UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2022

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM TO**

Commission File Number 000-56363

TERRASCEND CORP.

(Exact name of Registrant as specified in its Charter)

Ontario	**N/A**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
3610 Mavis Road	
Mississauga, Ontario, Canada	**L5C 1W2**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (855)837-7295

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
None	N/A	N/A

Securities registered pursuant to Section 12(g) of the Act:

Common Shares

(Title of class)

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES ☐ NO ☒

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. YES ☐ NO ☒

Indicate by check mark whether the Registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer	☒	Smaller reporting company	☐
Emerging growth company	☒		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The aggregate market value of the voting and non-voting common equity (on an as-converted basis, based on the closing price of these shares on the Canadian Securities Exchange) on June 30, 2022, the last business day of the Registrant's most recently completed second fiscal quarter, held by non-affiliates of the Registrant was $695,057,079.

The number of shares of Registrant's Common Shares outstanding as of March 14, 2023 was 273,403,288.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement relating to the 2023 Annual Meeting of Shareholders (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K ("Form 10-K") where indicated. The Proxy Statement will be filed with the Securities and Exchange Commission within 120 of the Registrant's fiscal year ended December 31, 2022.

Table of Contents

Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K contains statements that TerrAscend Corp. ("TerrAscend" or the "Company") believes are, or may be considered to be, “forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact included in this Annual Report on Form 10-K regarding the prospects of TerrAscend’s industry or TerrAscend’s prospects, plans, financial position or business strategy may constitute forward-looking statements. Such statements can be identified by the use of forward-looking terminology such as "can", “expect”, “likely”, “may”, “will”, “should”, “intend”, “anticipate”, “potential”, “proposed”, “estimate” and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions “may” or “will” happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-looking statements in this Annual Report on Form 10-K include, but are not limited to, statements with respect to:

•the performance of TerrAscend’s business and operations;

•TerrAscend’s expectations regarding revenues, expenses and anticipated cash needs;

•TerrAscend's joint venture interests, including, as applicable, required regulatory approvals and licensing, anticipated costs and timing, expected impact thereof, and the ability to enter into future joint ventures;

•TerrAscend's ability to complete future strategic alliances and the expected impact thereof;

•TerrAscend's ability to source investment opportunities and complete future acquisitions, including in respect of entities in the United States, the ability to finance such acquisitions, and the expected impact thereof, including potential issuances of TerrAscend's common shares;

•TerrAscend's ability to continue as a going concern;

•the expected growth in the number of customers and patients using TerrAscend's recreational and medical cannabis, respectively;

•the expected growth in TerrAscend's cultivation and production capacities;

•expectations with respect to future production costs;

•the expected methods to be used by TerrAscend to distribute cannabis;

•the expected growth in the TerrAscend's number of dispensaries;

•the competitive conditions of the industry;

•federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the U.S. relating to cannabis operations in the U.S.;

•the legalization of the use of cannabis for medical and/or recreational use in the U.S. and the related timing and impact thereof;

•laws and regulations and any amendments thereto applicable to the business and the impact thereof;

•the possibility of actions by individuals, or U.S. federal government enforcement actions, against TerrAscend and the potential impact on TerrAscend;

•the competitive advantages and business strategies of TerrAscend;

•the grant, renewal and impact of any license or supplemental license to conduct activities with or without cannabis or any amendments thereof;

•the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;

•TerrAscend's future product offerings;

•the anticipated future gross margins of TerrAscend's operations;

•TerrAscend’s ability to source and operate facilities in the United States;

•TerrAscend’s ability to integrate and operate the assets acquired from Arise Bioscience Inc. ("Arise"), the Apothecarium Dispensaries (the "Apothecarium"), Valhalla Confections ("Valhalla"), Ilera Healthcare ("Ilera"), State Flower or ABI SF LLC ("State Flower"), HMS Health LLC, KCR Holdings LLC, Gage Growth ("Gage"), KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively, "Pinnacle"), and Allegany Medical Marijuana Dispensary ("AMMD");

•Michigan's plans to continue building a diverse portfolio of branded cannabis assets and business arrangements through investments, strategic business relationships and the pursuit of licenses in attractive retail locations in Michigan;

•the growth of Michigan wholesale and retail business;

•the potential impact of a public health emergency or pandemic, such as the COVID-19 pandemic;

•TerrAscend's ability to protect its intellectual property;

•the possibility that TerrAscend's products may be subject to product recalls and returns; and

•other risks and uncertainties, including those listed under the section titled "Risk Factors" in this Annual Report

Certain of the forward-looking statements contained herein concerning the cannabis industry and the general expectations of TerrAscend concerning the cannabis industry are based on estimates prepared by TerrAscend using data from publicly available governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the cannabis industry. Such data is inherently imprecise. The cannabis industry involves risks and uncertainties that are subject to change based on various factors, which factors are described further below.

