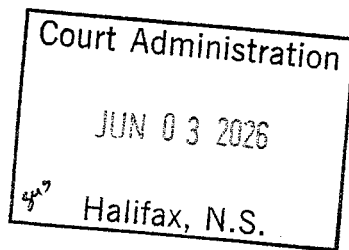


2026



Hfx. No. 551716

**SUPREME COURT OF NOVA SCOTIA**

**IN THE MATTER OF:** The *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the "CCAA")

**AND IN THE MATTER OF:** An application by CFFI Ventures Inc. for creditor protection under s. 11 of the CCAA, and other relief

**AFFIDAVIT OF MICHAEL SCOTT**

**I, MICHAEL SCOTT**, of the City of Vancouver, in the Province of British Columbia, **AFFIRM AND SAY THAT:**

**I. INTRODUCTION**

1. I am a managing director of SAF Administration LP ("**SAF Administration**"). SFPC Quantum LP ("**Quantum**"), an affiliate of SAF Administration, is the senior secured lender to Cormorant Utility Services Limited ("**Cormorant**") pursuant to an Amended and Restated Credit Agreement dated March 28, 2025 (as further amended, the "**ARCA**").
2. I am responsible for overseeing the ARCA. As such, I have personal knowledge of the matters deposed to in this affidavit. To the extent that information has been provided to me by others, I have specified the source of that information and in each case, I believe the information to be true. Nothing in this affidavit is intended to limit or waive privilege.
3. This affidavit is affirmed in opposition to certain aspects of the proposed sale and investment solicitation process (the "**SISP**") being sought by CFFI Ventures Inc. ("**CFFI**") in these proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA**", and such proceedings being referred to herein as the "**CFFI CCAA Proceedings**"), and in support of Quantum's objections to the applicability of the Non-Filing Affiliate Stay (as defined below) to Cormorant and its subsidiaries.
4. Quantum objects to the inclusion of the shares of Cormorant held by CFFI (defined below as the "**Cormorant Shares**") as part of the assets and property to be marketed pursuant to

CFFI's proposed SISP. Quantum holds the first-priority security interest in respect of the Cormorant Shares, ahead of CFFI's senior secured lender, HPS Investment Partners LLC ("HPS"), as well as a direct first-priority security interest on the assets and property of Cormorant. As set out in further detail herein, Quantum believes that including the Cormorant Shares in the proposed SISP will have limited benefits and is unlikely to maximize value.

5. Quantum is of the view that a separate standalone strategic process in respect of Cormorant conducted outside of the CFFI CCAA Proceedings with an independent sale advisor and the flexibility to explore a broader range of liquidity alternatives is necessary in Cormorant's current circumstances and would better serve the interests of all stakeholders. Accordingly, Quantum opposes the SISP as proposed by CFFI and requests that any process approved by the Court exclude the Cormorant Shares. Quantum also has additional comments and concerns on CFFI's proposed SISP, which it provided to CFFI and which have not been addressed by CFFI.
6. In addition, Quantum objects to the applicability of the Non-Filing Affiliate Stay to Cormorant and its subsidiaries, on the basis that such stay risks harming Cormorant's business without any meaningful benefit to CFFI.
7. I previously affirmed an affidavit in the CFFI CCAA Proceedings dated March 18, 2026 (my "**March Affidavit**"), a copy of which is attached (without exhibits) as Exhibit "A" hereto. Unless otherwise stated, all monetary amounts referenced herein are expressed in Canadian dollars.

## **II. BACKGROUND**

### *(i) Overview*

8. As set out in my March Affidavit, Quantum is the lender and administrative agent under the ARCA entered into with Cormorant, as the borrower. The ARCA amends and restates that certain credit agreement entered into by the parties dated March 24, 2022 (the "**Original Credit Agreement**").

9. The ARCA provides for total committed credit facilities of approximately \$41.26 million, comprising a \$36.1 million term loan and a \$5.16 million delayed draw loan. The outstanding principal balance under the ARCA is approximately \$29.1 million.
10. Cormorant’s obligations under the ARCA are secured by a general security interest granted to Quantum over all or substantially all of Cormorant’s assets such that Quantum is the senior secured creditor of Cormorant. The ARCA matures on January 4, 2027.
11. Details regarding Cormorant, its business and operations are described in the affidavit of Brittany Bartlett dated February 14, 2026 (the “**Bartlett Affidavit**”), sworn in respect of CFFI’s application for an Interim Order under the *Companies Act* (Nova Scotia).

(ii) *Cormorant’s Shareholding Structure*

12. CFFI is an equityholder of Cormorant, along with Brendan Paddick, management of Cormorant pursuant to an employee stock option plan, and Quantum pursuant to warrants to acquire common shares. The shareholdings of Cormorant, on a fully-diluted basis, are summarized as follows:

Shareholder	Shareholding Percentage (Fully-Diluted)
CFFI	39.77% <sup>1</sup>
Brendan Paddick	35.16%
Quantum	10.03%
Employees	15.05%

13. CFFI and Mr. Paddick, along with Cormorant, are parties to a Third Amended and Restated Shareholders’ Agreement (Investors) dated September 30, 2025 (the “**Shareholders’ Agreement**”). A copy of the Shareholders’ Agreement is attached hereto as Exhibit “B”.

---

<sup>1</sup> I note that my March Affidavit referred to CFFI holding 54.8% of Cormorant’s issued shares, which refers to CFFI’s shareholding on a non-diluted basis.

*(iii) Guarantees and Related Security*

14. As described in the Bartlett Affidavit, all obligations of Cormorant to Quantum under the ARCA are guaranteed by:
  - (a) CFFI pursuant to a Guarantee dated May 24, 2022 (the “**CFFI Guarantee**”);
  - (b) Mr. John Risley pursuant to a Guarantee dated May 24, 2022; and
  - (c) Mr. Paddick pursuant to a Limited Recourse Guarantee and Securities Pledge Agreement dated May 24, 2022 (the “**Paddick Guarantee and Pledge Agreement**”).
  
15. The obligations of CFFI under the CFFI Guarantee are secured by, among other things, a Securities Pledge Agreement between CFFI and Quantum dated May 24, 2022 (the “**CFFI Pledge Agreement**”), pursuant to which CFFI granted Quantum a security interest in all securities of Cormorant owned or at any time acquired by CFFI (the “**Cormorant Shares**”). As referenced in my March Affidavit, pursuant to the Subordination Agreement between CFFI, HPS and Quantum dated May 24, 2022 (the “**Subordination Agreement**”), HPS agreed to subordinate and postpone its security interest in the Cormorant Shares to Quantum’s security interest. Copies of the CFFI Pledge Agreement and the Subordination Agreement are attached hereto as Exhibits “C” and “D”, respectively.
  
16. The CFFI Pledge Agreement expressly restricts CFFI’s ability to sell or otherwise dispose of the Cormorant Shares. Under Section 18(a) of the CFFI Pledge Agreement, CFFI covenanted and agreed that it “will not sell, assign, convey, exchange, release or abandon, or otherwise dispose of, any Collateral”, which includes the Cormorant Shares.
  
17. With respect to the guarantee granted by Mr. Paddick, the obligations of Mr. Paddick are secured by the Paddick Guarantee and Pledge Agreement, pursuant to which Mr. Paddick granted Quantum a security interest in all securities of Cormorant owned or at any time acquired by Mr. Paddick.
  
18. In addition to the CFFI Pledge Agreement, the obligations of CFFI under the CFFI Guarantee are also secured by a security agreement dated May 24, 2022, pursuant to which

CFFI granted Quantum a security interest in all of its present and after-acquired property and undertakings, other than certain excluded assets.

### **III. CURRENT STATUS OF THE ARCA**

19. Cormorant's secured debt obligations to Quantum under the ARCA are currently in default. A "Change of Control" constitutes an Event of Default under Section 7.1(m) of the ARCA, and under paragraph (f) of the definition of "Change of Control", it is a Change of Control where "any individual who is not a member of the Board of Directors of the Borrower on the Amendment and Restatement Date becomes a member of the Board of Directors of the Borrower or any Subsidiary other than the new CEO of the Borrower appointed pursuant to Section 5.1(aa)." As Ms. Bartlett has replaced Mr. Risley on the board of directors of Cormorant, a Change of Control under the ARCA has occurred and is continuing.
20. In addition, the Change of Control restriction under Section 7.1(m) of the ARCA would apply to any disposition of the Cormorant Shares held by CFFI, which would separately cause Cormorant's obligations to Quantum under the ARCA to become due and payable. The ARCA defines "Change of Control" to include, among other triggers:
  - (a) "John Risley ceases to Control CFFI";
  - (b) "John Risley ceases to Control the Borrower";
  - (c) "prior to the issuance of any Equity Securities of the Borrower pursuant to either of the Equity Commitment Letters, CFFI ceases to own, directly, beneficially and of record, 54.8% of the Equity Securities of the Borrower";
  - (d) "after the issuance of the Equity Securities pursuant to either of the Equity Commitment Letters: (i) any Person other than the Existing Shareholders owns, directly, beneficially and of record, any Equity Securities in the Borrower; (ii) CFFI ceases to own, directly, beneficially and of record, that percentage of the Equity Securities of the Borrower as is owned by CFFI immediately upon the issuance of all Equity Securities required to be issued pursuant to both of the Equity Commitment Letters..."; and

- (e) “any sale, lease, exchange or other transfer (in one transaction or series of related transactions) of all or substantially all of the Borrower’s property and assets”.
21. Furthermore, there are a number of pending events of default under the ARCA that Cormorant has not been in a position to satisfy. The pending events of default include, among other things, two repayment defaults requiring Cormorant to repay an amount of approximately \$4.6 million to Quantum, and defaults relating to Cormorant having not received an equity commitment amount from CFFI equal to at least \$3 million pursuant to an equity commitment letter entered into with CFFI in September 2022. Quantum and Cormorant have been amending the ARCA on a month-to-month basis for the last number of months to address these pending events of default, and are currently in the process of finalizing an amendment to extend the relevant dates applicable to such defaults from May 31, 2026 to June 30, 2026. In addition, Quantum also expects Cormorant to breach a financial covenant under the ARCA as of June 30, 2026.
22. Quantum will require that the ARCA be repaid in full as part of CFFI’s implementation of a transaction as part of the CFFI CCAA Proceedings or the ARCA will need to be amended and modified on terms satisfactory to Quantum. Accordingly, Cormorant needs to refinance its existing secured debt in the immediate short term or reach agreement with Quantum on amended terms.
23. Quantum has demonstrated a willingness to work with Cormorant and its shareholders, including CFFI, at various times over the last several years on a number of strategic matters relating to Cormorant, including previously agreeing on the framework for a consensual sale process. As set out in my March Affidavit, in connection with the parties entering into the eighth amendment to the Original Credit Agreement, each of Quantum, CFFI, Mr. Risley and Mr. Paddick entered into a letter agreement on December 31, 2024 (the “**SISP Side Letter**”), pursuant to which the parties agreed to cause Cormorant to initiate a sale process with a view to completing a sale transaction either in respect of the equity of Cormorant or in respect of all or substantially all of the assets and property of Cormorant and its subsidiaries. The SISP Side Letter provided for an outside date for completing a

transaction of September 24, 2025, which was subsequently amended to March 31, 2026. However, the SISP Side Letter was breached by Cormorant and CFFI.

24. Given the status of the ARCA, it is Quantum's view that it is both necessary and prudent for Cormorant to pursue a process in order to address its obligations under the ARCA and to identify and evaluate all viable alternatives, including potential debt or equity investments or the sale of its business. As discussed further below, Quantum believes there is a need, at this time, for Cormorant to run a standalone strategic process outside of the CFFI CCAA Proceedings. My understanding is that Cormorant is currently in the process of considering candidates for a potential sale advisor to assist Cormorant in advancing such efforts.

#### **IV. THE CFFI CCAA PROCEEDINGS, NON-FILING AFFILIATE STAY AND REQUEST FOR SISP APPROVAL**

25. On March 13, 2026, the Supreme Court of Nova Scotia granted an Initial Order in respect of CFFI (as amended, the "**Initial Order**"). Cormorant is not a debtor in the CFFI CCAA Proceedings.
26. Although Cormorant is not a debtor in the CFFI CCAA Proceedings, CFFI sought and obtained relief as part of the Initial Order granting a stay of proceedings in favour of the "Non-Filing Affiliates" listed on Schedule "B" to the Initial Order, including Cormorant and its subsidiaries (the "**Non-Filing Affiliate Stay**"). Quantum has objected to, and continues to object to, the Non-Filing Affiliate Stay. In Quantum's view, Cormorant should not be brought into or affected by the CFFI CCAA Proceedings, and should remain outside of these proceedings with its business and operations continuing in the normal course. Subjecting Cormorant to the Non-Filing Affiliate Stay risks harming Cormorant's business relationships, its ability to attract third-party debt and equity providers, and its reputation more broadly, while serving no meaningful purpose given the existing and pending defaults under the ARCA that are unrelated to CFFI's insolvency proceedings.
27. As the next step in its CCAA proceeding, CFFI is now seeking Court approval of a SISP. The proposed SISP sets out the manner in which binding bids for executable transaction(s)

involving “the shares and/or the business and assets of CFFI” will be solicited, including “a sale of some or all of CFFI’s shares, assets and/or business.” The SISP therefore, as proposed by CFFI, encompasses the Cormorant Shares.

28. On May 26, 2026, counsel to Quantum sent an email to counsel to CFFI enclosing Quantum’s comments on CFFI’s proposed SISP. A copy of this email, along with the related documents, is attached as Exhibit “E” hereto.
29. Despite receiving Quantum’s comments, CFFI did not engage with Quantum or amend its proposed SISP to address Quantum’s concerns. On May 28, 2026, CFFI served its materials in respect of its proposed SISP without any discussion with Quantum on the comments provided or making any amendments to the SISP. The proposed SISP continues to include the Cormorant Shares as part of the assets and property to be marketed and does not reflect Quantum’s concerns with the SISP, including, without limitation, concerns with respect to timing, consultation rights and reservations of rights.
30. Quantum does not oppose CFFI taking steps to advance a court-ordered sale process in the CFFI CCAA Proceedings, provided that the proposed SISP is amended to address the concerns of Quantum, as a significant stakeholder. Quantum currently opposes the SISP as it has been proposed by CFFI.

**V. QUANTUM’S CONCERNS WITH INCLUDING THE CORMORANT SHARES IN THE PROPOSED SISP**

31. As the senior secured creditor of Cormorant and a secured creditor of CFFI holding the first-priority security interest in the Cormorant Shares, Quantum has serious concerns with the inclusion of the Cormorant Shares in the SISP being proposed by CFFI. Quantum opposes the inclusion of the Cormorant Shares in the proposed SISP for, among others, the following reasons:
  - (a) including the Cormorant Shares along with all other assets of CFFI in a single process results in a limited process with respect to Cormorant as the only option that can be explored with respect to Cormorant in these circumstances is a sale of

CFFI's interest. No other liquidity or broader transaction alternatives in respect of Cormorant can be pursued within the SISP framework;

- (b) a standalone strategic process in respect of Cormorant is necessary and would allow for a broader range of alternatives to be considered, including a new debt financing or refinancing transaction, an equity raise, or a sale of the business in its entirety;
- (c) including the Cormorant Shares in CFFI's proposed SISP is limited by Quantum's rights as the first-priority secured creditor with respect to that asset, ranking in priority to HPS pursuant to the Subordination Agreement, such that any transaction resulting from the SISP that involves the Cormorant Shares would need to facilitate payment in full of all obligations owed to Quantum or otherwise have Quantum's consent;
- (d) any transaction pursuant to the proposed SISP involving the Cormorant Shares would constitute a "Change of Control" as defined in the ARCA and result in a further default pursuant to Section 7.1(m) of the ARCA, in addition to existing and ongoing defaults, thereby resulting in the acceleration of Cormorant's obligations thereunder;
- (e) there are restrictions in the Shareholders' Agreement with respect to potential transfers of shares by shareholders of Cormorant and various rights in respect of any such transaction, including (i) "tag-along" rights for non-selling shareholders (Section 5.2), (ii) a right of first refusal in favour of Cormorant (Section 5.3), and (iii) a right of first refusal in favour of non-selling shareholders (Section 5.4), which, in Quantum's view, would bind any purchaser of CFFI's interest going forward;
- (f) in addition to Quantum having first-priority security over the Cormorant Shares pursuant to the CFFI Pledge Agreement, Quantum also has security over the shares of Cormorant held by Mr. Paddick, Cormorant's other principal shareholder;
- (g) Cormorant and its subsidiaries constitute a viable and distinct operating business separate and apart from CFFI and its various other investments, and parties who

may have an interest in acquiring an equity stake in Cormorant may be deterred from participating in an insolvency sale process that encompasses the entirety of CFFI's asset portfolio; and

- (h) parties participating in the proposed SISP may not have access to current and detailed financial and operational information regarding Cormorant. Cormorant is not a CCAA debtor, and CFFI is restricted under Sections 7.1 and 7.2 of the Shareholders' Agreement from disclosing confidential information of Cormorant without the consent of Cormorant's board of directors. CFFI does not control the board of Cormorant. Pursuant to the Shareholders' Agreement, Cormorant's board consists of two nominees of CFFI, two nominees of Mr. Paddick, and Cormorant's Chief Executive Officer. Without access to adequate information regarding Cormorant, parties participating in CFFI's proposed SISP will be unable to properly assess the value of the Cormorant Shares, undermining the prospect of a value-maximizing outcome with respect to the Cormorant Shares.

## **VI. A STANDALONE STRATEGIC PROCESS FOR CORMORANT**

32. In Quantum's view, there are significant limitations and limited or no benefits to including the Cormorant Shares in CFFI's proposed SISP. Rather, Cormorant requires a standalone strategic process specific to Cormorant for the following key reasons:

- (a) Cormorant requires a focused strategic process that explores all options available, including repayment of secured debt, raising of equity, and transferring existing equity (including the Cormorant Shares held by CFFI and/or the equity of other shareholders of Cormorant). This is particularly the case in circumstances where the ARCA is in default unrelated to the CFFI CCAA Proceedings. A CCAA sale process that only includes the Cormorant Shares is limited and does not allow for a broad exploration of strategic alternatives in respect of Cormorant. A broader, standalone strategic process is needed in respect of Cormorant to address the current circumstances;

- (b) Cormorant is not a CCAA debtor and any process related to one or more transactions in respect of its shares or business should be completed in the normal course as would be the case for any non-CCAA company. Third-party investors or debt and equity providers should not need to understand CCAA dynamics or procedures and instead should be directed to Cormorant's normal course business;
- (c) as described above, Cormorant's secured debt obligations to Quantum are in default and there are a number of other pending or anticipated defaults, including as a result of any transaction in respect of the Cormorant Shares, that will cause the obligations under the ARCA to become due and payable. Cormorant needs to refinance the existing secured debt in the immediate short term or reach agreement with Quantum on amended terms, and a standalone strategic process in respect of Cormorant is necessary to satisfy Quantum;
- (d) excluding the Cormorant Shares from the SISP and enabling Cormorant to pursue a standalone strategic process outside of the CFFI CCAA Proceedings will avoid duplication, additional costs, market confusion and the negative effects of a limited CCAA sale process on Cormorant and its business. Quantum is also concerned with the potential harm to Cormorant's business that may result from it being associated with a Court-supervised sale process. In a standalone process, Cormorant can approach the market with a focused, broad strategic process that will reduce risk of confusion and duplication, and deliver a clear message to all interested parties. Such an approach will be seen in the marketplace as normal course and will avoid Cormorant being negatively associated with an insolvency process. Distance from the CFFI CCAA Proceedings will assist Cormorant in potentially attracting more third-party debt and equity providers, without the need to explain the CFFI CCAA Proceedings;
- (e) as described herein, there are contractual restrictions affecting the disposition of the Cormorant Shares held by CFFI. Such restrictions on disposition, change of control, assignment, rights of first refusal, and governance are contained in the Shareholders' Agreement, the CFFI Pledge Agreement and the ARCA. Quantum is

not prepared to waive any such contractual rights or obligations at this time but will consider providing consent or entering into amending agreements once a standalone Cormorant strategic process has been conducted in order that all options and strategic alternatives for Cormorant have been canvassed and considered;

- (f) Quantum holds a security interest in both the Cormorant Shares held by CFFI and the shares of Cormorant held by Mr. Paddick, giving Quantum the ability to enforce against and sell substantially all of the shares in Cormorant, as well as a first priority interest on the assets and business of Cormorant. Quantum's interest as the priority secured creditor with respect to Cormorant and the Cormorant Shares should be a key consideration in determining appropriate next steps with respect to the Cormorant Shares and the SISP;
- (g) Cormorant is a standalone business with separate management that is not tied to or related to the other business operations or investments held by CFFI, and it can be efficiently and effectively marketed on a standalone basis. As referenced above, the parties to the SISP Side Letter previously agreed to run a standalone strategic process prior to the CFFI CCAA Proceedings, but that agreement was breached by Cormorant and CFFI;
- (h) Quantum is also a holder of equity in Cormorant based on the warrants it holds and has an interest in maximizing the value of Cormorant. Quantum's strong view is that a limited CCAA sale process of the shares held by CFFI will not maximize the value of the Cormorant Shares. A broader strategic process focused solely on Cormorant, led by Cormorant's management, with the assistance of an appropriate advisor, has a higher probability of exploring more options and alternatives, rather than being limited to one block of shareholdings. A limited CCAA sale process for CFFI's shares could also affect value for other shareholders of Cormorant and the timing for being able to transact in respect of their interest; and
- (i) a standalone Cormorant strategic process outside of the CFFI CCAA Proceedings should not prejudice CFFI. CFFI would benefit from all options and alternatives being explored in such a process, with the support of Cormorant's management and

the support of other stakeholders. A standalone process would be better positioned to determine Cormorant's value, and CFFI could rely upon this determination in the context of the CFFI CCAA Proceedings to determine the value of the Cormorant Shares. The results of a focused, standalone process are likely to provide a more accurate and reliable determination of value than would arise from marketing the Cormorant Shares in a CCAA sale process that encompasses all of CFFI's diverse assets and investments.

