties from time to time party thereto and Wilmington Trust, National Association, as collateral agent (together with its successors and assigns in such capacity, the "Collateral Agent") for the Secured Parties (as defined therein). The parties hereto agree as follows:

SECTION 1. ***Terms***. Capitalized terms used in this Notice and not otherwise defined herein have the meanings specified in the U.S. Pledge and Security Agreement . The rules of construction specified in Section 1.01(b) of the U.S. Pledge and Security Agreement also apply to this Notice.

SECTION 2. ***Grant of Security Interest***. As security for the payment or performance when due (whether at the stated maturity, by acceleration or otherwise), as the case may be, in full of the Secured Obligations, the Pledgor, pursuant to the U.S. Pledge and Security Agreement , did, and hereby does, assign and pledge to the Collateral Agent, its successors and permitted assigns, for the benefit of the Secured Parties, a security interest in all of the Pledgor's right, title and interest in or to any and all of the following assets and properties now owned or at any time hereafter acquired by the Pledgor or in which the Pledgor now has or at any time in the future may acquire any right, title or interest (collectively, the "[Patent] [Copyright] [Trademark] Collateral"):

[all issued or applied for Patents of the United States of America, including those listed on Schedule I;]

[all registered Copyrights of the United States of America or exclusive licenses thereto, including those listed on Schedule I;]

[all registered or applied for Trademarks of the United States of America, including those listed on Schedule I;]

provided, however, that the foregoing pledge and grant of security interest will not cover, and the [Patent] [Copyright] [Trademark] Collateral shall not include, any Excluded Property.

SECTION 3. ***U.S. Pledge and Security Agreement*** . The security interests granted to the Collateral Agent herein are granted in furtherance, and not in limitation of,

the security interests granted to the Collateral Agent pursuant to the U.S. Pledge and Security Agreement . The Pledgor hereby acknowledges and affirms that the rights and remedies of the Collateral Agent with respect to the [Patent] [Copyright] [Trademark] Collateral are more fully set forth in the U.S. Pledge and Security Agreement , the terms and provisions of which are hereby incorporated herein by reference as if fully set forth herein. In the event of any conflict between the terms of this Notice and the U.S. Pledge and Security Agreement , the terms of the U.S. Pledge and Security Agreement shall govern.

SECTION 4. ***Counterparts***. This Notice may be executed in two or more counterparts, each of which shall constitute an original but all of which when taken together shall constitute but one contract. Delivery of an executed counterpart to this Notice by facsimile or other electronic transmission shall be as effective as delivery of a manually signed original.

SECTION 5. ***Governing Law***. THIS NOTICE AND ANY CLAIMS, CONTROVERSY, DISPUTE OR CAUSES OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF OR RELATING TO THIS NOTICE AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS NOTICE SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK, WITHOUT REGARD TO ANY PRINCIPLE OF CONFLICTS OF LAW THAT COULD REQUIRE THE APPLICATION OF ANY OTHER LAW.

SECTION 6. ***Recordation***. The Pledgor authorizes and requests that the [Commissioner for Patents] [Register of Copyrights] [Commissioner for Trademarks] and any other applicable government officer record this Notice.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Notice as of the day and year first above written.

[Name of Pledgor]

By: _____
Name:
Title:

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Collateral Agent,

By: _____
Name:
Title:

Schedule I
to Notice of Grant of Security Interest in Patents

Patents Owned by [Name of Pledgor]

U.S. Issued Patents

Title	Patent No.	Issue Date

U.S. Patent Applications

Title	Application No.	Filing Date

Schedule I
to Notice of Grant of Security Interest in Copyrights

Copyrights Owned by or Exclusively Licensed to [Name of Pledgor]

U.S. Copyright Registrations

Title	Registration No.	Registration Date

Exclusive Licenses to Third-Party U.S. Copyright Registrations

Licensor / Owner	License Agreement	Title	Registration No.	Registration Date

Schedule I
to Notice of Grant of Security Interest in Trademarks

Trademarks Owned by [Name of Pledgor]

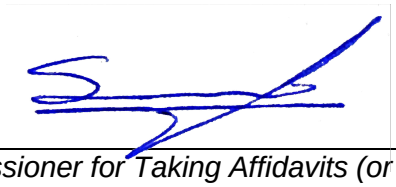
U.S. Trademark Registrations

Mark	Registration No.	Registration Date

U.S. Trademark Applications

Mark	Serial No.	Filing Date

This is Exhibit “F” referred to in the Affidavit of Sarah S. Eskandari sworn by videoconference on December 7, 2023, in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely. The deponent was located in the City of Napa, in the state of California and I was located in the City of Toronto in the Province of Ontario.