With respect to the forward-looking statements contained in this Annual Report on Form 10-K, TerrAscend has made assumptions regarding, among other things: (i) its ability to generate cash flows from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in which TerrAscend operates; (iii) the output from TerrAscend’s operations; (iv) consumer interest in TerrAscend’s products; (v) competition; (vi) anticipated and unanticipated costs; (vii) government regulation of TerrAscend’s activities and products and in the areas of taxation and environmental protection; (viii) the timely receipt of any required regulatory approvals; (ix) TerrAscend’s ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (x) TerrAscend’s ability to conduct operations in a safe, efficient and effective manner; and (xi) the Company’s construction plans and timeframe for completion of such plans.

Readers are cautioned that the above list of cautionary statements is not exhaustive. Known and unknown risks, many of which are beyond the control of TerrAscend, could cause actual results to differ materially from the forward-looking statements in this Annual Report on Form 10-K. Such risks and uncertainties include, but are not limited to, current and future market conditions; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States ("U.S.") relating to cannabis operations in the U.S.; and those discussed under Item 1A – “*Risk Factors*” in this Annual Report on Form 10-K. The purpose of forward-looking statements is to provide the reader with a description of management’s expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Annual Report on Form 10-K. TerrAscend can give no assurance that such expectations will prove to have been correct. Forward-looking statements contained herein are made as of the date of this Annual Report on Form 10-K and are based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking statements are made. TerrAscend undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking statements, except as required by applicable law.

Risk Factor Summary

Investing in TerrAscend's common shares ("Common Shares") involves risks. You should carefully consider the risks described in Item 1A – "*Risk Factors*" beginning on page 25 before deciding to invest in TerrAscend's Common Shares. If any of these risks actually occur, TerrAscend's business, financial condition and results of operations would likely be materially adversely affected. In such case, the trading price of TerrAscend's Common Shares would likely decline, and you may lose all or part of your investment. Set forth below is a summary of some of the principal risks TerrAscend faces:

•There is a substantial risk of regulatory or political change with respect to cannabis, which could have a material adverse effect on TerrAscend's business.

•Compliance with regulations regarding cannabis is difficult, because the regulation of cannabis is uncertain and frequently changes. TerrAscend's failure to comply with applicable laws regarding cannabis may materially adversely affect TerrAscend's business.

•TerrAscend's business relies heavily on its ability to obtain and maintain required licenses, and failure to do so may adversely affect TerrAscend's business.

•As a cannabis business, TerrAscend is subject to unfavorable tax treatment under the U.S. federal income tax law.

•If TerrAscend is or becomes a "passive foreign investment company", its U.S investors may suffer adverse tax consequences.

•If TerrAscend (or any of its non-U.S. subsidiaries) is a "controlled foreign corporation", certain of its U.S. investors may suffer adverse tax consequences.

•TerrAscend's ability to use its U.S. net operating loss carryforwards to offset its future U.S. taxable income may be subject to limitations.

•Tax and accounting requirements may change or be interpreted in ways that are unforeseen to TerrAscend, and TerrAscend may face difficulty or be unable to implement and/or comply with any such changes or interpretations.

•Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change. TerrAscend may be subject to action by the U.S. federal government due to its involvement with cannabis, and such action could materially adversely affect the TerrAscend's business.

•TerrAscend's business is subject to applicable anti-money laundering laws and regulations and have restricted access to capital markets, banking and other financial services, which may adversely affect TerrAscend's business.

•TerrAscend operates in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where TerrAscend carries on business, which could negatively affect TerrAscend's business.

•Regulatory restrictions on ownership outside of the control of TerrAscend may have a material adverse impact on TerrAscend's operations in certain markets.

•Failure to comply with privacy or medical practice laws and regulations may result in impacts to operations, monetary fines or litigation.

•TerrAscend's products may be subject to product recalls or returns, which may result in expense, legal proceedings, regulatory action, loss of sales and reputation, and management attention.

•TerrAscend faces an inherent risk of product liability claims and other consumer protection claims as a manufacturer, processor and producer of products that are meant to be ingested by people, and dealing with such claims could cause TerrAscend to incur substantial expenses and have a material adverse effect on TerrAscend's business.

•TerrAscend may be subject to constraints on and differences in marketing its products under varying regulatory restrictions.

•TerrAscend may be subject to heightened scrutiny by Canadian regulatory authorities, which could negatively affect its business.

•TerrAscend's investors and directors, officers and employees who are not U.S. citizens may be denied entry into the United States, which may negatively affect TerrAscend's business.