33. Ultimately, Quantum is of the strong view that there needs to be a standalone marketing process in respect of Cormorant, conducted outside of the CFFI CCAA Proceedings, to explore a variety of potential liquidity alternatives, and that in these circumstances, the Cormorant Shares should be excluded from the proposed SISP in order to avoid duplication, additional costs, market confusion and the negative effects of a limited CCAA sale process on Cormorant and its business. I understand that this view is supported by Mr. Paddick as a significant shareholder of Cormorant.
34. I have also had various discussions with Cormorant's management and understand that management is supportive of a standalone process in respect of Cormorant.
35. Quantum is prepared to work cooperatively with CFFI on a timeline for a standalone process in respect of Cormorant that aligns with an appropriate timeline for the CFFI SISP. Quantum recognizes the interest that CFFI and its stakeholders have in advancing the CFFI CCAA Proceedings and is committed to ensuring that a standalone process for Cormorant would align with CFFI's efforts in this regard.

## **VII. CONCLUSION**

36. For the reasons set out above, Quantum, as the senior secured creditor in respect of the Cormorant Shares held by CFFI and of Cormorant, opposes the proposed SISP, in particular, the inclusion of the Cormorant Shares as part of the property and assets that are proposed to be marketed by such process. Cormorant requires a comprehensive strategic process in the near term to explore all options available to it, including exploring transactions to facilitate the repayment of its secured debt, raise equity, or sell the business

in its entirety (including the Cormorant Shares held by CFFI and/or the equity of other shareholders of Cormorant). The Cormorant Shares should be excluded from the SISP and marketed in a standalone process outside of the CFFI CCAA Proceedings, conducted by an independent sale advisor possessing relevant expertise, with the benefit of exploring a variety of potential liquidity alternatives and in consultation with Quantum. In addition, Quantum requires that Cormorant and its subsidiaries be fully excluded from the Non-Filing Affiliate Stay.

**AFFIRMED** remotely via  
videoconference, by Michael Scott stated as  
being located in the City of Toronto in the  
Province of Ontario, before me at the City  
of Toronto in the Province of Ontario, on  
June 2, 2026, in accordance with *O. Reg  
431/20, Administering Oath or Declaration  
Remotely*

  
\_\_\_\_\_  
A Commissioner for Taking Affidavits

  
\_\_\_\_\_  
**MICHAEL SCOTT**

**THIS IS EXHIBIT "A"**  
**TO THE AFFIDAVIT OF MICHAEL SCOTT**  
**AFFIRMED BEFORE ME OVER VIDEOCONFERENCE**  
**THIS 2<sup>nd</sup> DAY OF JUNE, 2026**



---

Commissioner for Taking Affidavits

**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF** the *Companies' Creditors Arrangement Act* R.S.C., 1985 c. C-36 as Amended (the "**CCAA**")

**AND IN THE MATTER OF** an application by CFFI Ventures Inc. (the "**Applicant**") for relief under s. 11 of the CCAA

**AFFIDAVIT OF MICHAEL SCOTT**

I, **MICHAEL SCOTT**, of the City of Vancouver, in the Province of British Columbia, **AFFIRM AND SAY THAT:**

**OVERVIEW:**

1. I am a managing director of SAF Administration LP. SFPC Quantum LP ("**Quantum**") is an affiliate of SAF Administration LP and is the lender and administrative agent under the ARCA (as defined below), with Cormorant Utility Services Limited ("**Cormorant**") as the borrower. I am responsible for overseeing the ARCA. As such, I have personal knowledge of the matters deposed to in this affidavit, except where stated to be based on information and belief, in which case I state the source of the information and believe it to be true.
2. I affirm this affidavit in support of Quantum's motion at the comeback hearing in these proceedings, and for no improper purpose.
3. Where the information provided herein is not based on my direct knowledge, I have indicated the third-party source for that information.

**THE CREDIT RELATIONSHIP WITH CORMORANT:**

4. Quantum is the senior secured lender to Cormorant pursuant to an Amended and Restated Credit Agreement dated March 28, 2025, as further amended by a First Amending Agreement dated September 30, 2025, and a Second Amending Agreement

dated December 30, 2025 (collectively, the “**ARCA**”). A copy of the Amended and Restated Credit Agreement is attached hereto as **Exhibit “A”**.

5. The ARCA provides for total committed facilities of approximately \$41.26 million, comprising a \$36.1 million Term Loan and a \$5.16 million Delayed Draw Loan.
6. The Second Amending Agreement to the ARCA, dated December 30, 2025, confirms active management of the credit relationship through late 2025, including a permanent prepayment of \$7.3 million of the Term Loan from the application of Connect Atlantic disposition proceeds, extended amortization and covenant schedules through 2026, new minimum Consolidated EBITDA targets escalating from \$13 million to \$15 million, an Increased Spread of 5% commencing April 1, 2026, and an extended Maturity Date of January 4, 2027. A copy of the Second Amending Agreement is attached hereto as **Exhibit “B”**.
7. Following the application of approximately \$13.3 million in Connect Atlantic disposition proceeds in December 2025, the outstanding principal balance under the ARCA was reduced to approximately **\$30.6 million**, which amount remains outstanding and due to Quantum as of the date of this affidavit.

#### **THE CFFI GUARANTEE:**

8. CFFI Ventures Inc. (“**CFFI**” or the “**Applicant**”) has guaranteed all obligations of Cormorant to Quantum pursuant to a Guarantee dated May 24, 2022 (the “**CFFI Guarantee**”). A true copy of the CFFI Guarantee is attached hereto as **Exhibit “C”**.

#### **FIRST-PRIORITY SECURITY OVER CFFI'S CORMORANT SHARES:**

9. Pursuant to a Securities Pledge Agreement dated May 24, 2022 (the “**Pledge Agreement**”), CFFI granted Quantum a security interest in all securities owned by CFFI in the capital of Cormorant (the “**Cormorant Securities Collateral**”). CFFI holds 54.8% of Cormorant’s issued shares, being 4,949 common shares as reflected in Share Certificate No. 1. A copy of the Pledge Agreement is attached hereto as **Exhibit “D”**. A copy of the Share Certificate is attached hereto as **Exhibit “E”**.

10. Pursuant to a Subordination Agreement dated May 24, 2022 (the “**Subordination Agreement**”), HPS Investment Partners LLC (“**HPS**”) agreed to subordinate and postpone its security interest in the Cormorant Securities Collateral to Quantum. Section 2.2(1) of the Subordination Agreement provides that the HPS Security on the Subordinated HPS Pledged Interests “shall for all purposes be, and at all times remain, subordinated, inferior, junior, postponed and subordinated to the SAF [Quantum] Security on the Subordinated HPS Pledged Interests.” A copy of the Subordination Agreement is attached hereto as **Exhibit “F”**.
11. The operative effect of these agreements is that Quantum holds first-priority security over CFFI’s shares in Cormorant, while HPS holds first priority over all other CFFI assets.

**CHANGE OF CONTROL PROVISIONS:**

12. Section 7.1(m) of the ARCA provides that a Change of Control constitutes an Event of Default. “Change of Control” is defined at Section 1.1 of the ARCA to include, among other triggers: CFFI ceasing to own 54.8% of Cormorant’s equity securities; any Person other than the Existing Shareholders acquiring any equity interest in Cormorant; and any change in board composition beyond the existing directors plus the new CEO.
13. I am advised by counsel and believe that the proposed HPS transaction, as described in the Affidavit of Brittany Bartlett, sworn March 11, 2026, and the EY Fairness Opinion, contemplates the transfer of CFFI’s Cormorant shares to AcquireCo, a 100% HPS-owned entity (“**AcquireCo**”). That transfer would trigger the Change of Control provisions under the ARCA. Quantum has not consented to any Change of Control.

**THE SISP PROCESS:**

14. On December 31, 2024, the parties entered into an A&R Side Letter re Cormorant SISP (the “**SISP Side Letter**”), which contemplated a sales process for Cormorant with a current completion deadline of March 31, 2026, under the Deferral Agreement dated March 28, 2025. The Deferral Agreement expressly states that nothing in that agreement limits or restricts the rights and remedies of the Administrative Agent and the Lenders

under the Credit Documents. A copy of the SISP Side Letter is attached hereto as **Exhibit “G”**. A copy of the Deferral Agreement is attached hereto as **Exhibit “H”**.

15. The CCAA filing has overtaken that process, but the parties’ own recognition that Cormorant’s value should be market-tested has not been superseded. No independent market-testing of Cormorant’s value has occurred.

**THE UNANIMOUS SHAREHOLDERS’ AGREEMENT:**

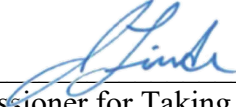
16. The shareholders of Cormorant, including CFFI, are parties to a Third Amended and Restated Shareholders’ Agreement (Investors) (the “USA”). The USA imposes significant transfer and governance restrictions on the Cormorant shares, including: (a) Section 4.2, which prohibits any issuance or transfer of shares that would result in a Change of Control of a Corporate Shareholder without the prior written consent of a Super Majority (66 $\frac{2}{3}$ %) of the shareholders; (b) Section 4.3, which imposes a general restriction on any sale, transfer, encumbrance, or disposition of Corporate Securities without the written consent of all shareholders; (c) Section 5.5, which requires any third-party purchaser to enter into an Assumption Agreement binding it to the terms of the USA; and (d) Section 1.11, which requires each Principal to cause any Corporate Shareholder it controls to comply with the USA at all times. A copy of the USA is attached hereto as **Exhibit “I”**.
17. Any proposed transfer of CFFI’s Cormorant shares to AcquireCo or any HPS-controlled entity would engage each of these provisions. In Quantum’s submission, HPS should not be permitted to obtain CFFI’s Cormorant shares free and clear of these existing restrictions through a CCAA Plan or vesting order without seeking that relief openly, on notice, and on a proper evidentiary record establishing that the threshold for overriding a secured creditor’s contractual rights is met.

**CONCLUSION:**

18. I affirm this affidavit in support of Quantum’s motion at the comeback hearing and for no other or improper purpose.



**THIS IS EXHIBIT "B"**  
**TO THE AFFIDAVIT OF MICHAEL SCOTT**  
**AFFIRMED BEFORE ME OVER VIDEOCONFERENCE**  
**THIS 2<sup>nd</sup> DAY OF JUNE, 2026**



---

Commissioner for Taking Affidavits

**CORMORANT UTILITY SERVICES LIMITED**

---

**THIRD AMENDED & RESTATED SHAREHOLDERS' AGREEMENT**

---

September 30, 2025

**TABLE OF CONTENTS**

**ARTICLE 1 DEFINITIONS AND INTERPRETATION ..... 1**

1.1 Definitions..... 1

1.2 Gender ..... 4

1.3 Headings for Convenience Only ..... 4

1.4 Payments ..... 4

1.5 Governing Law ..... 4

1.6 Calculation of Time..... 4

1.7 Severability..... 4

1.8 Conflict ..... 5

1.9 Changes in Shares ..... 5

1.10 Entire Agreement..... 5

1.11 Guarantee by Principals ..... 5

1.12 Amendment..... 5

**ARTICLE 2 REPRESENTATIONS AND WARRANTIES..... 5**

2.1 Representations and Warranties of Shareholders..... 5

**ARTICLE 3 MANAGEMENT OF THE CORPORATION ..... 6**

3.1 Powers of Board ..... 6

3.2 Composition of Board ..... 6

3.3 Removal of Directors and Filling of Vacancies on the Board..... 7

3.4 Quorum for and Participation in Meetings of the Board..... 7

3.5 Director Fees..... 7

3.6 Indemnification of Directors ..... 7

3.7 Meetings of Shareholders..... 8

3.8 Casting Votes ..... 8

3.9 Officers..... 8

3.10 Special Approvals (shareholders) ..... 8

3.11 Special Approvals (Board) ..... 11

**ARTICLE 4 TRANSFER AND SALE OF SHARES.....12**

4.1 Restriction on Issuance by Corporation ..... 12

4.2 Restriction on Issuance of Shares in a Corporate Shareholder..... 12

4.3 General Restrictions on Transfer of Securities..... 13

4.4 Transfer to Permitted Transferee ..... 13

4.5 Continuing Liability of Shareholders..... 14

4.6 Transfer of Shares to Permitted Transferee..... 14

**ARTICLE 5 RIGHT OF FIRST REFUSAL; TAG-ALONG RIGHT; DRAG-ALONG RIGHT.....14**

5.1 Offer ..... 14

5.2 Tag-Along Right..... 14

5.3 Right of First Refusal – Corporation..... 15

5.4 Right of First Refusal – Other Shareholders ..... 16

5.5 Sales of Corporate Securities - Right of First Refusal Not Exercised ..... 16

5.6 Drag-Along Right..... 17

5.7 Subject to Required Consents ..... 17

5.8	Excluded Transfers.....	18
<b>ARTICLE 6 GENERAL PAYMENT AND CLOSING PROVISIONS .....</b>		<b>18</b>
6.1	Application of Provisions.....	18
6.2	Closing Provisions .....	18
6.3	Purchase by Nominee .....	19
6.4	Power of Attorney .....	19
6.5	Survival.....	19
<b>ARTICLE 7 CONFIDENTIALITY.....</b>		<b>19</b>
7.1	Acknowledgements .....	19
7.2	Confidentiality.....	20
<b>ARTICLE 8 FINANCIAL MATTERS .....</b>		<b>20</b>
8.1	Fiscal Year End .....	20
8.2	Subordination of Shareholders' Loans .....	20
<b>ARTICLE 9 ENFORCEMENT OF SHAREHOLDERS' AGREEMENT .....</b>		<b>21</b>
9.1	Voting Power .....	21
9.2	Employee Shareholder Agreement Matters .....	21
<b>ARTICLE 10 ARBITRATION.....</b>		<b>21</b>
10.1	Arbitration .....	21
10.2	Notice of Arbitration .....	21
10.3	Conduct of Arbitration .....	21
<b>ARTICLE 11 TERM .....</b>		<b>22</b>
11.1	Term.....	22
<b>ARTICLE 12 MISCELLANEOUS.....</b>		<b>22</b>
12.1	Assigns.....	22
12.2	Further Assurances .....	22
12.3	Notices .....	22
12.4	Assignment.....	23
12.5	Waiver .....	23
12.6	Obligations of Corporation .....	23
12.7	Time of the Essence .....	24
12.8	Counterparts.....	24
12.9	Independent Legal Advice .....	24

**THIS AGREEMENT** made as of the 30<sup>th</sup> day of September, 2025.

**AMONG:**

**BRENDAN PADDICK**, an individual residing in Freeport, The Bahamas  
("Paddick")

- and -

**CFFI VENTURES INC.**, a corporation amalgamated under the laws of Nova Scotia  
("CFFI")

- and -

**CORMORANT UTILITY SERVICES LIMITED**, a corporation formed by  
amalgamation under the laws of Canada

(the "**Corporation**")

**WHEREAS** the Corporation and its then current shareholders entered into a shareholders agreement dated March 1, 2017 (the "**Original Shareholders Agreement**");

**AND WHEREAS** the Corporation and its then current shareholders entered into an amended and restated shareholders' agreement which superseded and replaced the Original Shareholders Agreement on April 8, 2022 (the "**Amended Shareholders Agreement**");

**AND WHEREAS** the Corporation and its then current shareholders entered into a second amended and restated shareholders' agreement which superseded and replaced the Amended Shareholders Agreement on March 6, 2025 (the "**Second Amended Shareholders Agreement**");

**AND WHEREAS** the parties are desirous of entering into this Agreement to further amend and restate the Second Amended Shareholders Agreement to set out the manner in which the business and affairs of the Corporation shall be governed and to provide for certain restrictions on the issuance and transfer of Corporate Securities and certain other matters concerning their relationship as Shareholders of the Corporation;

**AND WHEREAS** all of the issued and outstanding Shares are legally and beneficially held by the Shareholders as set out in Schedule A hereto;

**NOW THEREFORE THIS AGREEMENT WITNESSETH** that in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto hereby covenant and agree as follows:

## **ARTICLE 1 DEFINITIONS AND INTERPRETATION**

**1.1 Definitions.** In this Agreement, including the above recitals, the following terms have the following meanings unless the context otherwise requires:

- (a) "**Act**" means the *Canada Business Corporations Act*, as amended from time to time;
- (b) "**Affiliate**" means an affiliate within the meaning of the Act;
- (c) "**Agreement**" means this agreement and all schedules attached to this agreement, in each case as they may be supplemented or amended from time to time and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this agreement, and "Article", "Section" and "Subsection" mean and refer to the specified Article, Section and Subsection of this agreement;
- (d) "**Arm's Length**" has the meaning ascribed thereto under the Tax Act;
- (e) "**Articles**" means the articles of incorporation of the Corporation, as amended from time to time;
- (f) "**Assumption Agreement**" means an agreement pursuant to which a Person agrees to become a party to and be bound by the terms of this Agreement, in form and substance satisfactory to the Corporation;
- (g) "**Board**" means the board of directors of the Corporation;
- (h) "**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the Province of Nova Scotia;
- (i) "**Change of Control**" means, in respect of any Person (the first person), a change in ownership of securities if immediately after giving effect thereto, any Person (or group of Persons acting in concert) other than the Person (or group of Persons acting in concert) immediately prior to such change in ownership and their respective Affiliates has Control of the first Person;
- (j) "**Common Shares**" means the common shares in the capital of the Corporation;
- (k) "**Control**" of a Person means the registered or beneficial ownership, direct or indirect, of securities which carry the unfettered right to cast more than fifty percent (50%) of the votes or similar rights of decision that may be cast to elect the board of directors or any similar managing body of the Person and such votes or rights are sufficient, if exercised, to elect a majority of the board of directors or similar managing body of the Person and "**Controlling**" shall have the corresponding meaning;
- (l) "**Convertible Securities**" means any securities of the Corporation that (whether or not subject to conditions) are or may be convertible or exchangeable for any Shares or otherwise carry the right or obligation to purchase or acquire any Shares, including, without limitation, any right, warrant or option to acquire Shares;
- (m) "**Corporate Securities**" means any Shares or Convertible Securities;
- (n) "**Corporate Shareholder**" means a body corporate that is a Shareholder or which Controls another Corporate Shareholder;

- (o) **"Employee Shareholders' Agreement"** means each employee shareholders' agreement to be entered into by the Corporation and each person who exercises options granted pursuant to the Option Plan, as such form may be amended from time to time pursuant to the terms of the Option Plan;
- (p) **"Entity"** means a Person other than a natural person;
- (q) **"Family Member"** means, in respect of an individual, any parent, spouse, child, spouse of a child, grandchild, grandparent and/or sibling;
- (r) **"fully diluted basis"** means assuming the conversion of all Convertible Securities into Shares;
- (s) **"Option Plan"** means an amended and restated incentive stock option plan adopted by the Corporation effective as of September 30, 2025, pursuant to which up to 8,610,000 Common Shares are reserved for the grant of options, as such plan may be amended or restated from time to time in accordance with its terms;
- (t) **"Permitted Transferee"** means, in respect of any Shareholder:
  - (i) if the Shareholder is an individual:
    - (A) a body corporate of which such Shareholder is the Controlling registered and beneficial shareholder; or
    - (B) a trust of which such Shareholder or the Family Members of such Shareholder are the beneficiaries, and of which such Shareholder is the principal trustee; or
  - (ii) if the Shareholder is a Corporate Shareholder:
    - (A) any shareholder or Affiliate of the Shareholder; or
    - (B) a trust of which any individual shareholder of the Shareholder or the Family Members of such individual shareholder are the beneficiaries, and of which such individual shareholder is the principal trustee;
- (u) **"Person"** includes, without limitation, an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative;
- (v) **"Principal"** means an individual who Controls a Corporate Shareholder, together with such other Persons who may become parties to this Agreement by reason of Controlling a Corporate Shareholder;
- (w) **"Purchaser"** means the buyer of any Shares pursuant to this Agreement;
- (x) **"Reorganization"** means any transaction whereby all or substantially all of the Corporation's undertaking, property and assets would become the property of any other Person whether by way of a plan of arrangement, reorganization,

consolidation, amalgamation, merger, take-over, other business combination, continuance under the laws of any other jurisdiction of incorporation or otherwise;

- (y) **"Shareholder"** means at any time a person that is a party to and is bound by this Agreement and holds one or more Shares or a Person that becomes bound by this Agreement at any time and holds one or more Shares at such time, and for the avoidance of doubt, shall not include any shareholder who is a party to an Employee Shareholders' Agreement, and **"shareholders"** means all persons who hold one or more Shares, including Shareholders and persons who are a party to an Employee Shareholders' Agreement, other than the Corporation;
- (z) **"Shares"** means all the issued and outstanding shares in the capital of the Corporation and a **"Share"** means a share of any class in the capital of the Corporation;
- (aa) **"Subsidiary"** means an Entity Controlled by the Corporation or which is Controlled by an Entity which is Controlled by the Corporation;
- (bb) **"Super Majority"** means shareholders holding Shares representing not less than sixty-six and two-thirds percent (66⅔%) of the votes that may be cast at a meeting of shareholders of the Corporation;
- (cc) **"Tax Act"** means the *Income Tax Act* (Canada), as the same may be amended from time to time; and
- (dd) **"Vendor"** means the seller of any Shares pursuant to this Agreement.