Commissioner for Taking Affidavits (or as may be)

Commissioner: Stephanie Fernandes
LSO#: 85819M

Execution Version

LIMITED WAIVER AGREEMENT

TO: WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent for the Lenders

AND TO: WILMINGTON TRUST, NATIONAL ASSOCIATION, as collateral agent for the Secured Parties

AND TO: The Lenders

DATE: November 8, 2023

This LIMITED WAIVER AGREEMENT (this "Agreement") is dated as of November 8, 2023, and is entered into by and among CANOPY GROWTH CORPORATION, a corporation incorporated under the federal laws of Canada (the "Parent Borrower"), 11065220 Canada Inc., a corporation incorporated under the federal laws of Canada (the "Co-Borrower" and, together with the Parent Borrower, the "Borrowers" and each, a "Borrower"), the other Loan Parties party hereto and WILMINGTON TRUST, NATIONAL ASSOCIATION, as administrative agent for the Lenders (in such capacity, the "Administrative Agent") and as collateral agent for the Secured Parties (in such capacity, the "Collateral Agent"), and the undersigned Required Lenders.

W I T N E S S E T H:

WHEREAS, reference is hereby made to that certain Credit Agreement dated as of March 18, 2021 among the Borrowers, the Administrative Agent, the Collateral Agent and the Lenders party thereto from time to time (as amended by that certain Amendment No. 1 dated as of October 24, 2022, that certain Amendment No. 2 dated as of July 13, 2023, and as further amended, restated, amended and restated, supplemented or otherwise modified or replaced from time to time, the "Credit Agreement"); capitalized terms not otherwise defined herein have the definitions provided therefor in the Credit Agreement;

AND WHEREAS, pursuant to Section 5.12 of the Credit Agreement, (i) the Borrowers are obligated to effectuate and complete the BioSteel Action by no later than December 31, 2023 and (ii) the Lenders agreed to deliver all such consents or waivers that the Parent Borrower may reasonably request to enable the Parent Borrower or another Loan Party to effect the BioSteel Action (subject to the limitations set forth therein);

AND WHEREAS, on September 14, 2023 BioSteel Sports Nutrition Inc. commenced a proceeding under the *Companies' Creditors Arrangement Act* (Canada) in the Ontario Superior Court of Justice (Commercial List) and a corresponding recognition proceeding in the United States in the United States Bankruptcy Court for the Southern District of Texas (collectively, the "BioSteel Sports Nutrition Inc. Proceeding");

AND WHEREAS, in connection with the sale of assets, and/or the winding-up, of BioSteel Sports Nutrition USA LLC and BioSteel Manufacturing LLC (collectively with BioSteel Sports Nutrition Inc., the "BioSteel Entities"), one or more of the BioSteel Entities may need to commence a proceeding or otherwise seek relief under the *Companies' Creditors Arrangement Act* (Canada), U.S. Bankruptcy Code or other federal, state or foreign bankruptcy, insolvency, receivership or similar law (any such proceedings together with the BioSteel Sports Nutrition Inc. Proceeding are hereinafter collectively referred to as the "BioSteel Proceedings");