**1.2 Gender.** In this Agreement, words importing the singular number shall include the plural and vice versa, and words importing the use of any gender shall include the masculine, feminine and neutral genders.

**1.3 Headings for Convenience Only.** The division of this Agreement into articles and section is for convenience of reference only and shall not affect the interpretation or construction of this Agreement.

**1.4 Payments.** All payments contemplated herein shall be paid in Canadian funds, in cash or by certified cheque, wire transfer or bank draft.

**1.5 Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Nova Scotia and the federal laws of Canada applicable therein.

**1.6 Calculation of Time.** When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference date in calculating such period shall be excluded. If the last day of such period is a non-Business Day, the period in question shall end on the next Business Day.

**1.7 Severability.** If any covenant, obligation, or provision contained in this Agreement, or the application thereof to a Shareholder or a circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Agreement or the application of such covenant, obligation, or provision to the other Shareholders or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each covenant,

obligation and provision of this Agreement shall be separately valid and enforceable to the fullest extent permitted by law.

- 1.8 Conflict.** In the event of a conflict between the Articles or the by-laws of the Corporation on the one hand and this Agreement on the other, the provisions of this Agreement shall prevail and each of the Shareholders covenants and agrees that it shall vote its Shares so as to cause the Articles or by-laws, as the case may be, to be amended to resolve any conflict in favour of this Agreement so that this Agreement shall at all times prevail.
- 1.9 Changes in Shares.** The provisions of this Agreement shall apply *mutatis mutandis* to any Shares into which any Shares owned by any Shareholders may hereafter be converted or changed, or to any Shares resulting from a classification, subdivision or consolidation of any Shares or any further issue.
- 1.10 Entire Agreement.** This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof. This Agreement supersedes and replaces any and all prior understandings or agreements between the parties hereto with respect thereto. Upon the effectiveness of this Agreement, the Original Shareholders Agreement, the Amended Shareholders Agreement and the Second Amended Shareholders Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement and shall be of no further force or effect.
- 1.11 Guarantee by Principals.** Each of the Principals hereby severally, and not jointly, covenants with each of the other parties to this Agreement to take such actions as may be necessary to cause the Shareholder which it Controls at all times fully and faithfully to perform and discharge its obligations under this Agreement and to comply with the laws and conditions of this Agreement. The foregoing covenant and obligation of the Principals are absolute, unconditional, present and continuing and are in no way conditional or contingent upon any event or circumstance, action or omission which might in any way discharge a guarantor or surety.
- 1.12 Amendment.** No amendment of this Agreement shall be binding unless in writing and signed by all of the Shareholders. Any instrument so signed shall be binding upon the Shareholders.

## ARTICLE 2 REPRESENTATIONS AND WARRANTIES

- 2.1 Representations and Warranties of Shareholders.** Each Shareholder represents and warrants to the other Shareholders and the Corporation, and acknowledges that the other Shareholders and the Corporation are entering into this Agreement in reliance upon such representations and warranties:
- (a) that it is the registered and beneficial owner of its Shares, free and clear of any adverse claim, mortgage, pledge, charge, security interest or other encumbrance, other than pledges granted by each of the Shareholders pursuant to pledge agreements in favour of: (i) the Bank of Montreal in respect of the Shares of PowerTel Utilities Contractors Limited and certain of its Subsidiaries (to be released contemporaneously with the granting of the security interest contemplated in item (iii) herein); (ii) Canadian Imperial Bank of Commerce in respect of the Shares of Eptcon Ltd SAF Opportunities LP (to be released

contemporaneously with the granting of the security interest contemplated in item (iii) herein); and (iii) SAF Opportunities LP dated on or around April 30, 2022 as security for the borrowings of the Corporation;

- (b) if the Shareholder is an individual, that such Shareholder has the capacity to enter into and give full effect to this Agreement;
- (c) if the Shareholder is a body corporate, that it is duly incorporated or otherwise formed and validly existing under the laws of its jurisdiction of incorporation or formation and that it has the corporate power and capacity to own its assets and to enter into and perform its obligations under this Agreement;
- (d) this Agreement has been duly authorized by such Shareholder and duly executed and delivered by such Shareholder and constitutes a valid and binding obligation enforceable in accordance with its terms, subject to the usual exceptions as to bankruptcy and the availability of equitable remedies;
- (e) that it is not holding its Shares in trust in any manner whatsoever for or on behalf of any other Person; and
- (f) that it is neither party to nor bound by any agreement regarding the ownership of the Shares owned by it which is inconsistent with the terms of this Agreement.

### ARTICLE 3 MANAGEMENT OF THE CORPORATION

**3.1 Powers of Board.** The business and affairs of the Corporation shall be managed by the Board in accordance with this Agreement, the Act and the Articles. To the extent that this Agreement specifies that any matters may only be or shall be dealt with or approved by or shall require action by the Shareholders, the discretion and powers of the Board to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted.

**3.2 Composition of Board.** Subject to the provisions of this Agreement, the business and affairs of the Corporation shall be managed by the Board which may at all times consist of up to five (5) directors, who shall be nominated and elected in accordance with this Section 3.2. The Corporation shall at all times during the term of this Agreement have a Board composed of directors who are qualified to act as directors of the Corporation under the Act and Articles. The Shareholders shall vote their Shares at a meeting duly called for such purpose or by an instrument in writing with the like effect so as to cause the Board to consist of:

- (i) two nominees of CFFI;
- (ii) two nominees of Paddick; and
- (iii) the individual who from time to time occupies the position of President / Chief Executive Officer of the Corporation;

or such of them as have been nominated for election to the Board in accordance with the foregoing at the relevant time. It is the intention of the Board and the Shareholders that

each Subsidiary shall have an identical board composition of that of the Corporation and the Corporation, the Shareholders and the Board shall do such further acts, execute and deliver such further documents and give such further assurances as may be necessary or desirable to give full effect to this intention.

**3.3 Removal of Directors and Filling of Vacancies on the Board.** Each Shareholder (or group of Shareholders) shall be entitled at any time to require the removal of any director nominated by it or them and to provide for a successor nominee of such Shareholder (or group of Shareholders) by written notice to each other Shareholder who will then vote their Shares to remove such nominee and elect such successor nominee. No Shareholder (or group of Shareholders) shall use its voting rights to remove a director who is a nominee of another Shareholder (or group of Shareholders) without the written consent of that other Shareholder (or group of Shareholders). If a director ceases to be a director for any reason other than as a result of his or her removal (a "**Retiring Director**"), the Shareholders shall fill the vacancy thereby created by voting their Shares to elect, as soon as is reasonably possible, the individual who is nominated by the Shareholder(s) who nominated the Retiring Director. Notwithstanding Section 3.2 or this Section 3.3 and for greater certainty, the Board may, from time to time, appoint directors to fill vacancies on the Board in accordance with the requirements of Section 3.2 if so permitted by the Act and the Articles.

**3.4 Quorum for and Participation in Meetings of the Board.**

- (a) A quorum for a meeting of the Board shall be a majority of the directors. If at any meeting of the Board a quorum shall not be present or participating, the directors present or participating at such meeting may adjourn the meeting to another date on not less than forty-eight (48) hours notice to all of the directors. If a quorum shall not be present or participating at the reconvened meeting, the directors present or participating at such meeting may adjourn the meeting to another date on not less than twenty-four (24) hours notice to all directors, and the directors present or participating at that second reconvened meeting shall constitute a quorum. No resolution with respect to any matter may be put to any meeting of the Board unless the notice of the meeting contains reasonable detail of the matter or unless all of the directors either are present and do not object to the matter being put to the meeting or otherwise waive the provisions of this Section 3.4.
- (b) A meeting of the Board may be held by means of a telephonic, electronic or other communication facility that permits all persons participating in the meeting to communicate adequately with each other, and a director participating in a meeting by such means is deemed to be present at that meeting.

**3.5 Director Fees.** The directors of the Corporation shall be entitled to recover reasonable expenses incurred in attending any meeting of the Board and such other remuneration as may be approved by the Board.

**3.6 Indemnification of Directors.** Subject to the Act and applicable law, the Corporation hereby agrees to indemnify each director of the Corporation and his or her heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative proceeding to which he or she is made a party by reason of being or having been a director of the Corporation provided: (i) he or she acted honestly and in good faith with a view to the best interests of the Corporation, and (ii) in the case

of a criminal or administrative proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful.

**3.7 Meetings of Shareholders.**

- (a) A quorum for a meeting of shareholders shall be such number of shareholders present and representing, by proxy or in person, not less than fifty-one percent (51%) of the issued and outstanding Shares entitled to vote at such meeting.
- (b) A meeting of shareholders may be called by any director of the Corporation upon not less than twenty-one (21) and not more than sixty (60) days' notice. Subject to the Act, notice of any meeting of shareholders may be waived by the shareholders acting unanimously.

**3.8 Casting Votes.** The chairman at any meeting of the Board or at any meeting of the shareholders of the Corporation shall not be entitled to a second, extra or casting vote in the case of a tie vote at any such meeting.

**3.9 Officers.** The officers of the Corporation shall be as follows, subject to their removal or replacement by the Board in accordance with the Act and the Articles:

John Risley	-	Chairman
Aaron Ames	-	President & Chief Executive Officer and Chief Financial Officer
Stanley Spavold	-	Executive Vice-President
Annie Thoms	-	Secretary & Treasurer
Nanci Rorabeck	-	Assistant Secretary
Graham Keltie	-	Assistant Treasurer

**3.10 Special Approvals (shareholders).** Notwithstanding anything contained in, and in addition to any other approval required by, the Act or the Articles, none of the following actions shall be undertaken or effected by the Corporation or a Subsidiary (as applicable) without the approval of a Super Majority of the shareholders in writing or at a meeting of shareholders duly called to consider such action:

- (a) the conversion, reclassification, subdivision, consolidation, exchange, redesignation or any other change to any of the shares in the capital of the Corporation or any of its Subsidiaries;
- (b) other than the grant of options pursuant to the Option Plan, the creation, allotment or issue of any Corporate Securities (or the shares or convertible securities of any Subsidiary of the Corporation), except for Corporate Securities issued on conversion, exchange or exercise of Convertible Securities in accordance with their terms;
- (c) the increase of Common Shares available for grant pursuant to the Option Plan;
- (d) any amendment, supplementation or replacement of the Articles or the by-laws of the Corporation or any of its Subsidiaries;

- (e) the redemption, purchase for cancellation or acquisition of any Corporate Securities (or the shares or convertible securities of any Subsidiary of the Corporation);
- (f) the merger, amalgamation, continuance, reorganization or consolidation of the Corporation or any Subsidiary or the approval of any plan of arrangement, whether statutory or otherwise;
- (g) incorporating, creating or acquiring any entity that would be an Affiliate or a Subsidiary of the Corporation, including the purchase of any shares of a corporate entity or an interest in any partnership, joint venture, association or similar undertaking or the acquisition of the whole or any part of the business or assets of any Person;
- (h) the taking or instituting of proceedings for the winding-up, re-organization or dissolution of the Corporation or any Subsidiary;
- (i) the disposition by any means (including by lease or licence) by the Corporation or any Subsidiary of any asset or the whole or a significant part of its undertaking, in each case at a price or with a value of \$500,000 or more (taken together with any related disposition), or where such disposition would cause the aggregate value for all such dispositions in any one financial year to exceed \$2,000,000;
- (j) The acquisition by any means (including by lease or licence) by the Corporation or any Subsidiary of any asset at a price or with a value of \$500,000 or more (taken together with any related acquisitions), or where such acquisition would cause the aggregate value for all such acquisitions in any one financial year to exceed \$2,000,000 or which has a price or value which is less than that referred to in this paragraph, but which involves the assumption of a material liability (INCLUDING CONTINGENT OR UNRECOGNIZED LIABILITIES) by the Corporation or any Subsidiary which is not provided for in the approved Budget for the relevant financial year;
- (k) The disposition by any means of the Corporation or any Subsidiary or the dilution of the Corporation's or any Subsidiary's interest directly or indirectly in any of its subsidiary undertakings;
- (l) The licensing, transfer, assignment or other dealing in any way with any intellectual property of the Corporation or any Subsidiary;
- (m) any material change (including cessation, discontinuance, dissolution, and winding-up of the Corporation or any Subsidiary, in whole or in part) in the nature of, or carrying on any business other than, the business of the Corporation or any Subsidiary;
- (n) declaration, payment or setting aside for payment of any dividend, bonus or distribution or return of capital, whether payable in cash, in stock or in specie, on Shares of any class (or on shares of any Subsidiary of the Corporation);
- (o) the Corporation or any Subsidiary incurring, or the entry by the Corporation or any Subsidiary into any agreement or facility to obtain, any borrowing, advance, credit

- or finance or any other indebtedness or liability in the nature of borrowing in excess of \$250,000;
- (p) the creation of any encumbrance over any asset of the Corporation or any Subsidiary or the giving of any guarantee, indemnity or security, or the entry into of any agreement or arrangement having a similar effect by the Corporation or any Subsidiary or the assumption by the Corporation of any liability, whether actual or contingent, in respect of any obligation of any person other than a wholly-owned subsidiary undertaking of the Corporation or any Subsidiary;
  - (q) any making or provision by the Corporation or any Subsidiary of any loan, advance, guarantee, indemnity, investment in or other financial support to or for the benefit of any other Person (including, without limitation any loan or other financial support from the Corporation to any Subsidiary), or the assumption by the Corporation or any Subsidiary of any material contingent liability (including, without limitation, liability by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds or otherwise to assure a creditor of any other Person against loss) in connection with any liability or obligation of any other Person in excess of \$1,000,000;
  - (r) the entry into, termination or variation of any contract or arrangement between the Corporation and the directors, officers or shareholders of the Corporation (or a connected person of such a person) or an entity in which such directors, officers or shareholders are otherwise interested including the variation of the remuneration or other benefits under such contract or arrangement, the waiver of any breach of such contract or arrangement, the making of any bonus payment or the provision of any benefit by the Corporation to or to the order of a shareholder, director or officer of the Corporation or to a connected person, other than the making of a payment or the provision of a benefit pursuant to and in accordance an employment agreement or as approved by the Board, in respect of matters within its terms of reference, other than the Employee Shareholders' Agreement in a form approved by the Board;
  - (s) the entry by the Corporation or any Subsidiary into any contract, commitment or arrangement outside the ordinary and normal course of trading or otherwise than at arms' length, or the making of any payment by the Corporation or any Subsidiary other than on an arm's length basis, or which is of an unusual or onerous nature;
  - (t) the entry into/or termination of or withdrawal from by the Corporation or any Subsidiary of any partnership, consortium or joint venture type arrangement with any person;
  - (u) the entry by the Corporation or any Subsidiary into any agreement restricting its freedom to do business;
  - (v) the expansion, development or evolution of the Corporation or the carrying on of its business otherwise than through the Corporation or a Subsidiary undertaking of the Corporation;
  - (w) the entry by the Corporation or any Subsidiary into any agreement or binding commitment to do any of the actions described in this Section 3.10; and

- (x) the making by or on behalf of the Corporation or any Subsidiary of an announcement in relation to any of the actions described this Section 3.10 or in relation to a proposal to take any such action.

**3.11 Special Approvals (Board).** Notwithstanding anything contained in, and in addition to any other approval required by, the Act or the Articles, none of the following actions shall be undertaken or effected by the Corporation or a Subsidiary (as applicable) without the approval of both the Board in writing or at a meeting of the Board duly called to consider such action:

- (a) the removal or appointment of the auditors or any other professional advisors of the Corporation or any Subsidiary;
- (b) the appointment or termination of any executive level employees or officers of the Corporation or any Subsidiary and the employment of any employee of, or the appointment or termination of the engagement of any other person whose services are or are to be provided to, the Corporation or any Subsidiary whose contract cannot be terminated by three months' notice or less or whose base salary or the payment for whose services is to be or is in excess of \$200,000 a year, or any variation of the remuneration or other benefits or terms of employment or engagement of any such person;
- (c) the establishment of any pension, retirement, death or disability or life assurance scheme, or any employees' share scheme or employee trust or share ownership plan, share option or shadow share option scheme, or other profit sharing, bonus or incentive scheme in each case for any of the directors, employees or former directors or employees (or dependents thereof) of the Corporation or any Subsidiary, the variation of the terms or rules of any such new or any existing scheme, including the Option Plan, the appointment and removal of any trustee or manager of such a scheme or the allocation of options or other entitlements under any such scheme;
- (d) the making or entering into by the Corporation or any Subsidiary (in the ordinary course of business) of, any variation or modification to, of any contract or arrangement between the Corporation or any Subsidiary and another Person (other than a related party described above) that has a value or cost in excess of \$15,000,000 during the life of the contract or arrangement;
- (e) the approval of the Corporation's (including its Subsidiaries) annual budget and capital plan (each a "**Budget**") and including any alteration to a Budget for the relevant financial year or the taking of steps which are inconsistent with a Budget;
- (f) capital expenditure of the Corporation or any Subsidiary which is greater than:
  - (i) \$500,000 (exclusive of tax) in respect of any individual item of capital expenditure; or
  - (ii) \$500,000 (exclusive of tax) in aggregate in any twelve month period and which is not provided for in the approved Budget for the relevant financial year, treating the entering into by the Corporation or any Subsidiary of any lease, licence or similar obligation as capital expenditure of an amount equal to the rental and other payments payable by the Corporation or any Subsidiary as a result of that obligation;

- (g) any making or provision by the Corporation or any Subsidiary of any loan, advance, guarantee, indemnity, investment in or other financial support to or for the benefit of any other Person (including, without limitation any loan or other financial support from the Corporation to any Subsidiary), or the assumption by the Corporation or any Subsidiary of any material contingent liability (including, without limitation, liability by way of agreement, contingent or otherwise, to purchase, to provide funds for payment, to supply funds or otherwise to assure a creditor of any other Person against loss) in connection with any liability or obligation of any other Person in an amount less than \$1,000,000;
- (h) the making by the Corporation or any Subsidiary of any political contribution or donation, or of any charitable contribution or donation the making of which would cause the aggregate amount of such contributions or donations by the Corporation or any Subsidiary to exceed \$10,000 in any one financial year;
- (i) the instigation, conduct or settlement of any litigation or arbitration or mediation proceedings by or against the Corporation or any Subsidiary (except relating to: (i) debt collection in the ordinary and normal course of the Corporation's or any Subsidiary's business provided the debt in question (including other outstanding debts from the same debtor) does not exceed \$100,000 or (ii) applications for an interim injunction or other urgent application where it is not reasonably practicable to obtain or request the consent);
- (j) the entry by the Corporation or any Subsidiary into any agreement or binding commitment to do any of the actions described in this Section 3.11; and
- (k) the making by or on behalf of the Corporation or any Subsidiary of an announcement in relation to any of the actions described this Section 3.11 or in relation to a proposal to take any such action.

#### **ARTICLE 4 TRANSFER AND SALE OF SHARES**

- 4.1 Restriction on Issuance by Corporation.** Except for options granted pursuant to the Option Plan and Shares issued on exercise of options granted pursuant to the Option Plan, the Corporation shall not at any time issue any Corporate Securities without the prior written consent of a Super Majority of the shareholders. Every issue of Shares to a Person other than the parties hereto shall be subject to the condition that, prior to such Shares being purchased, the subscriber shall enter into an Assumption Agreement or an Employee Shareholders' Agreement, as the case may be and as determined by the Board.
- 4.2 Restriction on Issuance of Shares in a Corporate Shareholder.** No Corporate Shareholder shall at any time issue or permit the transfer of any shares or securities of the Corporate Shareholder, or any securities which are convertible into or exchangeable for any shares or securities of the Corporate Shareholder, if such issuance or transfer (assuming the conversion or exchange of any convertible or exchangeable securities of the Corporate Shareholder) would result in a Change of Control of the Corporate Shareholder, without the prior written consent of a Super Majority of the shareholders.

**4.3 General Restrictions on Transfer of Securities.** Except as otherwise provided for herein or as specifically consented to in writing by all of the Shareholders, each of the Shareholders shall not, and shall not make any agreement to, directly or indirectly, sell, assign, transfer, give, devise, bequeath, mortgage, charge, pledge, hypothecate or otherwise dispose of, alienate or in any way encumber or create a security interest in, or grant any option on, any Corporate Securities. Any attempt to accomplish or effect any or all of the acts prohibited hereby shall be null and void.

**4.4 Transfer to Permitted Transferee.** Notwithstanding the provisions of Sections 4.2 or 4.3 and any other provisions of this Agreement which restrict the disposition of or dealing with Corporate Securities or shares or securities of a Corporate Shareholder, a Shareholder may at any time or from time to time, without the approval of the other Shareholders, to dispose of Corporate Securities held by such Shareholder, or, in the case of a Corporate Shareholder, issue or permit the transfer of shares or securities in the capital of a Corporate Shareholder, to a Permitted Transferee, provided that at the time of such disposition, issuance or permitted transfer, as the case may be:

- (a) in the case of a transfer of Corporate Securities to a Permitted Transferee, such Permitted Transferee and, if applicable, the Principal of the Permitted Transferee, shall agree with the other parties to this Agreement in writing, by way of executing an Assumption Agreement, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Permitted Transferee had entered into this Agreement in the place and stead of the Shareholder from whom such Corporate Securities are acquired;
- (b) in the case of the issuance or transfer of shares or securities of a Corporate Shareholder to a Permitted Transferee if immediately after giving effect thereto, any Person other than the Person immediately prior to such issuance or transfer becomes the Principal of such Corporate Shareholder, such new Principal of the Corporate Shareholder shall agree with the other parties to this Agreement in writing, by way of executing an Assumption Agreement, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Principal had entered into this Agreement in the place and stead of the former Principal of the Corporate Shareholder;
- (c) the Permitted Transferee agrees to remain a Permitted Transferee of:
  - (i) in the case of a transfer of Corporate Securities to a Permitted Transferee, the Shareholder from whom such Corporate Securities were acquired, or
  - (ii) in the case of the issuance or transfer of shares or securities of a Corporate Shareholder to a Permitted Transferee, the Shareholder of which it is a Permitted Transferee,

for so long as the Permitted Transferee is a registered and beneficial owner of any Corporate Securities or shares or securities of a Corporate Shareholder, as the case may be; and

- (d) the Shareholders receive in form and substance satisfactory to them, acting reasonably, evidence that the Permitted Transferee is a Permitted Transferee of the Shareholder in paragraph 4.4(c)(i) or (ii), as applicable, and that the

Agreements referred to in Subsections 4.4(a), (b) and (c) above, as applicable, are legal, valid and binding obligations of the Permitted Transferee.

- 4.5 Continuing Liability of Shareholders.** Notwithstanding a disposition of Corporate Securities to a Permitted Transferee, a disposing Shareholder shall *vis-a-vis* the other parties to this Agreement remain liable as principal debtor under all covenants of such disposing Shareholder contained in this Agreement, and the disposing Shareholder agrees to unconditionally guarantee to the other parties to this Agreement the due performance by the Permitted Transferee of all obligations imposed on such Permitted Transferee under this Agreement.
- 4.6 Transfer of Shares to Permitted Transferee.** If Corporate Securities are transferred by a Shareholder to one or more Permitted Transferees, such Permitted Transferees together with the Shareholder (should such Shareholder retain any Corporate Securities), acting unanimously, shall be entitled to exercise all rights of such Shareholder hereunder.

**ARTICLE 5**  
**RIGHT OF FIRST REFUSAL; TAG-ALONG RIGHT; DRAG-ALONG RIGHT**

- 5.1 Offer.** Except as permitted under Section 4.4, if at any time any Shareholder or group of Shareholders acting jointly or in concert (individually a "**Selling Shareholder**" or, if more than one, "**Selling Shareholders**") desire to sell any Corporate Securities to a third party who is not a Shareholder (the "**Third Party**"), the Selling Shareholder(s) shall obtain from the Third Party a bona fide offer in writing (the "**Offer**"), which the Selling Shareholder(s) are ready and willing to accept, to purchase such Corporate Securities of the Selling Shareholder(s) for the amount set forth in the Offer. The Offer must be irrevocable for at least a period of thirty (30) days and must acknowledge that the consummation of same is subject to the terms and conditions of this Article 5, including, without limitation, Sections 5.2, 5.3 and 5.4 hereof. The Selling Shareholder(s) covenant to give written notice of any Offer together with a copy of same to the other Shareholders and the Corporation within ten (10) days following receipt of same.
- 5.2 Tag-Along Right.**
- (a) Each of the Shareholders (individually a "**Tag-Along Holder**" and collectively "**Tag-Along Holders**") that is not a Selling Shareholder under an Offer described in Section 5.1 (a "**Tag-Along Offer**") shall have the right to elect, by written notice to the Selling Shareholder(s), the Corporation and the other Shareholders (a "**Tag-Along Holder Notice**") delivered within twenty (20) days following the Tag-Along Holder's receipt of the Tag-Along Offer, and as a condition precedent to any sale of Corporate Securities by the Selling Shareholder(s) pursuant to the Tag-Along Offer, to sell to the Third Party, subject always to Subsection 5.2(b), up to such percentage of the Tag-Along Holder's Corporate Securities equal to the percentage that the number of Corporate Securities of the Selling Shareholder(s) which form the subject matter of the Tag-Along Offer represent of the aggregate number of Corporate Securities owned by the Selling Shareholder(s) immediately prior to the sale of any of their Corporate Securities to the Third Party (calculated on a fully diluted basis).

- (b) The price per Corporate Security payable by the Third Party to each Tag-Along Holder shall be the price per Corporate Securities stipulated in the Tag-Along Offer. In all other respects the sale to the Third Party by the Tag-Along Holders shall be on the terms and conditions stipulated in the Tag-Along Offer. For clarity, following delivery of a Tag-Along Holder Notice by a Tag-Along Holder to the Selling Shareholder(s) pursuant to this Section 5.2, the Tag-Along Holder forwarding same shall, save where herein specifically provided to the contrary, thereupon become and be deemed to have the rights and obligations of a Selling Shareholder for all purposes of this Article 5.
- (c) In the event a Third Party is not prepared to purchase the Corporate Securities of Tag-Along Holders referenced in Tag-Along Holder Notices served in the manner stipulated in Subsection 5.2(a), each Selling Shareholder and Tag-Along Holder shall have the right to sell the portion of their respective Corporate Securities which is equal to the product obtained by multiplying the total number of Corporate Securities the Third Party is prepared to purchase pursuant to the Tag-Along Offer by a fraction the numerator of which is the number of Corporate Securities owned by the Selling Shareholder or Tag-Along Holder, as the case may be, and the denominator of which is the aggregate number of Corporate Securities owned by all Selling Shareholder(s) and Tag-Along Holder(s), in each case computed as of the date immediately prior to the sale to the Third Party on a fully diluted basis. In the event a Selling Shareholder or a Tag-Along Holder does not elect to sell the full amount of Corporate Securities it is entitled to sell pursuant to the terms of this Subsection 5.2(c), then each Selling Shareholder and Tag-Along Holder that has elected to sell its full entitlement of Corporate Securities shall have the right to sell additional Corporate Securities to the Third Party in an amount equal to the product obtained by multiplying the total number of Corporate Securities which remain available for sale to the Third Party under the Tag-Along Offer by a fraction the numerator of which is the number of Corporate Securities owned by the Selling Shareholder or Tag-Along Holder, as the case may be, and the denominator of which is the aggregate number of Corporate Securities owned by all Selling Shareholders and Tag-Along Holders who wish to sell additional Corporate Securities to the Third Party and have given notice of same in their Tag-Along Holder Notice (calculated on a fully diluted basis). For the purposes of Section 5.5, each Tag-Along Holder shall be deemed to be and shall become a "Selling Shareholder".
- (d) For greater certainty, the consideration to be paid to each Selling Shareholder and each Tag-Along Holder with respect to Corporate Securities of the same class to be sold pursuant to the Offer shall be the same in substance and form on a security per security basis.

**5.3 Right of First Refusal – Corporation.** Save where Section 5.6 is of application, the Corporation shall have the irrevocable right, exercisable by written notice given to the Selling Shareholder(s), any Tag-Along Holder(s) and the Third Party within fifteen (15) Business Days following the Corporation's receipt of notification of an Offer in accordance with Section 5.1 (the "**Corporation Offer Period**"), to purchase the Corporate Securities of the Selling Shareholder(s) which form the subject matter of the Offer and, if any Tag-Along Holder has exercised its option to forward a Tag-Along Holder Notice in respect of a Tag-Along Offer, the aggregate number of Corporate Securities of such Tag-Along Holder(s) which were included in Tag-Along Holder Notices delivered pursuant to Section

5.2, on the terms and conditions and for the price per Corporate Security set forth in the Offer.

**5.4 Right of First Refusal – Other Shareholders.** If the Corporation fails to exercise its rights pursuant to Section 5.3 within the Corporation Offer Period, each Shareholder other than the Selling Shareholder(s) shall have a period of thirty (30) days (commencing on the date of receipt of notice of the Offer provided by the Selling Shareholder(s)) to provide written notice to the Selling Shareholder(s) of its decision to exercise its rights under this Section 5.4 and each of the Shareholders which so elect (the "**Optionholders**") shall thereupon purchase Corporate Securities of the Selling Shareholder(s), on the terms and conditions set forth in the Offer, in an amount equal to the number of Corporate Securities forming the subject matter of the Offer multiplied by a fraction the numerator of which is the number of Shares owned by the Optionholder and the denominator of which is the aggregate number of Shares owned by all Optionholders as a group, in each case calculated on a fully diluted basis as of the date immediately following the expiration of the ten (10) day period set forth in Section 5.1 for providing notice of the Offer. In the event one or more of the Optionholders declines to complete its purchase of Corporate Securities from the Selling Shareholders, the Selling Shareholder(s) shall forthwith provide the remaining Optionholder(s) with notice of same and each remaining Optionholder shall have the further option, exercisable by notice in writing to the Selling Shareholder(s) within five (5) days of being notified that one or more of the Optionholders declined to proceed with its purchase of Corporate Securities, to purchase additional Corporate Securities in an amount equal to the product obtained by multiplying the total number of Corporate Securities which remain available for sale under the Offer by a fraction the numerator of which is the number of Shares owned by the Optionholder and the denominator of which is the aggregate number of Shares owned by all Optionholders who wish to purchase additional Corporate Securities, as a group, in each case calculated on a fully diluted basis. The foregoing procedure shall be repeated until the Optionholder(s) have acquired all Corporate Securities of the Selling Shareholder(s) subject to the Offer or until there remains Corporate Securities which no Optionholder has elected to purchase, in which latter case the option provided for herein shall be null and void.

Save as herein otherwise required, the sale by the Selling Shareholder(s) to each Optionholder shall be on the terms and conditions stipulated in the Offer.

**5.5 Sales of Corporate Securities - Right of First Refusal Not Exercised.** If, following compliance with Section 5.4, there remains Corporate Securities which no Optionholder has elected to purchase, the option provided therein shall be null and void and the Selling Shareholder(s) shall sell such remaining Corporate Securities to the Third Party in accordance with the terms and conditions of the Offer, and the parties hereto agree to take all steps and proceedings required to have the Third Party entered on the books of the Corporation as a Shareholder, provided that if the sale to the Third Party is not completed within one hundred eighty (180) days after the giving of the notice by the Selling Shareholder(s) to the Corporation and the other Shareholders pursuant to Section 5.1, the obligation, right and entitlement of the Selling Shareholder(s) to complete the sale to the Third Party in accordance with the terms of the Offer shall expire and the provisions of this Article 5 shall thereafter apply to any Offer, sale or proposed sale of Corporate Securities. The Board or the Shareholders (including the Selling Shareholder(s)), as the case may be, before consenting to any sale of Corporate Securities to a Third Party, shall require proof that the sale took place in accordance with the terms of the relevant Offer and in compliance with the terms and conditions of this Article 5 and shall require the Third Party

to enter into an Assumption Agreement. The Board shall refuse the recording of any sale of the Corporate Securities which may have occurred otherwise than in accordance with the provisions of this Agreement.

#### **5.6 Drag-Along Right.**

- (a) If at any time Shareholders constituting a Super Majority (the "**Controlling Shareholders**") obtain from any third party with whom each Controlling Shareholder deals at Arm's Length a bona fide offer (a "**Control Offer**") to purchase all of the outstanding Shares that the Controlling Shareholders are prepared to accept, or that involves a Reorganization acceptable to the Controlling Shareholders, then the Controlling Shareholders shall have the right, exercisable upon thirty (30) days' notice given to the other Shareholders (the "**Recipient Shareholders**"), to require the Recipient Shareholders to either sell their Shares pursuant to the Control Offer or to consent to and approve the Reorganization and to execute and deliver all documents and to do and cause to be done all such things as are necessary to conclude the transaction of purchase and sale contemplated under the Control Offer or to give effect to the Reorganization (including, without limitation, to the extent permitted by applicable law, causing their respective nominees on the Board to approve any transaction).
- (b) If the Recipient Shareholders default on their obligations pursuant to Subsections 5.6(a), each of the Recipient Shareholders hereby appoints the Controlling Shareholders as his or its attorney, with full power of substitution, in the name of and on behalf of such Person, to negotiate the terms of any transaction referred to above and to execute and deliver all deeds, transfers, assignments, agreements, instruments and assurances as may, in the opinion of the Controlling Shareholders be necessary or desirable to effectively complete the transaction. Such appointment, being coupled with an interest, is irrevocable by each of the Recipient Shareholders and shall not be revoked by the insolvency, bankruptcy, death, incapacity, dissolution, liquidation or other termination of the existence of any such Person and the Recipient Shareholders and the Corporation agree to ratify and confirm all that the Controlling Shareholders may do or cause to be done pursuant to the foregoing. Each Recipient Party consents to any transfer of Shares made pursuant to the foregoing.
- (c) The purchase and sale of all of the Shares or the completion of a Reorganization pursuant to Section 5.6(a) shall take place not earlier than thirty (30) days after the notice given to the Recipient Shareholders pursuant to Subsection 5.6(a) in accordance with the terms of the Control Offer or the Reorganization, as the case may be.
- (d) Notwithstanding any of the provisions of this Agreement, the purchase and sale of all of the Shares pursuant to this Section 5.6 shall not be subject to the provisions of Sections 5.1, 5.2, 5.3, 5.4 or 5.5.

**5.7 Subject to Required Consents.** Notwithstanding anything contained in this Article 5, and for greater certainty, the provisions of this Article 5 and any rights of Shareholders hereunder shall always be subject, where applicable, to any required consents or approvals under Section 3.10 hereof.

- 5.8 Excluded Transfers.** Notwithstanding anything contained in this Article 5, and for greater certainty, the provisions of this Article 5 shall not apply to a transfer permitted under Section 4.4.

**ARTICLE 6  
GENERAL PAYMENT AND CLOSING PROVISIONS**

- 6.1 Application of Provisions.** Except as may be otherwise provided in this Agreement, the provisions of this Article 6 shall apply to any purchase and sale of any Shares pursuant to the terms of this Agreement.
- 6.2 Closing Provisions.** In a purchase and sale, transfer, assignment or other disposition of Shares pursuant to this Agreement the following shall apply, subject to any express provisions to the contrary or as may be otherwise agreed by the Corporation and the parties to such transaction:
- (a) payment of the purchase price shall be made in full by way of wire transfer, certified cheque or bank draft;
  - (b) if such sale, transfer, assignment or other disposition is in respect of all, but not less than all, of the Shares beneficially owned by the Vendor, the Vendor, or any nominees of the Vendor, shall resign any position he or she may hold as an officer, employee, or director of the Corporation on the date of closing;
  - (c) the Vendor shall warrant it has good and marketable title to the Shares being sold, transferred, assigned, or otherwise disposed, free and clear of any lien, charge, encumbrance or security interest of any nature or kind whatsoever, and the Vendor shall deliver to the Purchaser all such documents, instruments and releases and shall take all such steps and do all such acts and things as may be necessary or desirable to vest such title in the Purchaser;
  - (d) if the Vendor shall have failed, neglected or refused to complete the sale, transfer, assignment, or other disposition in accordance with this Agreement, the Purchaser shall have the right to deposit the purchase price for the account of the Vendor with the Corporation's bank, and thereafter to execute and deliver such deeds, transfers of share certificates, resignations, releases and other documents that may be necessary or desirable in order to complete such transactions in accordance with this Agreement, and the Purchaser is hereby irrevocably constituted and appointed the attorney of the Vendor in accordance with Section 6.4;
  - (e) in connection with such sale, transfer, assignment or other disposition, the Vendor, the Corporation and the other Shareholders shall take all reasonable steps necessary to minimize taxes payable, including executing joint elections, and the Vendor shall either provide the Purchaser with evidence reasonably satisfactory to the Purchaser that the Vendor is not then a non-resident of Canada within the meaning of the Tax Act or provide the Purchaser with a certificate pursuant to Subsection 116(2) of the Tax Act with a certificate limit in an amount not less than the purchase price for the Shares sold; provided that if such evidence or certificate is not forthcoming, the Purchaser shall be entitled to make the payment of tax required under Section 116 of the Tax Act and to deduct such payment from the

purchase price for the Shares sold by the Vendor and to withhold any other applicable taxes as required;

- (f) if at the time of such sale, transfer, assignment or other disposition, the Vendor shall be indebted to the Corporation, the Purchaser shall have the right out of the purchase price payable for the Shares to pay, satisfy and discharge such indebtedness of the Vendor to the Corporation; and
- (g) if such sale, transfer, assignment or other disposition is in respect of all, but not less than all, of the Shares beneficially owned by the Vendor and if, at the time of such sale, transfer, assignment or other disposition, the Vendor shall be liable or responsible as a guarantor for any debts, liabilities or obligations of the Corporation, the Purchaser and the Corporation shall use their best reasonable efforts to cause any and all such guarantees to be released upon closing and, in the event that the Purchaser shall be unable to deliver up such guarantees, the Purchaser and the Corporation shall agree to jointly and severally indemnify and save harmless the Vendor from all claims arising out of such guarantees.

**6.3 Purchase by Nominee.** Whenever a Purchaser is entitled to purchase any Shares, such Purchaser may nominate any Person who is a Permitted Transferee of that Purchaser to purchase any such Shares, provided that, as a condition of the completion of any such purchase, the Purchaser, the Permitted Transferee and any Principal of the Permitted Transferee, as applicable, satisfy the conditions in Subsections 4.4(a), (c) and (d) and all references in such Subsections to "the Shareholder from whom such Shares were acquired" shall be deemed to be references to the Purchaser.

**6.4 Power of Attorney.** If the Vendor shall have failed, neglected or refused to complete the sale, transfer, assignment, or other disposition in accordance with this Agreement, the Vendor irrevocably constitutes and appoints the Purchaser, with full power of substitution, as its true and lawful attorney in fact, and as agent for, in the name of and on behalf of the Vendor, to execute and deliver in the name of the Vendor, all such assignments, transfers, deeds and instruments as may be necessary to effectively transfer and assign to the Purchaser or its nominee or nominees on the books of the Corporation, the Shares purchased by the Purchaser. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the insolvency, bankruptcy, or incapacity of the Vendor, and the Vendor hereby ratifies and confirms and agrees to ratify and confirm all that the Purchaser may lawfully do or cause to be done by virtue of the provisions of this Section 6.4.

**6.5 Survival.** The obligations of the parties under this Agreement in connection with a sale of Shares shall survive the completion of the sale for a period of two (2) years following such completion.

## ARTICLE 7 CONFIDENTIALITY

**7.1 Acknowledgements.** The Shareholders acknowledge that, as Shareholders, they may have access to trade secrets of and confidential information concerning the Corporation and its Affiliates ("**Confidential Information**") which Confidential Information includes, without limitation, financial information, trade secrets, know-how, marketing plans, cost figures, client lists, names and addresses of suppliers and business contacts, software

and operating systems, and information relating to employees and other persons in a contractual relationship with the Corporation.

**7.2 Confidentiality.** The Shareholders acknowledge and agree that the Confidential Information as defined in Section 7.1 is the exclusive property of the Corporation and its Affiliates. The Shareholders covenant and agree that they will not disclose (directly or indirectly) any of the Confidential Information to any Person, other than to the directors, officers, advisors or employees of the Shareholder that have a need to know such information, nor shall the Shareholder use or exploit (directly or indirectly) such information for any purpose other than for the purposes of the Corporation, nor shall the Shareholder disclose for any purpose other than those of the Corporation the private affairs of the Corporation or any other information which the Shareholder may acquire with respect to the business and affairs of the Corporation. However, no Shareholder shall be obliged to keep in confidence or shall incur any liability for disclosure of information which:

- (a) was already in the public domain;
- (b) is required to be disclosed pursuant to applicable laws or pursuant to policies or regulations of any regulatory authority having jurisdiction over a Shareholder, provided that such Shareholder has first given written notice to the Corporation that it intends to disclose such information;
- (c) is required to be disclosed in any arbitration or legal proceeding provided that such Shareholder has first given written notice to the Corporation that it intends to disclose such information;
- (d) has been authorized by the Board to be disclosed by the Shareholder; or
- (e) is required to be disclosed pursuant to the terms and provisions of a purchase and sale agreement relating to the bona fide sale of Shares by such Shareholder, provided that such disclosure shall be subject to the prior approval of the Board, such approval not to be unreasonably or arbitrarily withheld or delayed, and subject to the execution of a confidentiality agreement on the part of the purchaser of the Shares in favour of the Corporation in form and substance acceptable to the Corporation.