AND WHEREAS, it is an Event of Default (x) pursuant to Section 7.01(i) of the Credit Agreement if the Parent Borrower, the Co-Borrower or any Material Subsidiary shall, *inter alia*, (i) voluntarily commence any proceeding or file any petition seeking relief under the U.S. Bankruptcy Code or any other federal, state or foreign bankruptcy, insolvency, receivership or similar law, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or the filing of any petition described in Section 7.01 (h) of the Credit Agreement, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator, conservator or similar official for the Parent Borrower, the Co-Borrower or any of the Material Subsidiaries or for a substantial part of the property or assets of the Parent Borrower, the Co-Borrower or any Material Subsidiary, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors (the "Voluntary Bankruptcy Event of Default"), and (y) pursuant to Section 7.01(f) of the Credit Agreement if, *inter alia*, any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity (the " Cross-Default Event of Default" and, together with the Voluntary Bankruptcy Event of Default, the "Specified Events of Default");

AND WHEREAS, pursuant to Section 5.12 of the Credit Agreement, the Borrowers have requested that the Administrative Agent and the Lenders waive compliance with the Specified Events of Default in respect of the BioSteel Entities only, and the Administrative Agent and the Required Lenders have agreed to the foregoing as provided herein and subject to the terms and conditions set forth in this Agreement;

AND WHEREAS, the Borrowers hereby request that the Administrative Agent and the Lenders consent to the BioSteel Proceedings, and the Administrative Agent and the Required Lenders have agreed to the foregoing as provided herein and subject to the terms and conditions set forth in this Agreement;

NOW THEREFORE, in consideration of the mutual conditions and agreements set forth in the Credit Agreement and this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Limited Waiver.

(a) Commencing on the Waiver Effective Date (as defined below), the Administrative Agent and the undersigned Required Lenders hereby waive (i) the Voluntary Bankruptcy Event of Default occurring solely as a result of, and attributable to, the commencement of any BioSteel Proceedings prior to [redacted] by any of the BioSteel Entities and (ii) the Cross-Default Event of Default solely as a result of, and attributable to, the acceleration of obligations of any of the BioSteel Entities (which obligations are not guaranteed by the Parent Borrower, the Co-Borrower, or any Material Subsidiary) under contracts entered into in the ordinary course of business by a BioSteel Entity; provided that notwithstanding anything herein to the contrary and for the avoidance of doubt, the Required Lenders' agreement to waive the Cross-Default Event of Default as set forth in clause (ii) above shall not extend to any other Indebtedness of the BioSteel Entities or any other Indebtedness or other obligation or liability of any other Loan Party or Subsidiary (the waiver set forth in this Section 1(a) is referred to herein as the "Limited Waiver").

(b) Notwithstanding anything to the contrary herein, the Credit Agreement or any other Loan Document but subject to the proviso at the end of this Section 1(b), no Loan Party shall be permitted to sell, assign, invest, dispose of, distribute or otherwise transfer to any BioSteel Entity (i) Collateral or (ii) any other assets that are, in respect of this clause (ii), material to the conduct of the Company or any of its Subsidiaries (taken as a whole); provided that the Loan Parties shall be permitted to make Investments in the BioSteel Entities as permitted by Section 6.04(b) and Section 6.04(z) of the Credit Agreement (as Section 6.04(z) is modified by the last paragraph of Section 6.04) to the extent reasonably necessary in furtherance of the commencement and administration of the BioSteel Proceedings and in order to facilitate the BioSteel Action.

2. Reservation of Rights. Each of the parties hereto acknowledges and affirms that (x) nothing herein shall impair or constitute a waiver, modification or novation of the rights of the Administrative Agent, Collateral Agent or any Lender (as applicable) to enforce and collect on their claims as secured creditors of BioSteel Sports Nutrition USA LLC and BioSteel Manufacturing LLC (each, a "BioSteel Loan Party" and collectively, the "BioSteel Loan Parties") or to take actions in furtherance of the same and (y) all Loans then outstanding, together with accrued interest thereon and any unpaid Fees, premiums and all other liabilities of the Loan Parties accrued under the Credit Agreement and the other Loan Documents, shall be deemed automatically due and payable solely with respect to any BioSteel Loan Party upon the commencement of a BioSteel Proceeding with respect to such BioSteel Loan Party, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived by the BioSteel Loan Parties, anything contained herein or in any other Loan Document to the contrary notwithstanding. For certainty, the commencement of a BioSteel Proceeding shall not (i) deem the Loans or any other amounts outstanding under the Credit Agreement or the other Loan Documents to be due and payable by any Loan Party other than the applicable BioSteel Loan Parties, or (ii) require a payment of any amount by any Loan Party other than the applicable BioSteel Loan Parties.