## **ARTICLE 8 FINANCIAL MATTERS**

**8.1 Fiscal Year End.** The Corporation's fiscal year end shall be December 31.

**8.2 Subordination of Shareholders' Loans.** The Shareholders agree that at the request of the Board that they will subordinate or cause to be subordinated, as applicable, any advances by Shareholders or any of their respective Affiliates and their interest under security held by Shareholders or any of their respective Affiliates to financing or other borrowings by the Corporation to the extent required by the Board for purposes of financing of borrowings of the Corporation arranged through recognized lending institutions.

**8.3 Shareholders' Loans.** No Shareholder or Principal will demand or otherwise require, or permit any Affiliate of a Shareholder or Principal to demand or otherwise require, the

Corporation to repay all or any portion of any indebtedness owed to such Shareholder or Principal or Affiliate of such Shareholder or Principal, as the case may be, without the prior written consent of holders of not less than sixty-six and two-thirds percent (66 $\frac{2}{3}$ %) of the aggregate indebtedness owed by the Corporation to the Shareholders, the Principals and Affiliates of the Shareholders and Principals.

## **ARTICLE 9 ENFORCEMENT OF SHAREHOLDERS' AGREEMENT**

- 9.1 Voting Power.** The Shareholders shall at all times use their voting powers (whether expressed by way of vote or written consent) in accordance with the provisions of this Agreement for the purposes of giving effect to the same and to ensure that the directors shall exercise their powers as members of the Board consistent with this Agreement and for the purposes of effectuating the same. The Board shall ensure that the officers and employees of the Corporation shall carry out all duties that they are required to perform under the provisions of this Agreement.
- 9.2 Employee Shareholder Agreement Matters.** The Corporation hereby covenants and agrees to exercise all of its duties and obligations pursuant to the Employee Shareholders' Agreements in such a manner as to give full force and effect to this Agreement, and without limiting the generality of the foregoing, vote all Shares and execute all documents on behalf of shareholders party to such Employee Shareholders' Agreements in such manner to reflect the decisions and direction of the Shareholders, or in the event of conflict between the Shareholders, as directed by majority vote of the Board. The Board shall ensure that the officers and employees of the Corporation shall carry out all duties that they are required to perform under the provisions of the Employee Shareholders' Agreement in accordance with the foregoing.

## **ARTICLE 10 ARBITRATION**

- 10.1 Arbitration.** If at any time during the continuance of this Agreement or after the termination thereof, any dispute, difference or question shall arise (except with respect to an application for injunctive relief from an actual or threatened breach of the covenants contained herein) between the parties hereto or their heirs, executors, administrators, successors or permitted assigns concerning: (i) the construction, interpretation or effect of this Agreement or any agreement or covenant entered into pursuant to this Agreement; (ii) the termination of this Agreement or any agreement or covenant entered into pursuant to this Agreement; or (iii) the rights or obligations of any of the parties hereto or their heirs, executors, administrators, successors or permitted assigns; then every such dispute, difference or question shall be submitted to and settled by arbitration, unless the parties hereto agree otherwise in writing.
- 10.2 Notice of Arbitration.** If any party hereto wishes to have any matter arbitrated in accordance with the provisions of this Agreement, it shall give written notice to the other party specifying particulars of the matters in dispute.
- 10.3 Conduct of Arbitration.**
- (a) The arbitration shall be conducted by a single arbitrator agreed upon by the parties to the dispute. If, within five Business Days after notice of the matter has been

given by one party to the other, the parties cannot agree upon a single arbitrator, then the arbitration shall be conducted by a single arbitrator appointed by a judge of the Nova Scotia Supreme Court in accordance with the terms of the *Commercial Arbitration Act* (Nova Scotia) as amended from time to time.

- (b) Meetings and hearings of the arbitration shall take place in Halifax, Nova Scotia and a party to the arbitration may be represented at any meetings or hearings by legal counsel.
- (c) The decision of the arbitrator shall be rendered within ninety (90) days of the end of the arbitration proceedings, shall be final and binding upon the parties and shall not be subject to any appeal or review procedure provided that the arbitrator has proceeded in accordance with the rules of natural justice.
- (d) The arbitrator may make any order the arbitrator sees fit as to the costs of the arbitration and the party or parties to bear such costs.
- (a) The rules and procedures of the *Commercial Arbitration Act* (Nova Scotia) as amended from time to time, shall apply to any arbitration conducted hereunder, except to the extent that they are modified by the express provisions of the rules set out herein

#### **ARTICLE 11 TERM**

- 11.1 Term.** This Agreement shall come into force and effect on the date first above written and shall continue in force, as may be amended from time to time in the manner provided herein, until the earlier of:
- (a) the date on which only one Shareholder holds the Shares subject to this Agreement;
  - (b) the date this Agreement is terminated by written agreement of the Shareholders; and
  - (c) the sale of all of the Shares to a third party in compliance with this Agreement.

#### **ARTICLE 12 MISCELLANEOUS**

- 12.1 Assigns.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, legal personal representatives, successors and permitted assigns.
- 12.2 Further Assurances.** The parties hereto shall do such further acts, execute and deliver such further documents and give such further assurances as may be necessary or desirable to give full effect to this Agreement.
- 12.3 Notices.** Any notice or communication ("**Notice**") required or permitted under this Agreement shall be in writing and shall be sent by email transmission, by personal delivery or by registered mail as follows:

(a) in the case of Paddick:

54 Fortune Bay Inlet  
Freeport, Bahamas

Email: Brendan@columbus.co

(b) in the case of CFFI:

741 Bedford Highway, Unit 1  
Halifax, NS B3M 2M1

Email: sspavold@cffi.com

(c) in the case of the Corporation:

741 Bedford Highway, Unit 1  
Halifax, NS B3M 2M1

Fax No. 902-457-8590

Email: sspavold@cffi.com

Any such Notice, if delivered personally, shall be deemed to have been given and received on the date on which it was delivered at such address, provided that if such day is not a Business Day then the Notice shall be deemed to have been given and received on the Business Day next following such day. Any notice mailed as aforesaid shall be deemed to have been given and received on the third Business Day next following the date of its mailing. Any Notice transmitted by email shall be deemed to have been given and received on the date of its transmission provided that if such day is not a Business Day or if it is received after the end of normal business hours on the day of its transmission then it shall be deemed to have been given and received at the opening of business in the office of the addressee on the first Business Day next following the transmission thereof. Any party hereto may change its address from time to time by Notice given to the other parties hereto in accordance with the foregoing.

**12.4 Assignment.** Except as expressly otherwise provided in this Agreement, this Agreement may not be assigned by a party hereto without the written consent of the other parties.

**12.5 Waiver.** No waiver by any party of any breach of any provision of this Agreement by any of the other parties shall take effect or be binding upon that party unless in writing and signed by such party. Unless otherwise provided therein, such waiver shall not limit or affect the right of the party not in default with respect to any other breach.


**12.6 Obligations of Corporation.** The Corporation insofar as its power lies, agrees to be bound by the terms of this Agreement and agrees to do and perform all acts and things as it has the power to do and perform, to fully and effectually carry out the terms of this Agreement and, without limiting the generality of the foregoing, the Corporation hereby covenants and agrees to confirm, adopt and ratify the within Agreement insofar as it relates to the Corporation.


- 12.7 Time of the Essence.** Time is of the essence of this Agreement and every part hereof.
- 12.8 Counterparts.** This Agreement may be executed in one or more counterparts, whether in original, electronic or facsimile form, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.
- 12.9 Independent Legal Advice.** Each of the parties hereto acknowledge and confirm that they were advised to obtain independent legal advice prior to execution of this Agreement.

*[remainder of this page left blank intentionally]*

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

SIGNED, SEALED and DELIVERED  
in the presence of:

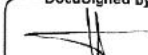
Signed by:  \_\_\_\_\_  
AB07430DA701403...

Signed by:  \_\_\_\_\_  
AB07430DA701403...


Signed by:  \_\_\_\_\_  
AB07430DA701403...

DocuSigned by:  \_\_\_\_\_  
D2BEFFA7EAD2463...  
**BRENDAN PADDICK**

**CFFI VENTURES INC.**

DocuSigned by:  \_\_\_\_\_  
Per: \_\_\_\_\_  
Name: Nanci Rorabeck  
Title: Assistant Secretary

**CORMORANT UTILITY SERVICES LIMITED**

DocuSigned by:  \_\_\_\_\_  
Per: \_\_\_\_\_  
Name: Stan Spavold  
Title: Executive Vice-President

**Schedule A**  
**List of Shareholders**

Paddick	20,188,975 Common Shares
CFFI	22,836,751 Common Shares

**THIS IS EXHIBIT "C"**  
**TO THE AFFIDAVIT OF MICHAEL SCOTT**  
**AFFIRMED BEFORE ME OVER VIDEOCONFERENCE**  
**THIS 2<sup>nd</sup> DAY OF JUNE, 2026**

A handwritten signature in blue ink, appearing to read "Linda", is positioned above a horizontal line.

---

Commissioner for Taking Affidavits

**CFFI VENTURES INC.**

as Obligor

and

**SFPC QUANTUM LP**

as Agent

---

**SECURITIES PLEDGE AGREEMENT**

**MAY 24, 2022**

---

## SECURITIES PLEDGE AGREEMENT

Securities pledge agreement dated as of May 24, 2022 made by CFFI Ventures Inc. to and in favour of SFPC Quantum LP as Agent for the benefit of the Secured Creditors.

### RECITALS:

- (a) The Agent and the Lenders have agreed to make certain credit facilities available to the Borrower on the terms and conditions contained in the Credit Agreement;
- (b) The Obligor and the Credit Parties have, or may, enter into with, and incur indebtedness to, the Derivatives Lenders pursuant to the terms of the Secured Derivatives Agreements;
- (c) The Obligor has guaranteed the payment and performance of the Credit Parties' obligations under the Finance Documents pursuant to the Guarantee; and
- (d) It is a condition precedent to the extension of credit to the Borrower, the Obligor and the other Credit Parties under the Finance Documents that the Obligor execute and deliver this Agreement in favour of the Agent as security for the payment and performance of the Obligor's obligations under the Guarantee and the other Finance Documents to which it is a party.

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

### Section 1 Defined Terms

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

**"Agent"** means SFPC Quantum LP acting as administrative agent for the Secured Creditors under the Credit Agreement and any successor agent appointed under the Credit Agreement, and its successors and permitted assigns.

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

**"Borrower"** means Cormorant Utility Services Limited, a corporation incorporated and existing under the federal laws of Canada, and its successors and permitted assigns.

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

**"Credit Agreement"** means the credit agreement dated as of the date hereof, among the Borrower, the Lenders and the Agent, as the same may be amended, modified, extended, renewed, replaced, restated, supplemented or refinanced from time to time and includes any agreement extending the maturity of, refinancing or restructuring all or any portion of, the indebtedness under such agreement or any successor agreements, whether or not with the same Agent or Lenders.

**"Credit Parties"** means the Borrower, the Corporate Guarantors, the Parent Guarantors and any other Person that, from time to time, provides credit support for the Secured Obligations (as defined in the Credit Agreement), other than the Obligor.

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

**"Finance Documents"** means the Credit Agreement, this Agreement, the Guarantee, the Secured Derivatives Agreements and each other Finance Document (as such term is defined in the Credit Agreement).

**"Guarantee"** means the guarantee dated as of the date hereof granted by the Obligor to the Agent for the benefit of the Secured Creditors, as the same may be amended, modified, extended, renewed, replaced, restated or supplemented from time to time.

**"Lenders"** means the Persons listed on the signature pages of the Credit Agreement, any Person who may become a Lender pursuant to the Credit Agreement, and their respective successors and assigns, and **"Lender"** means any one of them.

**"Obligor"** means CFFI Ventures Inc., a corporation incorporated and existing under the laws of Nova Scotia and its successors and permitted assigns.

**"Secured Creditors"** means the Agent, the Lenders and the Derivatives Lenders.

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

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

**"Security Interest"** has the meaning specified in Section 4.

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

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

## **Section 2 Interpretation**

- (1) Terms defined in the *Personal Property Security Act* (Ontario) ("**PPSA**") or the *Securities Transfer Act, 2006* (Ontario) ("**STA**") and used but not otherwise defined in this Agreement have the same meanings. For greater certainty, the terms "**investment property**", "**money**" and "**proceeds**" have the meanings given to them in the PPSA; and the terms "**certificated security**", "**control**", "**deliver**", "**entitlement holder**", "**financial asset**", "**securities account**", "**securities intermediary**", "**security**", "**security entitlement**" and "**uncertificated security**" have the meanings given to them in the STA. Capitalized terms used in this Agreement but not defined have the meanings given to them in the Credit Agreement.
- (2) Any reference in any Finance Document to Permitted Liens and any right of the Obligor to create or suffer to exist Permitted Liens are not intended to and do not and will not subordinate the Security Interest to any such Lien or give priority to any Person over the Secured Creditors.
- (3) In this Agreement the words "**including**", "**includes**" and "**include**" mean "**including (or includes or include) without limitation**". The expressions "Section" and other subdivision

followed by a number mean and refer to the specified Section or other subdivision of this Agreement.

- (4) Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (5) The division of this Agreement into Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect its interpretation.
- (6) The schedules attached to this Agreement form an integral part of it for all purposes of it.
- (7) Except as otherwise provided in this Agreement, any reference to this Agreement or any Finance Document refers to this Agreement or such Finance Document as the same may have been or may from time to time be amended, modified, extended, renewed, restated, replaced or supplemented and includes all schedules attached to it. Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules and regulations made under it as the same may have been or may from time to time be amended or re-enacted.

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

The Obligor grants to the Agent, for the benefit of the Secured Creditors, a security interest in, and assigns, charges, hypothecates and pledges to the Agent, for the benefit of the Secured Creditors, the following (collectively, the "**Collateral**"):

- (a) all Securities now owned or hereafter acquired by the Obligor in the capital of the Borrower, including the Securities listed in Schedule "A", as such schedule may be amended, supplemented or modified from time to time, all security certificates and other instruments representing such Securities and all rights and claims of the Obligor in such Securities;
- (b) all securities accounts in the name of the Obligor relating to the Securities in the capital of the Borrower now existing or hereafter established including the securities accounts listed in Schedule "A", as such schedule may be amended, supplemented or modified from time to time, and all of the credit balances, security entitlements, other financial assets and items or property (or their value) standing to the credit from time to time in such securities accounts and all rights and claims of the Obligor in such investment property;
- (c) all substitutions and replacements of, increases and additions to the property described in Section 3(a) and Section 3(b), including any consolidation, subdivision, reclassification or stock dividend; and
- (d) all proceeds in any form derived directly or indirectly from any dealing with all or any part of the property described in Section 3(a), Section 3(b) and Section 3(c), including the proceeds of such proceeds.

### **Section 4 Secured Obligations**

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

- (a) all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Obligor to the Secured Creditors, or any one or more of them, in any currency, under, in connection with or pursuant to the Guarantee and any other Finance Document to which the Obligor is a party, and whether incurred by the Obligor alone or jointly with another or others and whether as principal, guarantor or surety and in whatever name or style (collectively, and together with the Expenses, the "**Secured Obligations**"); and
- (b) all expenses, costs and charges incurred by or on behalf of the Secured Creditors in connection with this Agreement, the Security Interest or the Collateral, including all legal fees, court costs, receiver's or agent's remuneration and other expenses of taking possession of, repairing, protecting, insuring, preparing for disposition, realizing, collecting, selling, transferring, delivering or obtaining payment for the Collateral, and of taking, defending or participating in any action or proceeding in connection with any of the foregoing matters or otherwise in connection with the Secured Creditors' interest in any Collateral, whether or not directly relating to the enforcement of this Agreement or any other Finance Document (collectively, the "**Expenses**").

## **Section 5      Attachment**

- (1) The Obligor acknowledges that (i) value has been given, (ii) it has rights in the Collateral or the power to transfer, rights in the Collateral to the Agent (other than after-acquired Collateral), (iii) it has not agreed to postpone the time of attachment of the Security Interest, and (iv) it has received a copy of this Agreement.
- (2) If the Obligor (i) acquires any Securities, (ii) acquires any other financial assets that have not been credited to a securities account specified in Schedule "A" or (iii) establishes or maintains a securities account that is not specified in Schedule "A", the Obligor will notify the Agent in writing and provide the Agent with a revised Schedule "A" recording the acquisition or establishment of and particulars relating to such Securities, financial assets or securities account upon such acquisition or establishment.
- (3) The Obligor will cause the Agent to have control over each security and all other investment property that are now or at any time become Collateral, and will take all action that the Agent deems advisable to cause the Agent to have control over such Collateral, including (i) causing the Collateral to be transferred to or registered in the name of the Agent or its nominee or otherwise as the Agent may direct, (ii) endorsing any certificated securities to the Agent or in blank by an effective endorsement, (iii) delivering the Collateral to the Agent or someone on its behalf as the Agent may direct, (iv) delivering to the Agent any and all consents or other documents or agreements which may be necessary to effect the transfer of any Collateral to the Agent or any third party and (v) entering into control agreements with the Agent and the applicable securities intermediary or issuer in respect of any Collateral in form and substance satisfactory to the Agent. At the request of the Agent, the Obligor will take similar actions, as applicable, with respect to any other Securities.
- (4) The Obligor irrevocably waives, to the extent permitted by Applicable Law, any right to receive a copy of any financing statement or financing change statement (and any verification statement relating to the same) registered in respect of this Agreement or any other security agreement granted to the Secured Creditors or any of them.

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

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

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

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

## **Section 8 Expenses**

The Obligor is liable for and will pay on demand by the Agent any and all Expenses.

## **Section 9 Enforcement**

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

## **Section 10 Remedies**

Upon the occurrence and during the continuance of an Event of Default, the Agent may realize upon the Collateral and enforce the rights of the Agent and the Secured Creditors by:

- (a) realizing upon or otherwise disposing of or contracting to dispose of the Collateral by sale, transfer or delivery;
- (b) exercising and enforcing all rights and remedies of a holder of the Collateral as if the Agent were the absolute owner thereof (including, if necessary, causing the

Collateral to be registered in the name of the Agent or its nominee if not already done);

- (c) collection of any proceeds arising in respect of the Collateral;
- (d) instruction or order to any issuer or securities intermediary pursuant to any control the Agent has over the Collateral;
- (e) application of any proceeds arising in respect of the Collateral in accordance with Section 19(12);
- (f) appointment by instrument in writing of a receiver (which term as used in this Agreement includes a receiver and manager) or agent of all or any part of the Collateral and removal or replacement from time to time of any receiver or agent;
- (g) institution of proceedings in any court of competent jurisdiction for the appointment of a receiver of all or any part of the Collateral; and
- (h) any other remedy or proceeding authorized or permitted under the PPSA or otherwise by law or equity.

#### **Section 11      Exercise of Remedies**

The remedies under Section 10 may be exercised from time to time separately or in combination and are in addition to, and not in substitution for, any other rights of the Agent and the Secured Creditors however arising or created. The Agent and the Secured Creditors are not bound to exercise any right or remedy, and the exercise of rights and remedies is without prejudice to the rights of the Agent and the Secured Creditors in respect of the Secured Obligations including the right to claim for any deficiency.

#### **Section 12      Receiver's Powers**

- (1) Any receiver appointed by the Agent is vested with the rights and remedies which could have been exercised by the Agent in respect of the Obligor or the Collateral and such other powers and discretions as are granted in the instrument of appointment and any supplemental instruments. The identity of the receiver, its replacement and its remuneration are within the sole and unfettered discretion of the Agent.
- (2) Any receiver appointed by the Agent will act as agent for the Agent for the purposes of taking possession of the Collateral, but otherwise and for all other purposes (except as provided below), as agent for the Obligor. The receiver may sell, transfer, deliver or otherwise dispose of Collateral as agent for the Obligor or as agent for the Agent as the Agent may determine in its discretion. The Obligor agrees to ratify and confirm all actions of the receiver acting as agent for the Obligor, and to release and indemnify the receiver in respect of all such actions.
- (3) The Agent, in appointing or refraining from appointing any receiver, does not incur liability to the receiver, the Obligor or otherwise and is not responsible for any misconduct or negligence of such receiver.

#### **Section 13      Appointment of Attorney**

The Obligor hereby irrevocably constitutes and appoints the Agent (and any officer of the Agent) the true and lawful attorney of the Obligor. As the attorney of the Obligor, the Agent has the power to

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

#### **Section 14      Dealing with the Collateral**

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

#### **Section 15      Standards of Sale**

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

- (a) the Collateral may be disposed of in whole or in part;
- (b) the Collateral may be disposed of by public auction, public tender or private contract, with or without advertising and without any other formality;
- (c) any assignee of the Collateral may be the Agent, a Secured Creditor or customer of any such Person;
- (d) any sale conducted by the Agent will be at such time and place, on such notice and in accordance with such procedures as the Agent, in its sole discretion, may deem advantageous;

- (e) the Collateral may be disposed of in any manner and on any terms necessary to avoid violation of Applicable Law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that the prospective bidders and purchasers have certain qualifications, and restrict the prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of the Collateral) or in order to obtain any required approval of the disposition (or of the resulting purchase) by any governmental or regulatory authority or official;
- (f) a disposition of the Collateral may be on such terms and conditions as to credit or otherwise as the Agent, in its sole discretion, may deem advantageous; and
- (g) the Agent may establish an upset or reserve bid or price in respect of the Collateral.

#### **Section 16 Dealings by Third Parties**

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

#### **Section 17 ULC Shares**

- (1) Notwithstanding anything else contained in this Agreement or any other document or agreement among all or some of the parties hereto, the Obligor is the sole registered and beneficial owner of all Collateral that is ULC Shares, if any, and will remain so until such time as such ULC Shares are effectively transferred into the name of the Agent, any of the Secured Creditors, or any nominee of the foregoing or any other Person on the books and records of such ULC. Accordingly, the Obligor shall be entitled to receive and retain for its own account any dividend on or other distribution, if any, in respect of ULC Shares that are Collateral and shall have the right to vote such ULC Shares and to control the direction, management and policies of any ULC to the same extent as the Obligor would if such ULC Shares were not pledged to the Agent for the benefit of the Secured Creditors pursuant hereto. Nothing in this Agreement or any other document or agreement among all or some of the parties hereto is intended to, and nothing in this Agreement or any other document or agreement among all or some of the parties hereto shall, constitute the Agent, any of the Secured Creditors or any Person other than the Obligor, a member of any ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (British Columbia), the *Business Corporations Act* (Alberta) or any other applicable legislation until such time as notice is given to the Obligor and further steps are taken hereunder or thereunder so as to register the Agent, any of the Secured Creditors or any nominee of the

foregoing, as specified in such notice, as the holder of shares of such ULC. To the extent any provision hereof would have the effect of constituting the Agent or any of the Secured Creditors a member of a ULC prior to such time, such provision shall be severed herefrom and ineffective with respect to Collateral that is shares of such ULC without otherwise invalidating or rendering unenforceable this Agreement or invalidating or rendering unenforceable such provision insofar as it relates to Collateral that is not shares of such ULC.

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

## **Section 18 Representations, Warranties and Covenants**

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

- (a) The Obligor will not sell, assign, convey, exchange, release or abandon, or otherwise dispose of, any Collateral.
- (b) The Obligor will not create or suffer to exist, any Lien on the Collateral, except for Permitted Liens and will not grant control over any investment property to any Person other than the Agent.
- (c) Schedule "A" lists all Securities owned or held by the Obligor and all securities accounts of the Obligor on the date of this Agreement. Schedule "A" sets out, for each class of Securities listed in the schedule, the percentage amount that such Securities represent of all issued and outstanding Securities of that class and whether the Securities are certificated or uncertificated.
- (d) The Securities that are Collateral have been, where applicable, duly and validly issued and acquired and are fully paid and non-assessable.
- (e) Except as described in Schedule "A", no transfer restrictions apply to the Securities listed in Schedule "A". The Obligor has delivered to the Agent copies of all shareholder, partnership or trust agreements applicable to each issuer of such Securities which are in the Obligor's possession and confirms that any interest in a partnership or limited liability company that now, or at any time, forms part of the Collateral is, and will be at all times, a "security" for the purposes of the STA.
- (f) No Person has or will have any written or oral option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement to acquire any right or interest in any of the Securities that are Collateral.

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

instructions, agreements, documents and instruments and (v) delivering opinions of counsel in respect of matters contemplated by this paragraph. The documents and opinions contemplated by this paragraph must be in form and substance satisfactory to the Agent.

#### **Section 19      General**

- (1) Any notices, directions or other communications provided for in this Agreement must be in writing and given in accordance with the Guarantee.
- (2) The Security Interest will not be discharged except by a written release or discharge signed by the Agent. The Obligor will be entitled to require a discharge by notice to the Agent upon, but only upon, (i) full and indefeasible payment and performance of the Secured Obligations and (ii) the Agent and the Secured Creditors having no obligations under any Finance Document. Upon discharge of the Security Interest and at the request and expense of the Obligor, the Agent will execute and deliver to the Obligor such financing statements and other documents or instruments as the Obligor may reasonably require and the Agent will redeliver to the Obligor, or as the Obligor may otherwise direct the Agent, any Collateral in its possession.
- (3) This Agreement does not operate by way of merger of any of the Secured Obligations and no judgment recovered by the Agent or any of the Secured Creditors will operate by way of merger of, or in any way affect, the Security Interest, which is in addition to, and not in substitution for, any other security now or hereafter held by the Agent and the Secured Creditors in respect of the Secured Obligations. The representations, warranties and covenants of the Obligor in this Agreement survive the execution and delivery of this Agreement and any advances under the Credit Agreement. Notwithstanding any investigation made by or on behalf of the Agent or the Secured Creditors the covenants, representations and warranties continue in full force and effect.
- (4) The Obligor will do all acts and things and execute and deliver, or cause to be executed and delivered, all agreements, documents and instruments that the Agent may require and take all further steps relating to the Collateral or any other property or assets of the Obligor that the Agent may require for (i) protecting the Collateral, (ii) perfecting, preserving and protecting the Security Interest, and (iii) exercising all powers, authorities and discretions conferred upon the Agent. Upon the occurrence and during the continuance of an Event of Default, the Obligor will do all acts and things and execute and deliver all documents and instruments that the Agent may require for facilitating the sale or other disposition of the Collateral in connection with its realization.
- (5) This Agreement is in addition to, without prejudice to and supplemental to all other security now held or which may hereafter be held by the Agent or the Secured Creditors.
- (6) This Agreement is binding on the Obligor and its successors and assigns, and enures to the benefit of the Agent, the Secured Creditors and their respective successors and assigns. This Agreement may be assigned by the Agent without the consent of, or notice to, the Obligor, to such Person as the Agent may determine and, in such event, such Person will be entitled to all of the rights and remedies of the Agent as set forth in this Agreement or otherwise. In any action brought by an assignee to enforce any such right or remedy, the Obligor will not assert against the assignee any claim or defence which the Obligor now has or may have against the Agent or any of the Secured Creditors. The Obligor may not assign, transfer or delegate any of its rights or obligations under this Agreement without the prior written consent of the Agent which may be unreasonably withheld.

- (7) The Obligor acknowledges and agrees that in the event it amalgamates with any other corporation or corporations, it is the intention of the parties that the Security Interest (i) extends to: (A) all of the Securities that any of the amalgamating corporations then own, (B) all of the Securities that the amalgamated corporation thereafter acquires, (C) all of the Securities in which any of the amalgamating corporations then has any interest, and (D) Securities in which the amalgamated corporation thereafter acquires any interest; and (ii) secures the payment and performance of all debts, liabilities and obligations, present or future, direct or indirect, absolute or contingent, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by each of the amalgamating corporations and the amalgamated corporation to the Secured Creditors, or any one or more of them, in any currency, under, in connection with or pursuant to the Credit Agreement and any other Finance Document, and whether incurred alone or jointly with another or others and whether as principal, guarantor or surety and whether incurred prior to, at the time of or subsequent to the amalgamation. The Security Interest attaches to the additional collateral at the time of amalgamation and to any collateral thereafter owned or acquired by the amalgamated corporation when such collateral becomes owned or is acquired. Upon any such amalgamation, the defined term "**Obligor**" means, collectively, each of the amalgamating corporations and the amalgamated corporation, the defined term "**Collateral**" means all of the property described in (i) above, and the defined term "**Secured Obligations**" means the obligations described in (ii) above.
- (8) If any court of competent jurisdiction from which no appeal exists or is taken, determines any provision of this Agreement to be illegal, invalid or unenforceable, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect.
- (9) This Agreement may only be amended, supplemented or otherwise modified by written agreement executed by the Agent and the Obligor.
- (10) No consent or waiver by the Agent or the Secured Creditors in respect of this Agreement is binding unless made in writing and signed by an authorized officer of the Agent. Any consent or waiver given under this Agreement is effective only in the specific instance and for the specific purpose for which given. No waiver of any of the provisions of this Agreement constitutes a waiver of any other provision.
- (11) A failure or delay on the part of the Agent or the Secured Creditors in exercising a right under this Agreement does not operate as a waiver of, or impair, any right of the Agent or the Secured Creditors however arising. A single or partial exercise of a right on the part of the Agent or the Secured Creditors does not preclude any other or further exercise of that right or the exercise of any other right by the Agent or the Secured Creditors.
- (12) All monies collected by the Agent upon the enforcement of the Agent's or the Secured Creditors' rights and remedies under the Finance Documents and the Liens created by them including any sale or other disposition of the Collateral, together with all other monies received by the Agent and the Secured Creditors under the Finance Documents, will be applied as provided in the Credit Agreement. To the extent any other Finance Document requires proceeds of collateral under such Finance Document to be applied in accordance with the provisions of this Agreement, the Agent or holder under such other Finance Document shall apply such proceeds in accordance with this Section.
- (13) In the event of any conflict between the provisions of this Agreement and the provisions of the Credit Agreement which cannot be resolved by both provisions being complied with, the provisions contained in the Credit Agreement will prevail to the extent of such conflict.

- (14) This Agreement will be governed by, interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (15) The Obligor irrevocably attorns and submits to the exclusive jurisdiction of any court of competent jurisdiction of the Province of Ontario sitting in Toronto, Ontario in any action or proceeding arising out of or relating to this Agreement and the other Finance Documents to which it is a party. The Obligor irrevocably waives objection to the venue of any action or proceeding in such court or that such court provides an inconvenient forum. Nothing in this Section limits the right of the Agent to bring proceedings against the Obligor in the courts of any other jurisdiction.
- (16) The Obligor hereby irrevocably consents to the service of any and all process in any such action or proceeding by the delivery of copies of such process to the Obligor in accordance with Section 5.1 of the Guarantee. Nothing in this Section affects the right of the Agent to serve process in any manner permitted by law.
- (17) Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this Agreement.

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

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

**CFFI VENTURES INC.**

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



Name: Nanci Rorabeck  
Title: Secretary

**SCHEDULE "A"  
SECURITIES**

<b>Issuer</b>	<b>Class of Securities</b>	<b>Number of Securities</b>	<b>% of issued Securities</b>	<b>Certificated or Uncertificated</b>	<b>Certificate Number</b>
Cormorant Utility Services Limited	Common	4,949	54.8%	Certificated	1

**TRANSFER RESTRICTIONS**

**1. Amended and restated unanimous shareholders' agreement dated as of April 8, 2022 (the "Shareholders' Agreement") among Brendan Paddick, CFFI Ventures Inc. and Cormorant Utility Services Limited (capitalized terms used immediately below but not defined have the meanings given to them in the Shareholders' Agreement and the expressions "Section" and other subdivision followed by a number mean and refer to the specified Section or other subdivision of the Shareholders' Agreement):**

**4.3 General Restrictions on Transfer of Securities.** Except as otherwise provided herein or as specifically consented to in writing by all of the Shareholders, each of the Shareholders shall not, and shall not make any agreement to, directly or indirectly, sell, assign, transfer, give, devise, bequeath, mortgage, charge, pledge, hypothecate or otherwise dispose of, alienate or in any way encumber or create a security interest in, or grant any option on, any Corporate Securities. Any attempt to accomplish or effect any or all of the acts prohibited hereby shall be null and void.

**4.4 Transfer to Permitted Transferee.** Notwithstanding the provisions of Sections 4.2 or 4.3 and any other provisions of this Agreement which restrict the disposition of or dealing with Corporate Securities or shares or securities of a Corporate Shareholder, a Shareholder may at any time or from time to time, without the approval of the other Shareholders, to dispose of Corporate Securities held by such Shareholder, or, in the case of a Corporate Shareholder, issue or permit the transfer of shares or securities in the capital of a Corporate Shareholder, to a Permitted Transferee, provided that at the time of such disposition, issuance or permitted transfer, as the case may be:

- (a) in the case of a transfer of Corporate Securities to a Permitted Transferee, such Permitted Transferee and, if applicable, the Principal of the Permitted Transferee, shall agree with the other parties to this Agreement in writing, by way of executing an Assumption Agreement, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Permitted Transferee had entered into this Agreement in the place and stead of the Shareholder from whom such Corporate Securities are acquired;
- (b) in the case of the issuance or transfer of shares or securities of a Corporate Shareholder to a Permitted Transferee if immediately after giving effect thereto, any Person other than the Person immediately prior to such issuance or transfer becomes the Principal of such Corporate Shareholder, such new Principal of the Corporate Shareholder shall agree with the other parties to this Agreement in writing, by way of executing an Assumption Agreement, to assume and be bound by all of the terms and obligations contained in this Agreement as if such Principal had

entered into this Agreement in the place and stead of the former Principal of the Corporate Shareholder;

- (c) the Permitted Transferee agrees to remain a Permitted Transferee of:
  - (i) in the case of a transfer of Corporate Securities to a Permitted Transferee, the Shareholder from whom such Corporate Securities were acquired, or
  - (ii) in the case of the issuance or transfer of shares or securities of a Corporate Shareholder to a Permitted Transferee, the Shareholder of which it is a Permitted Transferee,

for so long as the Permitted Transferee is a registered and beneficial owner of any Corporate Securities or shares or securities of a Corporate Shareholder, as the case may be; and

- (d) the Shareholders receive in form and substance satisfactory to them, acting reasonably, evidence that the Permitted Transferee is a Permitted Transferee of the Shareholder in paragraph 4.4(c)(i) or (ii), as applicable, and that the Agreements referred to in Subsections 4.4(a), (b) and (c) above, as applicable, are legal, valid and binding obligations of the Permitted Transferee.

2. **Appendix "2" to the Articles of Amalgamation of Cormorant Utility Services Limited (the term "Corporation" as used immediately below means Cormorant Utility Services Limited):**

4) The restrictions on share transfers are as follows:

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares of the Corporation without the approval of:

- i. The directors of the Corporation expressed by resolution passed by the votes cast by a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors of the Corporation; OR
- ii. The shareholders of the Corporation expressed by resolution passed by the votes cast by a majority of the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on that resolution.

3. **Appendix "3" to the Articles of Amalgamation of Cormorant Utility Services Limited (the term "Corporation" as used immediately below means Cormorant Utility Services Limited):**

7) other provisions:

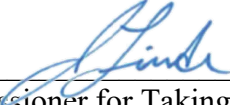
RESTRICTION ON SECURITIES TRANSFER: The Corporation's securities, other than nonconvertible debt securities, shall not be transferred without either (a) the sanction of a majority of the directors of the Corporation, or (b) the sanction of the majority of the shareholders of the corporation, or alternatively, (c), if applicable, the restriction contained in security holders' agreements.

## OTHER INVESTMENT PROPERTY

N/A

"A" - 3

**THIS IS EXHIBIT "D"**  
**TO THE AFFIDAVIT OF MICHAEL SCOTT**  
**AFFIRMED BEFORE ME OVER VIDEOCONFERENCE**  
**THIS 2<sup>nd</sup> DAY OF JUNE, 2026**

A handwritten signature in blue ink, appearing to read "Linda", is written over a horizontal line.

Commissioner for Taking Affidavits

## SUBORDINATION AGREEMENT

Subordination Agreement dated May 24, 2022 among CFFI Ventures Inc. (the "**Debtor**"), HPS Investment Partners LLC, in its capacity as agent for the HPS Lenders ("**HPS**"), and SFPC Quantum LP, in its capacity as agent for the SAF Lenders ("**SAF**").

### RECITALS:

- (a) The Debtor has entered into the HPS Documents and the HPS Security pursuant to which it has granted security to HPS, in its capacity as agent and on behalf of the HPS Lenders, over and in respect of all of its Assets to secure obligations of the Debtor owing under the HPS Documents; and
- (b) The Debtor has entered into the SAF Documents and the SAF Security pursuant to which it has granted security to SAF, in its capacity as administrative agent and on behalf of the SAF Lenders, over and in respect of all of its Assets to secure obligations of the Debtor owing under the SAF Documents.

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

### ARTICLE 1 INTERPRETATION

#### Section 1.1 Defined Terms.

As used in this Agreement (including the recitals hereto), the following terms have the following meanings:

**"Agreement"** means this subordination agreement as the same may be amended, modified, replaced, restated or supplemented from time to time.

**"Assets"** means all present and after acquired personal property of the Debtor.

**"Business Day"** means a day, excluding Saturday and Sunday, on which financial institutions generally are open for business in Toronto, Ontario.

**"Enforcement Action"** means any action, step or proceeding by SAF or any SAF Lender to realize on its security or exercise any of its rights or remedies in respect thereof, including to:

- (a) take from or for the account of the Debtor, by set-off or in any other manner, the whole or any part of any moneys that may now or hereafter be owing by the Debtor with respect to the SAF Indebtedness or any part thereof;
- (b) receive a transfer of Assets in satisfaction of any obligation secured thereby;
- (c) foreclose or seek to foreclose on any Assets or otherwise enforce the SAF Security or exercise a remedy, as a secured creditor or otherwise, in equity, or pursuant to the SAF Documents (including the commencement of applicable legal proceedings or other actions with respect to all or any portion of the Assets to facilitate any Enforcement Action or the exercise of any voting rights in respect of any equity interests comprising Assets);
- (d) take possession of, or sell or otherwise realize upon, or dispose of, any Assets;

- (e) appoint or seek to appoint an interim-receiver, receiver, receiver-manager, monitor, bankruptcy trustee, liquidator, custodian, sequestrator, conservator or any other similar official for the Debtor or for or in respect of all or any part of the Assets of the Debtor;
- (f) file, join in the filing of or commence any Insolvency Proceeding with respect to the Debtor;
- (g) sue for payment of, or initiate or participate with others in any suit, action or Insolvency Proceeding against the Debtor to enforce payment of or to collect, the whole or any part of the SAF Indebtedness;
- (h) commence judicial enforcement of any of the rights and remedies under any SAF Document or under any applicable law;
- (i) accelerate the maturity date or the time for payment of the SAF Indebtedness or any part of any thereof; or
- (j) take any action to enforce any rights or remedies of a secured creditor with respect to the Debtor after an "Event of Default" under and as defined in the SAF Credit Agreement has occurred and is continuing under the provisions of any Insolvency Law.

**"HPS Credit Agreement"** means the Second Amended and Restated Note Purchase and Guarantee Agreement dated as of April 25, 2019 among the Debtor, among others, the lenders party thereto as lenders from time to time (the **"HPS Lenders"**), and HPS, as agent for and on behalf of the HPS Lenders, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

**"HPS Documents"** means, collectively, the HPS Credit Agreement, all documents comprising the HPS Security and all other documents executed and delivered or to be executed and delivered by the Debtor (in each case whether alone or with another or others) to HPS or any HPS Lender, from time to time, in each case in connection with the HPS Credit Agreement or any other HPS Document.

**"HPS Indebtedness"** means all debts, liabilities and obligations, present or future, direct or indirect, contingent or absolute, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Debtor (whether alone or with another or others and whether as principal or surety) to HPS or any HPS Lender pursuant to the HPS Documents.

**"HPS Lenders"** has the meaning ascribed thereto in the definition of HPS Credit Agreement herein.

**"HPS Security"** means all liens, assignments, security interests, charges, pledges, hypothecations, mortgages and other encumbrances from time to time granted by the Debtor to HPS or any HPS Lender in respect of the Assets.

**"Insolvency Law"** means any of the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, and the *Winding-Up and Restructuring Act (Canada)*, each as now and hereafter in effect, and any successors to such statutes and any other applicable insolvency law or other law of any jurisdiction, domestic or foreign permitting a debtor to obtain a stay of proceedings to enforce, or a compromise or arrangement of, some or all of the claims of its creditors against it, including any such proceeding under applicable corporate law.

**"Insolvency Proceedings"** means any dissolution, bankruptcy, insolvency, receivership, winding-up, liquidation, assignment for the benefit of creditors, or other similar proceedings in respect of the Debtor (whether voluntary or involuntary), any proposal or other proceeding seeking a stay of proceedings, reorganization, compromise or arrangement of some or all of the claims of creditors made or commenced by or against the Debtor under any Insolvency Law, or any distribution of assets of the Debtor among its creditors in any manner whatsoever.

**"Person"** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate group, body corporate, corporation, unincorporated association or organization, governmental or regulatory authority, syndicate or other entity, whether or not having legal status.

**"SAF Credit Agreement"** means the credit agreement dated May 24, 2022 among Cormorant Utility Services Limited, as borrower, the lenders party thereto as lenders from time to time (the **"SAF Lenders"**), and SAF, as administrative agent for and on behalf of the SAF Lenders, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

**"SAF Documents"** means, collectively, the SAF Credit Agreement, the SAF Guarantee, the SAF GSA, the SAF Pledge Agreement, all SAF Security and all other documents executed and delivered or to be executed and delivered by any "Credit Party" (as defined in the SAF Credit Agreement) to SAF or any SAF Lender from time to time, in each case in connection with the SAF Credit Agreement or any other SAF Document and as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time.

**"SAF GSA"** means the general security agreement dated May 24, 2022 granted by the Debtor to SAF, in its capacity as administrative agent and on behalf of the SAF Lenders, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, pursuant to which the Debtor grants security over all of its Assets.

**"SAF Guarantee"** means the unlimited guarantee dated May 24, 2022 granted by the Debtor to SAF, in its capacity as administrative agent and on behalf of the SAF Lenders, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, which guarantees the obligations of "Credit Parties" (as defined in the SAF Credit Agreement) in connection with the SAF Documents.