3. Confirmation. Subject to the reservation of rights set forth in Section 2 of this Agreement, and as a condition of the Administrative Agent and the undersigned Required Lenders granting the Limited Waiver, (x) the Borrowers hereby confirm and agree that the Borrowers (and/or any BioSteel Entity) shall, subject to any requisite consents or approvals from the applicable court(s) in the BioSteel Proceedings, prepay the Initial Term Loans by applying (i) 100% of the cash proceeds actually received by the Company or any of its Subsidiaries or Unrestricted Subsidiaries from the Disposition of the BioSteel Loan Parties or their respective assets, net of a reserve for any remaining court-ordered charges (as applicable) and the reasonable costs and expenses necessary to complete an orderly wind down of the estates of the BioSteel USA Loan Parties and (ii) the required percentage of Specified Net Proceeds received by the Company or any of its Subsidiaries from the Disposition of BioSteel Sports Nutrition Inc. or its assets pursuant to Section 2.09(e) of the Credit Agreement; in each case and for greater certainty, net of the fees, costs and expenses incurred in connection with the BioSteel Proceedings and the repayment of any applicable debtor-in-possession financing and (y) the Borrowers shall use commercially reasonable efforts to, as soon as possible after the date hereof, deliver Account Control Agreements to the Administrative Agent with respect to [redacted] in the name of "BIOSTEEL SPORTS NUTRITION USA LLC" and [redacted] in the name of "BIOSTEEL MANUFACTURING LLC".

4. Condition to Effectiveness. The effectiveness of this Agreement is subject to the Administrative Agent and Collateral Agent receiving a copy of this Agreement executed by each party hereto (the date on which such condition is satisfied, the "Waiver Effective Date").

5. Representations and Warranties. To induce the Administrative Agent, the Collateral Agent and the undersigned Required Lenders to enter into this Agreement, each Borrower, represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders that:

(a) the execution, delivery and performance of this Agreement has been duly authorized by all requisite corporate action on the part of each Borrower and this Agreement has been duly executed and delivered by such Borrower;

(b) each of the representations and warranties set forth in the Loan Documents are true and correct in all material respects as of the date hereof (it being understood and agreed that any representation or warranty which by its terms is made as of a specified date shall be required to be true and correct in all material respects only as of such specified date, and that any representation or warranty which is subject to any materiality qualifier shall be required to be true and correct in all respects); and

(c) both immediately prior to and after giving effect to this Agreement, no Default or Event of Default shall have occurred and be continuing.

6. Severability. Any provision of this Agreement held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Agreement and the effect thereof shall be confined to the provision so held to be invalid or unenforceable.

7. References. Any reference to the Credit Agreement contained in any Loan Document or other document, agreement or instrument executed in connection with the Credit Agreement shall be deemed to be a reference to the Credit Agreement as amended, modified or supplemented by this Agreement.

8. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall constitute an original, but all of which taken together shall be one and the same instrument. Delivery by telecopy or electronic portable document format (i.e., "pdf") transmission of executed signature pages hereof from one party hereto to another party hereto shall be deemed to constitute due execution and delivery by such party.

9. Effect of Agreement; No Novation. Except as expressly set forth herein, this Agreement shall not by implication or otherwise limit, impair, constitute a waiver of, or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or the Collateral Agent under the Credit Agreement or any other Loan Document, and shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document, all of which are ratified and affirmed in all respects and shall continue in full force and effect. Nothing herein shall be deemed to entitle any party to the Credit Agreement to a consent to, or a waiver, amendment, modification or other change of, any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other Loan Document in similar or different circumstances. Nothing herein contained shall be construed as a substitution or novation of the Obligations outstanding under the Credit Agreement or any other Loan Document, all of which shall remain in full force and effect, except as modified hereby. Each Loan Party shall continue to comply with all other limitations, restrictions or prohibitions that would otherwise be effective or applicable under the Credit Agreement or any of the other Loan Documents, and nothing herein shall restrict, impair or otherwise affect the right of the Administrative Agent, Collateral Agent or any Lender to exercise all other rights and remedies under the Credit Agreement and other Loan Documents that arise during the occurrence and continuation of any Default or Event of Default other than the Specified Events of Default. The Limited Waiver does not apply to any Default or Event of Default other than the Specified Events of Default or any other failure by any Borrower or any other Loan Party to perform in accordance with the Credit Agreement or any other Loan Document (including, without limitation, this Agreement). This Agreement shall constitute a "Loan Document" for all purposes of the Credit Agreement and the other Loan Documents.

10. Reaffirmation. Each of the Borrowers and each other Loan Party hereby (a) agrees that, notwithstanding the effectiveness of this Agreement, each of the Security Documents continue to be in full force and effect, (b) confirms its guarantee of the Guaranteed Obligations (with respect to each Guarantor) and its grant of a security interest in its assets as Collateral therefor, all as provided in the Loan Documents as originally executed, and (c) acknowledges that such guarantee and/or grant continue in full force and effect in respect of, and to secure, the Secured Obligations under the Credit Agreement and the other Loan Documents.

11. Release.

(a) In consideration of the agreements of the Lenders contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parent Borrower and each other Loan Party, on behalf of itself and its successors and assigns, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges the Administrative Agent, the Collateral Agent, Lenders, and their respective successors and assigns, and their present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (the Administrative Agent, the Collateral Agent, each Lender and all such other Persons being hereinafter referred to collectively as the "Releasees"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set-off, demands and liabilities whatsoever of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which the Parent Borrower and each other Loan Party or any of their respective successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever in relation to, or in any way in connection with any of the Credit Agreement, any of the other Loan Documents, this Agreement or transactions thereunder or related thereto, in each case, which arises at any time on or prior to the date of this Agreement.

(b) The Parent Borrower and each other Loan Party understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) The Parent Borrower and each other Loan Party agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

12. Recitals and Schedules. Each party hereto acknowledges that the recitals above and schedules attached hereto shall form part of this Agreement.

13. Governing Law. This Agreement shall be a contract made under and governed by the laws of the State of New York, without regard to conflict of laws principles that would require the application of laws other than those of the State of New York. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

14. Expenses. Without in any way limiting the provisions of Section 9.05 of the Credit Agreement, each Borrower hereby confirms, acknowledges, affirms and agrees that the expense reimbursement provisions set forth in clause (a) of Section 9.05 of the Credit Agreement shall apply to this Agreement, the transactions contemplated hereby and any future activities and ongoing fees of counsel to the Lenders and the Administrative Agent and Collateral Agent in connection with this Agreement (including the reasonable and documented fees and expenses of Covington and Burlington LLP, as counsel to the Administrative Agent and Collateral Agent, Davis Polk & Wardwell LLP, as New York counsel to the Lenders, and Goodmans LLP, as Canadian counsel to the Lenders).

15. WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR

THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, OTHER AGENT (INCLUDING ANY ATTORNEY) OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

16. Agent Authorization. Each of the undersigned Lenders, constituting Required Lenders, hereby authorizes and directs each of the Administrative Agent and the Collateral Agent to execute and deliver this Agreement.

[Signature Pages Follow]

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

AFFIDAVIT OF SARAH S. ESKANDARI

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Lawyers for the Applicants

TAB 3

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY, THE 14TH
	)	
JUSTICE STEELE	)	DAY OF DECEMBER, 2023

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

(the "**Applicants**")

ORDER
(DISTRIBUTION, **STAY EXTENSION AND EXPANSION OF POWERS ORDER)**

THIS MOTION, made by BioSteel Sports Nutrition Inc., BioSteel Manufacturing LLC, and BioSteel Sports Nutrition USA LLC (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**Order**"), among other things: (a) authorizing the Applicants to make the Distributions (as defined below) to Canopy Growth Corporation ("**Canopy**") and Wilmington Trust, National Association (the "**Administrative Agent**"); (b) enhancing the Monitor's powers; and (c) extending the Stay Period, was heard this day by judicial videoconference via Zoom.