**"SAF Indebtedness"** means all debts, liabilities and obligations, present or future, direct or indirect, contingent or absolute, matured or unmatured, at any time or from time to time due or accruing due and owing by or otherwise payable by the Debtor (whether alone or with another or others and whether as principal or surety) to SAF or any SAF Lender pursuant to the SAF Documents.

**"SAF Lenders"** has the meaning ascribed thereto in the definition of SAF Credit Agreement herein.

**"SAF Pledge Agreement"** means the securities pledge agreement dated May 24, 2022 granted by the Debtor to SAF, in its capacity as administrative agent and on behalf of the SAF Lenders, as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, pursuant to which the Debtor grants a pledge over certain of its Assets.

**"SAF Security"** means all liens, assignments, security interests, charges, pledges, hypothecations, mortgages and other encumbrances from time to time granted by the Debtor to SAF or any SAF Lender in respect of the Assets.

**"Subordinated HPS Pledged Interests"** means the "Collateral" under and as defined in the SAF Pledge Agreement as in effect on the date hereof (including, for the avoidance of doubt, Schedule A thereto, as in effect on the date hereof).

**Section 1.2 Certain Rules of Interpretation.**

Any reference in this Agreement to gender shall include all genders and words importing the singular number only shall include the plural and vice versa. The division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and are not to affect its interpretation. In this Agreement, the words "including" and "includes" mean "including (or includes) without limitation".

**ARTICLE 2  
SUBORDINATION**

**Section 2.1 Consent.**

HPS, on behalf of itself and each HPS Lender, hereby consents to the creation and issue of the SAF Security, and agrees that the creation, issue, registration, filing and existence of the SAF Security shall not constitute a default, breach or event of default under the HPS Documents.

**Section 2.2 Subordination and Postponement.**

- (1) HPS, on behalf of itself and each HPS Lender, hereby covenants and agrees that the HPS Security on the Subordinated HPS Pledged Interests shall for all purposes be, and at all times remain, subordinated, inferior, junior, postponed and subordinated to the SAF Security on the Subordinated HPS Pledged Interests. Neither HPS nor any HPS Lender will take any Enforcement Action in respect of the Subordinated HPS Pledged Interests, unless the prior written consent of SAF has been obtained (which consent may be granted or withheld by SAF in its sole and absolute discretion) or until such time as the SAF Indebtedness has been indefeasibly paid in full. Any consideration for the HPS Security in respect of the Subordinated HPS Pledged Interests that is received by HPS or any HPS Lender in violation of this Agreement will be held by HPS or such HPS Lender, as applicable, in trust for the benefit of, and shall forthwith be paid over to, SAF.
- (2) SAF, on behalf of itself and each SAF Lender, hereby covenants and agrees that the SAF Security, other than the SAF Security in respect of the Subordinated HPS Pledged Interests, shall for all purposes be, and at all times remain, subordinated, inferior, junior, postponed and subordinated to the HPS Security, in the manner and to the extent provided in this Agreement. Neither SAF nor any SAF Lender will take any Enforcement Action with respect to the Debtor or any of the SAF Security, other than the SAF Security in respect of the Subordinated HPS Pledged Interests, unless the prior written consent of HPS has been obtained (which consent may be granted or withheld by HPS in its sole and absolute discretion) or until such time as the HPS Indebtedness has been indefeasibly paid in full. Any payment on the SAF Indebtedness, or any consideration for the SAF Security, other than the SAF Security in respect of the Subordinated HPS Pledged Interests, that is received by SAF or any SAF Lender in violation of this Agreement will be held by SAF or such SAF Lender, as applicable, in trust for the benefit of, and shall forthwith be paid over to, HPS. Notwithstanding the immediately preceding sentence, any payment on the SAF Indebtedness made by any of the Credit Parties (as defined in the SAF Credit Agreement on the Closing Date and limited to the Credit Parties on the Closing Date and any present or future Subsidiary (as defined in the SAF Credit Agreement) of Cormorant Utility Services Limited that becomes a Credit Party) other than the Debtor shall not be subject to the restrictions set out in the immediately preceding sentence.

Notwithstanding the foregoing, SAF and any SAF Lender may: (i) accelerate the SAF Indebtedness in accordance with the SAF Guarantee; (ii) issue a notice of intention to enforce security pursuant to section 244 of the Bankruptcy and Insolvency Act (Canada) in accordance with the SAF Guarantee and SAF Security to permit enforcement on the Subordinated HPS Pledged Interests; (iii) take any action to perfect the SAF Security pursuant to the SAF Documents; (iv) take Enforcement Action under the SAF Guarantee only to such extent as is required to take Enforcement Action with respect to the SAF Security in respect of the Subordinated HPS Pledged Interests; (v) file proofs of claim in any Insolvency Proceeding; (vi) take any action to the extent necessary to prevent the running of any applicable statute of limitations or similar restriction on claims; (vii) file any responsive or defensive pleadings in opposition to any motion, claim, adversarial proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims of SAF; (viii) impose the default rate of interest under the SAF Credit Agreement in accordance with the terms thereof; (ix) vote on any proposal or plan in a manner in all respects consistent with, and to the extent not prohibited in any manner by, the terms of this Agreement; and (x) receive any payment or distribution under or pursuant to a plan of reorganization, plan or arrangement or similar dispositive restructuring plan in respect of the Subordinated HPS Pledged Interests which has been confirmed pursuant to a final, non-appealable order in a case under any Insolvency Proceeding. In the event that SAF is delayed in the exercise of any right or remedy by the provisions of this Agreement, the Debtor agrees that it will not assert, and waives any right to assert, that the exercise of such right or remedy is untimely or that failure or delay to exercise such right or remedy constitutes a waiver thereof. For certainty, there shall be no restriction upon SAF or any SAF Lender taking any Enforcement Action in respect of the Subordinated HPS Pledged Interests.

- (3) Without limiting the generality of the foregoing, the subordination and postponement of the SAF Security and the HPS Security in respect of the Subordinated HPS Pledged Interests provided by this Agreement shall prevail in all circumstances and irrespective of:
- (a) the time of creation, granting, execution, delivery, attachment, registration, perfection or enforcement of the HPS Security and the SAF Security;
  - (b) that any of the security interests constituted by the HPS Security or the SAF Security shall be defective, unperfected or unenforceable for any reason whatsoever;
  - (c) the time of crystallization of any floating charge or floating hypothec constituted by the HPS Security or the SAF Security;
  - (d) the provisions of the HPS Documents or the SAF Documents;
  - (e) any forbearance whatsoever, whether as to time, performance, or otherwise under, or any release, discharge, loss or alteration in or dealing with, all or any part of the HPS Security or the SAF Security;
  - (f) the giving of, or the failure to give, any notice to the Debtor or to any other Person or the time of giving any such notice (including pursuant to this Agreement or otherwise);
  - (g) any invalidity or unenforceability of, or any limitation on, the liability of the Debtor;
  - (h) any defence, compensation, set-off or counterclaim which the Debtor may have or assert;
  - (i) any Insolvency Proceedings;

- (j) the date of incurrence of the HPS Indebtedness or the SAF Indebtedness, or any portion thereof;
- (k) any priority granted by any principle of law or any statute; or
- (l) any other matter whatsoever.

**Section 2.3 No Contest of Security.**

- (1) Neither HPS nor any HPS Lender will:
  - (a) assert in any action, suit or proceeding whatsoever the invalidity, unenforceability or ineffectiveness of this Agreement, the SAF Security or any SAF Document; or
  - (b) participate in or co-operate with any other party to pursue any such action, suit or proceeding.
- (2) Neither SAF nor any SAF Lender will:
  - (a) assert in any action, suit or proceeding whatsoever the invalidity, unenforceability or ineffectiveness of this Agreement, the HPS Security or any HPS Document; or
  - (b) participate in or co-operate with any other party to pursue any such action, suit or proceeding.

**ARTICLE 3  
REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS**

**Section 3.1 Representations and Warranties.**

- (1) SAF represents, warrants and covenants to HPS that it has taken all necessary action to authorize the creation, execution, delivery of, and the performance of, its obligations under this Agreement in accordance with the terms hereof, that it has authority to enter into this Agreement as agent for and on behalf of the SAF Lenders (and to bind the SAF Lenders under this Agreement) and that this Agreement constitutes a legal, valid and binding obligation of SAF, enforceable against SAF in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (2) HPS represents, warrants and covenants to SAF that it has taken all necessary action to authorize the creation, execution, delivery of, and the performance of, its obligations under this Agreement in accordance with the terms hereof, that it has authority to enter into this Agreement as agent for and on behalf of the HPS Lenders (and to bind the HPS Lenders under this Agreement) and that this Agreement constitutes a legal, valid and binding obligation of HPS, enforceable against HPS in accordance with its terms, subject only to any limitation under applicable laws relating to (i) bankruptcy, insolvency, arrangement or creditors' rights generally, and (ii) the discretion that a court may exercise in the granting of equitable remedies.
- (3) The representations, warranties and covenants in this Section 3.1 are made as of the date hereof, and all such representations, warranties and covenants shall survive the execution and delivery of this Agreement.

**Section 3.2 Debtor Acknowledgement.**

The Debtor hereby acknowledges and agrees that:

- (a) it authorizes HPS and SAF to share with each other any information possessed by them relating to the HPS Indebtedness, the SAF Indebtedness and to payments received by HPS, the HPS Lenders, SAF or the SAF Lenders in respect thereof;
- (b) this Agreement shall not modify, relieve or release it from any of its HPS Indebtedness or its SAF Indebtedness or performance obligations under any HPS Document or under any SAF Document, all of which obligations are absolute and unconditional;
- (c) it is a party hereto solely for the purpose of providing the acknowledgements and agreements set forth herein and neither the Debtor nor any receiver or creditor of the Debtor derives, and is not intended to derive, any benefits hereunder; and
- (d) it consents to the terms of this Agreement and agrees to comply with, and to not act contrary to, the terms of this Agreement.

**ARTICLE 4  
MISCELLANEOUS PROVISIONS**

**Section 4.1 Notices, etc.**

Any notice, direction or other communication required or permitted to be given under this Agreement shall be in writing and given by delivering it or sending it by electronic mail addressed to the applicable party as follows:

- (a) to the Debtor at:

1477 Bishop Street North

Cambridge, ON N1R 7J4

Attention: Karen Marner

Email: [KMarnar@cormorantutility.com](mailto:KMarnar@cormorantutility.com)

- (b) to SAF at:

1900, 333 7th Avenue SW

Calgary, Alberta T2P 2Z1

Attention: Chief Financial Officer

Email: [legal@safgroup.ca](mailto:legal@safgroup.ca)

- (c) to HPS at:

HPS Investment Partners LLC

40 West 57th Street

New York, New York 10019

Attention: Shant Babikian

Email: shant.babikian@hpspartners.com

Any such communication shall be deemed to have been validly and effectively given if personally delivered or delivered by electronic mail, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:00 p.m. at the place of delivery otherwise on the next Business Day. Any party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the party at its changed address.

**Section 4.2 Termination.**

- (1) The provisions hereof shall in all respects be a continuing agreement and shall remain in full force and effect until the earlier of: (a) the final and indefeasible payment in full of the HPS Indebtedness, and (b) the repayment in full of the SAF Indebtedness.
- (2) This Agreement shall continue to be effective or be reinstated, as the case may be, if at any time any payment or performance of the HPS Indebtedness is rescinded, reversed, nullified, rendered void or voidable or must otherwise be restored, refunded, returned or unwound for any reason, all as though such payment had not been made or such performance had not occurred.

**Section 4.3 No Waiver; Remedies.**

No failure on the part of HPS or any HPS Lender to exercise, and no delay in exercising, any right under this Agreement shall operate as a waiver of such right; nor shall any single or partial exercise of any right preclude any other or further exercise of the right or the exercise of any other right. No waiver of any provision of this Agreement nor consent to any departure by SAF, any SAF Lender or the Debtor of any provision of this Agreement shall be effective unless the same is in writing and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. These remedies are cumulative and not exclusive of any remedies provided by law.

**Section 4.4 Amendments**

No provisions of this Agreement may be amended, waived, discharged or terminated orally nor may any breach of any of the provisions of this Agreement be waived or discharged orally, and any such amendment, waiver, discharge or termination may only be made in writing signed by HPS and SAF.

**Section 4.5 No Representations, etc.**

There are no other representations, collateral agreements or conditions with respect to this Agreement or affecting SAF's, any SAF Lender's, HPS's or any HPS Lender's liability other than as contained or referred to in this Agreement.

**Section 4.6 No Merger, etc.**

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Debtor, SAF or any SAF Lender under this Agreement nor shall the acceptance of any payment or alternate security constitute or create any novation and it is further agreed that the taking of a judgment or judgments under any of the covenants contained in this Agreement shall not operate as a merger of such covenants.

**Section 4.7 Debtor Bound.**

By executing this Agreement, the Debtor acknowledges its existence and agrees to be bound by its terms. Nothing in this Agreement shall confer or be deemed to confer any right, benefit or

advantage on the Debtor. The consent of the Debtor to any amendment of this Agreement shall not be required.

**Section 4.8 Further Assurances.**

Each of the parties shall execute all such further agreements, instruments, assignments and other documents and shall do all such further acts and things as may reasonably be required from time to time to give full force and effect to this Agreement and the subordination and postponement provided for herein.

**Section 4.9 Successors and Assigns.**

- (1) This Agreement shall be binding upon the Debtor, SAF, each SAF Lender, HPS and each HPS Lender and their respective successors and assigns, and shall enure to the benefit of SAF, each SAF Lender, HPS and each HPS Lender and their respective successors and permitted assigns.
- (2) The Debtor may not assign this Agreement. Neither HPS nor SAF shall assign this Agreement except in connection with a corresponding assignment of the HPS Security or the SAF Security, as applicable, to the same proposed assignee and unless and until the proposed assignee has executed and delivered, to the satisfaction of the other, an agreement substantially the same as this Agreement.
- (3) Any SAF Lender may at any time, without the consent of, or notice to HPS or the Debtor, pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such SAF Lender, but no such pledge or assignment shall release such SAF Lender from any of its obligations hereunder or thereunder or substitute any such pledgee or assignee for such SAF Lender as a party hereto or thereto.

**Section 4.10 Severability.**

If any provision of this Agreement shall be deemed by any court of competent jurisdiction to be invalid or void, the remaining provisions shall remain in full force and effect.

**Section 4.11 Governing Law.**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The parties hereto hereby irrevocably submit and attorn to the jurisdiction of the courts of the Province of Ontario for all matters arising out of or relating to this Agreement or any of the transactions contemplated hereby.

**Section 4.12 Time of the Essence.**

Time shall be of the essence with respect to this Agreement.

**Section 4.13 Entire Agreement.**

This Agreement contains the entire agreement between the parties hereto with respect to the matters herein contained and there are no other representations, warranties, covenants or collateral agreements between any of the parties hereto in connection therewith other than as expressly herein provided.

**Section 4.14 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 taken together shall be deemed to constitute one and the same instrument, and it shall not be necessary in making proof of this Agreement to produce or account for more than one such counterpart. Transmission of a copy of an executed (manually or by electronic signature) signature page of this Agreement to the other parties to this Agreement by facsimile transmission or e-mail in pdf format shall be as effective as delivery to each party to this Agreement of a manually executed counterpart hereof.

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

**HPS INVESTMENT PARTNERS, LLC, AS  
AGENT**

By: Shah Balid  
Authorized Signatory

**SFPC QUANTUM LP, AS ADMINSTRATIVE  
AGENT**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**CFFI VENTURES INC.**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

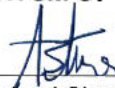
**IN WITNESS WHEREOF** the parties have executed this Agreement.

**HPS INVESTMENT PARTNERS, LLC**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**SFPC QUANTUM LP, by its general partner,  
SFPC QUANTUM GP INC.**

By:  \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**CFFI VENTURES INC.**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

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

**HPS INVESTMENT PARTNERS, LLC**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**SFPC QUANTUM LP, by its general partner,  
SFPC QUANTUM GP INC.**

By: \_\_\_\_\_  
Authorized Signing Officer

By: \_\_\_\_\_  
Authorized Signing Officer

**CFFI VENTURES INC.**

By: \_\_\_\_\_  
  
Authorized Signing Officer  
Nanci Rorabeck  
Secretary

By: \_\_\_\_\_  
Authorized Signing Officer

**THIS IS EXHIBIT "E"**  
**TO THE AFFIDAVIT OF MICHAEL SCOTT**  
**AFFIRMED BEFORE ME OVER VIDEOCONFERENCE**  
**THIS 2<sup>nd</sup> DAY OF JUNE, 2026**



---

Commissioner for Taking Affidavits

**From:** [Chadwick, Robert](#)  
**To:** [Stephen Kingston](#); [Ben Pryde](#)  
**Cc:** [Konyukhova Maria](#); [Wasserman Marc S.](#); [Jeffrey Rosenberg](#); [natasha.macparland@dentons.com](mailto:natasha.macparland@dentons.com); [Harmes, Andrew](#)  
**Subject:** CFFi-SISP Comments  
**Date:** Tuesday, May 26, 2026 11:17:42 PM  
**Attachments:** [CFFI - SISP - Goodmans Comments - DRAFT.docx](#)  
[Redline.pdf](#)

---

We enclose a blackline and clean version of the draft SISP which remains subject to the review and comments of our client and further internal Goodmans review. Rob

# Sale and Investment Solicitation Process

---

1. On March 13, 2026, pursuant to an order (the “**Initial Order**”) of the Supreme Court of Nova Scotia (the “**Court**”), CFFI Ventures Inc. (“**CFFI**”) commenced proceedings under *the Companies’ Creditors Arrangement Act* (the “**CCAA**”). Among other things, the Initial Order appointed FTI Consulting Canada Inc. as monitor (in such capacity, the “**Monitor**”).
2. On June 9, 2026, the Court granted an order (the “**SISP Order**”) approving the sale and investment solicitation process set out herein (the “**SISP**”) in accordance with the terms hereof. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Affidavit of Brittany Bartlett sworn February 14, 2026, as applicable.
3. This SISP sets out the manner in which (i) binding bids for executable transaction(s) involving ~~the shares and/or the business and assets of CFFI will be~~ CFFI’s properties, assets and undertakings (excluding any shares of Cormorant Utility Services Limited (“**Cormorant**”) held by CFFI (the “**Cormorant Shares**”)) (the properties, assets and undertakings subject to this SISP collectively referred to herein as the “**SISP Property**”) and/or business operations (the “**Business**”) will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court approval of any Successful Bid will be sought. Such transactions may include, among other things, a sale of some or all of ~~CFFI’s shares, assets and/or business~~ the SISP Property and/or an investment in CFFI or the Business, each of which shall be subject to all terms set forth in this SISP (including, for greater certainty, the Reservation of Rights (as defined below)).
4. The SISP shall be conducted by the Monitor, with the assistance of [FTI Corporate Finance Inc.] (the “**Sale Advisor**”), in consultation with CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick, on the terms set out herein.
5. Parties who wish to have their bids considered shall be expected to participate in the SISP as conducted by the Monitor.
6. The SISP will be conducted such that the Sale Advisor, under the oversight of the Monitor, will:
  - a) prepare marketing materials and a process letter in consultation with the Monitor, CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick;
  - b) prepare a list of potential bidders that the Sale Advisor, in consultation with the Monitor, CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick, believes may be interested in the opportunity;
  - c) ~~b)~~ prepare and provide applicable parties with access to a data room containing diligence information. For greater certainty, no confidential information of Cormorant shall be included in the data room or otherwise disclosed to any party in connection with the SISP;
  - d) ~~e)~~ solicit interest from parties to enter into non-disclosure agreements with the Monitor and CFFI (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to the Monitor and CFFI);
  - e) ~~d)~~ request that such parties submit (i) a notice of intent to bid that identifies the potential purchaser and a general description of the ~~assets~~ SISP Property and/or ~~business(es) of CFFI~~ Business that would be the subject of the bid and that reflects a reasonably likely

prospect of culminating in a Qualified Bid (as defined below), as determined by the Monitor ~~in consultation with CFFI~~ and the Sale Advisor (subject to the confidentiality requirements set forth in Sections ~~1516~~ and ~~1718~~ below) (a “NOI”) by the NOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section ~~98~~ below, as determined by the Monitor and the Sale Advisor in consultation with CFFI (a “Qualified Bid”) by the Qualified Bid Deadline (as defined below); and

- f) ~~e)~~ Coordinate due diligence meetings between CFFI’s management and parties who have validly submitted an NOI (for the avoidance of doubt, no such meetings shall occur prior to the NOI Deadline).

7. The SISP shall be conducted subject to the terms hereof and the following key milestones:

- a) Deadline to submit NOI – 11:59 p.m. (Atlantic Time) on ~~July 21~~ August 12, 2026 (the “NOI Deadline”);
- b) Deadline to submit a Qualified Bid – 11:59 p.m. (Atlantic Time) on ~~August 14~~ September 30, 2026 (the “Qualified Bid Deadline”);
- c) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. (Atlantic Time) on ~~August 14~~ October 2, 2026;
- d) ~~Monitor to hold~~ Auction (if applicable) – 10:00 a.m. (Atlantic Time) during the week of ~~August 17~~ October 5, 2026; and
- e) Implementation Order (as defined below) hearing - by no later than twelve (12) days after selection of the Successful Bid, subject to Court availability.