ON READING the Affidavit of Sarah S. Eskandari, sworn December 7, 2023, and the Exhibits thereto (the "**Eskandari Affidavit**"), the Third Report of the Monitor dated December ●, 2023, and the appendices thereto (the "**Third Report**"), and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, and such other parties as listed on the Counsel Slip, with no one else appearing although duly served as appears from the affidavit of service of [Stephanie Fernandes sworn December ●, 2023].

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Eskandari Affidavit or the Amended and Restated Initial Order dated September 21, 2023, as applicable.

DISTRIBUTION OF BIOSTEEL CASH AND PROCEEDS

3. **THIS COURT ORDERS** that the Applicants are hereby authorized, at such time or times and in such amounts as they determine appropriate, in their sole discretion and in consultation with the Monitor, to make distributions of cash and the proceeds of the various Transactions as follows:

a. BioSteel Canada may make distributions to Canopy of cash and proceeds held by BioSteel Canada from time to time, provided that the aggregate of all such distributions, together with any other recoveries received by Canopy, at the date of such distribution, shall not exceed the full amount of BioSteel Canada's "Obligations" (as that term is defined in the Loan Agreement, as amended); and

b. BioSteel Manufacturing and BioSteel US may make distributions to the Administrative Agent of cash and proceeds held by BioSteel Manufacturing and BioSteel US, from time to time provided that the aggregate of all such distributions, together with any other recoveries received by the Administrative Agent or the Senior Secured Lenders under the Canopy Credit Agreement, at the date of such distribution, shall not exceed the full amount of the "Obligations" (as that term is defined in the Canopy Credit Agreement) guaranteed by BioSteel Manufacturing and BioSteel US pursuant to the Guarantee,

(collectively the "**Distributions"**).

4. **THIS COURT ORDERS** that, in connection with making the Distributions, the Applicants shall collectively retain sufficient funds in aggregate from its cash and proceeds in an amount

satisfactory to the Monitor to satisfy any amounts secured by the Charges, and any other amounts required to facilitate the ongoing administration of this CCAA Proceeding and/or the ultimate wind up of the Applicants.

5. **THIS COURT ORDERS** that the Distributions shall be free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Initial Order, the ARIO, the SISP Approval Order of this Court dated September 21, 2023, or any other orders made in this CCAA proceeding; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario), the Uniform Commercial Code, or any other personal property registry system in any province or territory in Canada, the United States or the Civil Code of Quebec.

6. **THIS COURT ORDERS** that the Applicants shall be entitled to deduct and withhold from any Distribution to Canopy or the Administrative Agent, as applicable, such amounts as may be required to be deducted or withheld under any applicable law, and to remit such amounts to the appropriate governmental authority or other person entitled thereto as may be required by such law. To the extent that amounts are so withheld or deducted and remitted to the appropriate governmental authority or other person, such withheld or deducted amounts shall be treated for all purposes as having been paid pursuant to this Order to such person as the remainder of the distribution in respect of which such withholding or deduction was made.

7. **THIS COURT ORDERS** that the Distributions shall not constitute a “distribution” by any director, officer, employee or agent of the Applicants or the Monitor, including their respective legal counsel, and such persons shall not constitute a “legal representative”, “representative” or a “responsible representative” of the Applicants or “other person” for purposes of Section 159 of the *Income Tax Act* (Canada), Section 117 of the *Taxation Act*, 2007 (Ontario), Section 270 of the *Excise Tax Act* (Canada), Sections 46 and 86 of the *Employment Insurance Act* (Canada), Section 22 of the *Retail Sales Tax Act* (Ontario), Section 107 of the *Corporations Tax Act* (Ontario), or any other similar federal, provincial, state or territorial tax legislation (collectively, the “**Statutes**”), and such persons, including the Monitor, in causing or assisting the Applicants to

make any Distribution in accordance with this Order is not "distributing", nor shall it be considered to have "distributed", such funds for the purposes of the Statutes, and such persons shall not incur any liability under the Statutes for causing or assisting the Applicants in making any Distributions in accordance with this Order or failing to withhold amounts, ordered or permitted hereunder, and such persons shall not have any liability for any of the Applicants' tax liabilities regardless of how or when such liabilities may have arisen, and are hereby forever released, remised and discharged from any claims against such person under or pursuant to the Statutes or otherwise at law arising as a result of the Distributions contemplated in this Order, and any claims of such nature are hereby forever barred.