8. In order to constitute a Qualified Bid, a bid must comply with the following:

- a. it contemplates consideration which is sufficient to result in the repayment in full and in cash, on closing of such transaction, of all amounts outstanding under the Note Purchase Agreement or such lower amount as agreed to by the HPS Secured Creditors in their sole discretion, or consideration which, if combined with another bid or bid(s) for the remaining ~~shares, business~~ SISP Property and/or ~~assets of CFFI~~ Business, would result in the repayment in full and in cash, on closing of such transaction, of such amount.
- b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the “Cash Consideration Value”) and any assumptions that could reduce the net consideration payable.
- c. it is reasonably capable of being consummated within forty-five (45) days of the Auction or, if no Auction is held, within forty-five (45) days of being selected as the Successful Bid;
- d. it contains:
  - i. duly executed binding transaction document(s);
  - ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
  - iii. evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder’s equityholder(s);
  - iv. disclosure of any connections or agreements with CFFI or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of CFFI or any of its affiliates; and
  - v. such other information reasonably requested by the Monitor and the Sale

Advisor;

- e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
- f. it provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the transaction agreement;
- ~~g. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;~~
- g. ~~h.~~ it is not conditional upon:
  - i. the outcome of any due diligence by the bidder; or
  - ii. the bidder obtaining financing;
- h. ~~i.~~ it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
- i. ~~j.~~ it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals);
- j. ~~k.~~ the bid is accompanied by a cash deposit (the "**Deposit**") sent by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP (for greater certainty, a Deposit shall not be required where a secured creditor is credit bidding its secured debt against assets secured thereby);
- k. ~~l.~~ a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
- l. ~~m.~~ it is received by the Qualified Bid Deadline.

9. The Monitor, in consultation with the Sale Advisor, may waive compliance with any one or more of the requirements specified in Section 8 above and deem a non-compliant bid to be a Qualified Bid.

10. ~~9.~~ The NOI Deadline and/or the Qualified Bid Deadline may be extended by (i) the Monitor ~~for up to no longer than fourteen days~~ at its discretion, in consultation with ~~CFPI~~ the Sale Advisor, or (ii) further order of the Court. In such circumstances, the subsequent milestones contained in ~~Subsections 8(d) through (g)~~ Section 7 shall be extended by the same amount of time.

11. ~~10.~~ If multiple overlapping Qualified Bids ~~with overlapping subject shares or assets~~ have been received by the Monitor on or before the Qualified Bid Deadline, the Monitor ~~shall, in consultation with the Sale Advisor, may elect to~~ proceed with an auction process to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto. The successful bid(s) selected within the Auction shall constitute the "**Successful Bid**". Forthwith upon determining to proceed with an Auction, the ~~Monitor~~ Sale Advisor shall provide written notice to each party that submitted a Qualified Bid with copies of all Qualified Bids and a statement ~~by the Monitor~~ specifying which Qualified Bid is the leading bid.

12. ~~11.~~ If no NOI has been received by the Monitor on or before the NOI Deadline, then: (i) the SISP may be terminated by the Monitor and the Sale Advisor, in consultation with CFFI ~~and~~, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick; and (ii) the HPS Secured Creditors may provide a credit bid or debt assumption transaction, which shall be deemed to be the Successful Bid, provided that:

- (i) the terms thereof are acceptable to the Monitor and the Sale Advisor; and
- (ii) such bid or transaction does not provide for consideration in excess of the debt owed to the HPS Secured Creditors (the “**HPS Debt**”), excluding consideration in the form of assumed liabilities.

13. ~~12.~~ If no Qualified Bid has been received by the Monitor on or before the Qualified Bid Deadline, then: (i) the SISP may be terminated by the Monitor and the Sale Advisor, in consultation with CFFI ~~and~~, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick; and (ii) the HPS Secured Creditors may provide a credit bid or debt assumption transaction, which shall be deemed to be the Successful Bid, provided that:

- (i) the terms thereof are acceptable to the Monitor and the Sale Advisor; and
- (ii) such bid or transaction does not provide for consideration in excess of the HPS Debt, excluding consideration in the form of assumed liabilities.

14. ~~13.~~ Following selection of the Successful Bid(s), the Monitor shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid(s) in accordance with the key milestones set out in Section 8.7. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Monitor, in consultation with CFFI, the Monitor shall apply to the Court for an order or orders approving such Successful Bid(s) and/or the mechanics to authorize CFFI to complete the transactions contemplated thereby, as applicable, and authorizing CFFI to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an “**Implementation Order**”).

15. ~~14.~~ All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by the Monitor, in consultation with CFFI.

16. ~~15.~~ The Monitor, ~~in consultation with CFFI, may, as it deems appropriate,~~ shall consult with ~~creditors of~~ CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick throughout the SISP, upon such assurances as to confidentiality as the Monitor may require.

17. ~~16.~~ Nothing in this SISP shall prohibit a secured creditor of CFFI from participating as a bidder in the SISP, including by way of a credit bid.
18. ~~17.~~ The Monitor and the Sale Advisor shall share any notice(s) of intent to bid or bid(s) with the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick on a confidential basis, including: (i) copies (or if not provided to the Monitor or the Sale Advisor in writing, a detailed description) of any such notice of intent to bid or any such bid received, after the NOI Deadline and no later than ~~July 10, 2026~~ three (3) business days following the NOI Deadline; and (ii) on or after the NOI Deadline, such other information as reasonably requested by the HPS Secured Creditors ~~or its~~, the CRA, SFPC Quantum, and Brendan Paddick or their respective advisors or as necessary to keep the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick informed of such notice of intent to bid or bid, no later than one (1) calendar day after any request or any material change or development with respect to a notice of intent to bid or bid.
19. Notwithstanding any other provision of this SISP, neither the Monitor nor the Sale Advisor shall disclose to the HPS Secured Creditors, or permit the HPS Secured Creditors to receive, any information regarding the identity of any bidder or potential bidder, the existence of any NOI or bid, the nature, terms or content of any NOI or bid, or the status of any discussions or negotiations with any bidder or potential bidder, unless the same disclosure is made to the CRA, SFPC Quantum, and Brendan Paddick at the same time and in the same manner.
20. Nothing in the SISP or the SISP Order acknowledges or declares that the interests in the Business or SISP Property being marketed within this SISP are capable of being transferred by CFFI (including, without limitation, in connection with a credit bid or debt assumption transaction by the HPS Secured Creditors). For clarity, all parties' ability to challenge CFFI's ability to transfer any Business or SISP Property are expressly preserved and not derogated from (the "Reservation of Rights"). Without limiting the generality of the foregoing Reservation of Rights: (a) the SISP does not include the Cormorant Shares, and no bid, credit bid, or debt assumption transaction that includes the Cormorant Shares shall be accepted pursuant to this SISP, and (b) nothing in this SISP or the SISP Order shall prejudice, limit or constitute a waiver of any right SFPC Quantum may have to take the position that its consent is required in connection with any transaction involving Cormorant and/or the Cormorant Shares and all such rights are expressly reserved as part of the Reservation of Rights.
21. ~~18.~~

## SCHEDULE “A”: AUCTION PROCEDURES

1. **Auction.** If the Monitor receives two or more overlapping Qualified Bids ~~with overlapping subject shares or assets~~, the Monitor ~~will~~, in consultation with the Sale Advisor, may elect to conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline (collectively, the “**Qualified Parties**”), shall be eligible to participate in the Auction. No later than 5:00 p.m. Atlantic Time on the day prior to the Auction, each Qualified Party must inform the ~~Monitor~~Sale Advisor whether it intends to participate in the Auction. The ~~Monitor~~Sale Advisor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

- a. **Attendance.** Only CFFI, the Qualified Parties, the Monitor, the Sale Advisor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with any other bidder with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid (as defined below);
- c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid(s) that represent the highest or otherwise best Qualified Bid (in the aggregate, if it is comprised of multiple Qualified Bids) as determined by the Monitor and the Sale Advisor, in consultation with CFFI (the “**Initial Bid**”), and any bid made at the Auction by a Qualified Party subsequent to the ~~Monitor’s~~Sale Advisor’s announcement of the Initial Bid (each, an “**Overbid**”), must proceed in minimum additional cash increments of USD\$1,000,000;
- d. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the ~~Monitor~~Sale Advisor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Sale Advisor, the Monitor, and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;

- e. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and
- f. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

#### **Selection of Successful Bid**

4. **Selection.** Before the conclusion of the Auction, the Monitor [and the Sale Advisor](#), in consultation with CFFI, will: (a) review each Qualified Bid, considering the factors set out in Section [98](#) of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's (Parties') ability to close a transaction within forty-five (45) of the Auction (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid(s), (v) the net benefit to CFFI and (vi) any other factors the Monitor [and the Sale Advisor](#) may reasonably deem relevant; and (b) identify the highest or otherwise best bid(s) received at the Auction (the "**Successful Bid(s)**") and the Qualified Party(ies) making such bid, the "**Successful Party(ies)**").

5. **Acknowledgement.** The Successful Party(ies) shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) were made within one business day of the Successful Bid(s) being selected as such, unless extended by the Monitor in its sole discretion, subject to the milestones set forth in Section [87](#) of the SISP.

# Sale and Investment Solicitation Process

---

1. On March 13, 2026, pursuant to an order (the “**Initial Order**”) of the Supreme Court of Nova Scotia (the “**Court**”), CFFI Ventures Inc. (“**CFFI**”) commenced proceedings under *the Companies’ Creditors Arrangement Act* (the “**CCAA**”). Among other things, the Initial Order appointed FTI Consulting Canada Inc. as monitor (in such capacity, the “**Monitor**”).
2. On June 9, 2026, the Court granted an order (the “**SISP Order**”) approving the sale and investment solicitation process set out herein (the “**SISP**”) in accordance with the terms hereof. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Affidavit of Brittany Bartlett sworn February 14, 2026, as applicable.
3. This SISP sets out the manner in which (i) binding bids for executable transaction(s) involving CFFI’s properties, assets and undertakings (excluding any shares of Cormorant Utility Services Limited (“**Cormorant**”) held by CFFI (the “**Cormorant Shares**”)) (the properties, assets and undertakings subject to this SISP collectively referred to herein as the “**SISP Property**”) and/or business operations (the “**Business**”) will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court approval of any Successful Bid will be sought. Such transactions may include, among other things, a sale of some or all of the SISP Property and/or an investment in CFFI or the Business, each of which shall be subject to all terms set forth in this SISP (including, for greater certainty, the Reservation of Rights (as defined below)).
4. The SISP shall be conducted by the Monitor, with the assistance of [FTI Corporate Finance Inc.] (the “**Sale Advisor**”), in consultation with CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick, on the terms set out herein.
5. Parties who wish to have their bids considered shall be expected to participate in the SISP as conducted by the Monitor.
6. The SISP will be conducted such that the Sale Advisor, under the oversight of the Monitor, will:
  - a) prepare marketing materials and a process letter in consultation with the Monitor, CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick;
  - b) prepare a list of potential bidders that the Sale Advisor, in consultation with the Monitor, CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick, believes may be interested in the opportunity;
  - c) prepare and provide applicable parties with access to a data room containing diligence information. For greater certainty, no confidential information of Cormorant shall be included in the data room or otherwise disclosed to any party in connection with the SISP;
  - d) solicit interest from parties to enter into non-disclosure agreements with the Monitor and CFFI (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to the Monitor and CFFI);
  - e) request that such parties submit (i) a notice of intent to bid that identifies the potential purchaser and a general description of the SISP Property and/or Business that would be the subject of the bid and that reflects a reasonably likely prospect of culminating in a Qualified Bid (as defined below), as determined by the Monitor and the Sale Advisor (subject to the

confidentiality requirements set forth in Sections 16 and 18 below) (a “**NOI**”) by the NOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 8 below, as determined by the Monitor and the Sale Advisor in consultation with CFFI (a “**Qualified Bid**”) by the Qualified Bid Deadline (as defined below); and

- f) Coordinate due diligence meetings between CFFI’s management and parties who have validly submitted an NOI (for the avoidance of doubt, no such meetings shall occur prior to the NOI Deadline).

7. The SISP shall be conducted subject to the terms hereof and the following key milestones:

- a) Deadline to submit NOI – 11:59 p.m. (Atlantic Time) on **August 12, 2026** (the “**NOI Deadline**”);
- b) Deadline to submit a Qualified Bid – 11:59 p.m. (Atlantic Time) on **September 30, 2026** (the “**Qualified Bid Deadline**”);
- c) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. (Atlantic Time) on **October 2, 2026**;
- d) Auction (if applicable) – 10:00 a.m. (Atlantic Time) during the week of **October 5, 2026**; and
- e) Implementation Order (as defined below) hearing - by no later than twelve (12) days after selection of the Successful Bid, subject to Court availability.

8. In order to constitute a Qualified Bid, a bid must comply with the following:

- a. it contemplates consideration which is sufficient to result in the repayment in full and in cash, on closing of such transaction, of all amounts outstanding under the Note Purchase Agreement or such lower amount as agreed to by the HPS Secured Creditors in their sole discretion, or consideration which, if combined with another bid or bid(s) for the remaining SISP Property and/or Business, would result in the repayment in full and in cash, on closing of such transaction, of such amount.
- b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the “**Cash Consideration Value**”) and any assumptions that could reduce the net consideration payable.
- c. it is reasonably capable of being consummated within forty-five (45) days of the Auction or, if no Auction is held, within forty-five (45) days of being selected as the Successful Bid;
- d. it contains:
  - i. duly executed binding transaction document(s);
  - ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
  - iii. evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder’s equityholder(s);
  - iv. disclosure of any connections or agreements with CFFI or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of CFFI or any of its affiliates; and
  - v. such other information reasonably requested by the Monitor and the Sale Advisor;
- e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is

- selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
- f. it provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the bidder in connection with the transaction agreement;
  - g. it is not conditional upon:
    - i. the outcome of any due diligence by the bidder; or
    - ii. the bidder obtaining financing;
  - h. it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
  - i. it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals);
  - j. the bid is accompanied by a cash deposit (the "**Deposit**") sent by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP (for greater certainty, a Deposit shall not be required where a secured creditor is credit bidding its secured debt against assets secured thereby);
  - k. a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
  - l. it is received by the Qualified Bid Deadline.
9. The Monitor, in consultation with the Sale Advisor, may waive compliance with any one or more of the requirements specified in Section 8 above and deem a non-compliant bid to be a Qualified Bid.
  10. The NOI Deadline and/or the Qualified Bid Deadline may be extended by (i) the Monitor at its discretion, in consultation with the Sale Advisor, or (ii) further order of the Court. In such circumstances, the subsequent milestones contained in Section 7 shall be extended by the same amount of time.
  11. If multiple overlapping Qualified Bids have been received by the Monitor on or before the Qualified Bid Deadline, the Monitor, in consultation with the Sale Advisor, may elect to proceed with an auction process to determine the successful bid(s) (the "**Auction**"), which Auction shall be administered in accordance with Schedule "A" hereto. The successful bid(s) selected within the Auction shall constitute the "**Successful Bid**". Forthwith upon determining to proceed with an Auction, the Sale Advisor shall provide written notice to each party that submitted a Qualified Bid with copies of all Qualified Bids and a statement specifying which Qualified Bid is the leading bid.
  12. If no NOI has been received by the Monitor on or before the NOI Deadline, then: (i) the SISP may be terminated by the Monitor and the Sale Advisor, in consultation with CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick; and (ii) the HPS Secured Creditors may provide a credit bid or debt assumption transaction, which shall be deemed to be the Successful Bid, provided that:
    - (i) the terms thereof are acceptable to the Monitor and the Sale Advisor; and

- (ii) such bid or transaction does not provide for consideration in excess of the debt owed to the HPS Secured Creditors (the “**HPS Debt**”), excluding consideration in the form of assumed liabilities.
- 13. If no Qualified Bid has been received by the Monitor on or before the Qualified Bid Deadline, then:
  - (i) the SISP may be terminated by the Monitor and the Sale Advisor, in consultation with CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick; and
  - (ii) the HPS Secured Creditors may provide a credit bid or debt assumption transaction, which shall be deemed to be the Successful Bid, provided that:
    - (i) the terms thereof are acceptable to the Monitor and the Sale Advisor; and
    - (ii) such bid or transaction does not provide for consideration in excess of the HPS Debt, excluding consideration in the form of assumed liabilities.
- 14. Following selection of the Successful Bid(s), the Monitor shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid(s) in accordance with the key milestones set out in Section 7. Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the Monitor, in consultation with CFFI, the Monitor shall apply to the Court for an order or orders approving such Successful Bid(s) and/or the mechanics to authorize CFFI to complete the transactions contemplated thereby, as applicable, and authorizing CFFI to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an “**Implementation Order**”).
- 15. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by the Monitor, in consultation with CFFI.
- 16. The Monitor shall consult with CFFI, the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick throughout the SISP, upon such assurances as to confidentiality as the Monitor may require.
- 17. Nothing in this SISP shall prohibit a secured creditor of CFFI from participating as a bidder in the SISP, including by way of a credit bid.
- 18. The Monitor and the Sale Advisor shall share any notice(s) of intent to bid or bid(s) with the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick on a confidential basis, including: (i) copies (or if not provided to the Monitor or the Sale Advisor in writing, a detailed description) of any such notice of intent to bid or any such bid received, after the NOI Deadline and no later than three (3) business days following the NOI Deadline; and (ii) on or after the NOI Deadline, such other information as reasonably requested by the HPS Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick or their respective advisors or as necessary to keep the HPS

Secured Creditors, the CRA, SFPC Quantum, and Brendan Paddick informed of such notice of intent to bid or bid, no later than one (1) calendar day after any request or any material change or development with respect to a notice of intent to bid or bid.

19. Notwithstanding any other provision of this SISP, neither the Monitor nor the Sale Advisor shall disclose to the HPS Secured Creditors, or permit the HPS Secured Creditors to receive, any information regarding the identity of any bidder or potential bidder, the existence of any NOI or bid, the nature, terms or content of any NOI or bid, or the status of any discussions or negotiations with any bidder or potential bidder, unless the same disclosure is made to the CRA, SFPC Quantum, and Brendan Paddick at the same time and in the same manner.
20. Nothing in the SISP or the SISP Order acknowledges or declares that the interests in the Business or SISP Property being marketed within this SISP are capable of being transferred by CFFI (including, without limitation, in connection with a credit bid or debt assumption transaction by the HPS Secured Creditors). For clarity, all parties' ability to challenge CFFI's ability to transfer any Business or SISP Property are expressly preserved and not derogated from (the "**Reservation of Rights**"). Without limiting the generality of the foregoing Reservation of Rights: (a) the SISP does not include the Cormorant Shares, and no bid, credit bid, or debt assumption transaction that includes the Cormorant Shares shall be accepted pursuant to this SISP, and (b) nothing in this SISP or the SISP Order shall prejudice, limit or constitute a waiver of any right SFPC Quantum may have to take the position that its consent is required in connection with any transaction involving Cormorant and/or the Cormorant Shares and all such rights are expressly reserved as part of the Reservation of Rights.

## SCHEDULE "A": AUCTION PROCEDURES

1. **Auction.** If the Monitor receives two or more overlapping Qualified Bids, the Monitor, in consultation with the Sale Advisor, may elect to conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline (collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. Atlantic Time on the day prior to the Auction, each Qualified Party must inform the Sale Advisor whether it intends to participate in the Auction. The Sale Advisor will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

- a. **Attendance.** Only CFFI, the Qualified Parties, the Monitor, the Sale Advisor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- b. **No Collusion.** Each Qualified Party participating at the Auction shall be required to confirm on the record at the Auction that: (i) it has not engaged in any collusion with any other bidder with respect to the Auction and the bid process; and (ii) its bid is a good-faith *bona fide* offer and it intends to consummate the proposed transaction if selected as the Successful Bid (as defined below);
- c. **Minimum Overbid.** The Auction shall begin with the Qualified Bid(s) that represent the highest or otherwise best Qualified Bid (in the aggregate, if it is comprised of multiple Qualified Bids) as determined by the Monitor and the Sale Advisor, in consultation with CFFI (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the Sale Advisor's announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of USD\$1,000,000;
- d. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the Sale Advisor, in its discretion, may establish separate video conference rooms to permit interim discussions between the Sale Advisor, the Monitor, and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- e. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

- f. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

#### **Selection of Successful Bid**

4. **Selection.** Before the conclusion of the Auction, the Monitor and the Sale Advisor, in consultation with CFFI, will: (a) review each Qualified Bid, considering the factors set out in Section 8 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's (Parties') ability to close a transaction within forty-five (45) of the Auction (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid(s), (v) the net benefit to CFFI and (vi) any other factors the Monitor and the Sale Advisor may reasonably deem relevant; and (b) identify the highest or otherwise best bid(s) received at the Auction (the "**Successful Bid(s)**") and the Qualified Party(ies) making such bid, the "**Successful Party(ies)**").

5. **Acknowledgement.** The Successful Party(ies) shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid(s) were made within one business day of the Successful Bid(s) being selected as such, unless extended by the Monitor in its sole discretion, subject to the milestones set forth in Section 7 of the SISP.