8. **THIS COURT ORDERS** that the Applicants are each hereby authorized, directed and empowered to take any further steps that they may deem necessary or desirable to complete the Distributions described in this Order.

9. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings or the termination of these proceedings;

(b) the pendency of any applications for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, as amended (the "**BIA**"), in respect of the Applicants or their property, and any bankruptcy or receivership order issued pursuant to any such applications;

(c) any assignment in bankruptcy made in respect of the Applicants; and

(d) the provision of any federal, provincial or other statute,

any Distributions made pursuant to this Order are final and irreversible and shall be binding upon any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants or their Property, and shall not be void or voidable by creditors of the Applicants, nor shall any such distributions constitute or be deemed to be fraudulent preferences, assignments, fraudulent conveyances, transfers-at-undervalue or other reviewable transactions under the BIA or any other applicable federal, provincial or other law, nor shall they constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interests of any person, and shall, upon the

receipt thereof, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to the Applicants or their Property.

MONITOR'S ENHANCED POWERS

10. **THIS COURT ORDERS** that in addition to the powers and duties of the Monitor set out in the ARIO, any other Order of this Court granted in this CCAA Proceeding, the CCAA and applicable law, and without altering in any way the obligations of the Applicants in this CCAA Proceeding, including the Applicants' obligations under the Transactions, the Monitor be and is hereby authorized and empowered, but not required, to exercise any powers which may be properly exercised by a board of directors or any officers of the Applicants to cause the Applicants, through the Applicants' Assistants (then engaged, if any), to, including without limitation:

a. take any and all actions and steps, and execute all agreements, documents and writings, on behalf of, and in the name of, the Applicants in order to facilitate the performance of any of the Applicants' powers or obligations, including, without limitation, as contemplated by the Transactions (including post-closing matters) or any Order of this Court;

b. engage, retain, or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph 10(b) shall thereafter be deemed to be an Assistant under the ARIO;

c. perform such other functions or duties, and enter into any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down of the Applicants, the realization and/or sale of all of the Applicants' remaining assets and undertakings not transferred pursuant to the BioSteel Canada Approval and Vesting Order and the Manufacturing Approval and Vesting Order (the "**Remaining Property**"), authorizing the distribution of any net proceeds of the Transactions and/or the Remaining Property (the "**Proceeds**"), or any other related activities, including, without limitation, in connection with terminating this CCAA Proceeding;

d. exercise any rights of the Applicants;

e. initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Applicants, the Remaining Property, or the cash and proceeds of the Applicants;

f. deal with any taxing or regulatory authority, including to execute any appointment or authorization form on behalf of the Applicants that any taxing or regulatory authority may require, in order to confirm the appointment of an authorized representative of the Applicants (which may be a representative of the Monitor) for such purposes;

g. claim any and all insurance refunds or tax refunds to which the Applicants is entitled on behalf of the Applicants;

h. file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Applicants, (i) any tax returns, and (ii) the Applicants' employee-related remittances, T4 statements and records of employments for the Applicants' former employees, in either case, based solely upon the information in the Applicants' books and records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents; and

i. take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations.

EXTENSION OF THE STAY PERIOD

11. **THIS COURT ORDERS** that the Stay Period be and is hereby extended until and including April 30, 2024.

GENERAL

12. **THIS COURT ORDERS** that the Applicants or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

13. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

14. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

15. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Prevailing Eastern Time on the date hereof.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BIOSTEEL SPORTS NUTRITION INC., BIOSTEEL MANUFACTURING LLC, AND BIOSTEEL SPORTS NUTRITION USA LLC

Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

ORDER
(DISTRIBUTION, STAY EXTENSION AND EXPANSION OF POWERS ORDER)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Court File No. CV-23-00706033-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

MOTION RECORD
(MOTION FOR DISTRIBUTION, STAY EXTENSION AND EXPANSION OF POWERS ORDER)

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