•Because TerrAscend's contracts involve cannabis and related activities, which are not legal under U.S. federal law, TerrAscend may face difficulties in enforcing its contracts.

•TerrAscend may encounter increasingly strict environmental health and safety regulations in connection with its operations, which may harm TerrAscend's business.

•Transition to becoming a U.S. reporting company poses added risks as a result of required compliance changes.

•TerrAscend's indebtedness may adversely affect TerrAscend's business, results of operations and financial condition. TerrAscend's failure to comply with applicable covenants could trigger events that may materially adversely affect TerrAscend's business, results of operations and financial condition.

•TerrAscend may require substantial additional financing to operate its business and it may face difficulties acquiring additional financing on terms acceptable to TerrAscend, or at all.

•Raising additional funds by issuing equity securities will cause dilution to existing stockholders. Raising additional funds through debt financings may involve restrictive covenants and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights. We may not be able to secure additional debt or equity financing on favorable terms or at all.

•An adverse change in market conditions, including a sustained decline in TerrAscend's share price, negative changes to TerrAscend's position in the market, or lack of growth in demand for its products and services could be considered to be an impairment triggering event. Such changes could impact valuation assumptions relating to the recoverability of assets and have resulted in, and may in the future result in, impairment charges to TerrAscend's goodwill or long-lived asset balances, which would negatively impact TerrAscend's operating results and harm its business.

•TerrAscend faces intense competition as a relatively new entrant in the cannabis industry, and its business could be adversely affected by other businesses in a better competitive position.

•Consolidation in the cannabis industry and other changes to the competitive environment can impact TerrAscend's margins and profitability.

•TerrAscend may be required to write down intangible assets, including goodwill, due to impairment, which could have a material adverse effect on our results of operations or financial position.

•The cannabis industry and market are relatively new, and this industry and market may not continue to exist or grow as expected.

•TerrAscend's profitability may be impacted by declining wholesale or retail cannabis prices in certain markets and shifting market conditions.

•TerrAscend has historically had negative cash flow from operating activities, and continued losses could have a material negative effect on TerrAscend's business and prospects and impact TerrAscend's ability to continue as a going concern.

•TerrAscend may be affected by currency fluctuations.

•Demand for TerrAscend's products is difficult to forecast due to limited and unreliable market data.

•TerrAscend's inability to attract and retain key personnel could materially adversely affect its business.

•TerrAscend may face unfavorable publicity or consumer perception of the safety, efficacy and quality of its cannabis products.

•TerrAscend faces reputational risks, which may negatively impact its business.

•TerrAscend is dependent on suppliers and key inputs for the cultivation, extraction and production of cannabis products.

•TerrAscend's business is subject to the risks inherent in agricultural operations.

•TerrAscend may be adversely impacted by rising or volatile energy costs.

•TerrAscend's intellectual property may be difficult to protect, and failure to do so may negatively impact its business.

•TerrAscend and investors may have difficulty enforcing their legal rights.

•TerrAscend (and the third parties upon which it relies) faces physical security risks, as well as risks related to its information technology systems, potential cyber-attacks, and security breaches.

•TerrAscend is or may become subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Its actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.

•TerrAscend faces exposure to fraudulent or illegal activities by employees, contractors and consultants, which may subject TerrAscend to investigations or other actions.

•Directors and officers of TerrAscend have faced, and may in the future face, conflicts of interests regarding the business strategy of TerrAscend.

•TerrAscend's internal controls over financial reporting may not be effective, and TerrAscend's independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on TerrAscend's business.

•TerrAscend's business could be adversely affected by economic downturns, inflation, increases in interest rates, natural disasters, public health crises such as the COVID-19 pandemic, political crises, geopolitical events, such as the crisis in Ukraine, or other macroeconomic conditions, which have in the past and may in the future negatively impact TerrAscend's business and financial performance.

•The development of TerrAscend's products is complex and requires significant investment. Failure to develop new technologies and products could adversely affect TerrAscend's business.

•TerrAscend needs to attract and retain customers and patients in order to succeed, and failure to do so may have a material adverse effect on TerrAscend's business.

•TerrAscend has a limited operating history, which makes it difficult to evaluate its prospects and predict future operating results.

•TerrAscend may be subject to growth-related risks, which could negatively affect its business.

•The success of TerrAscend's business depends, in part, on its ability to successfully integrate recently acquired businesses and to retain key employees of acquired businesses. If TerrAscend is unsuccessful in doing so, it may negatively affect TerrAscend's business.

•There can be no assurance that TerrAscend's current and future strategic alliances will have a beneficial impact on TerrAscend's business, financial condition and results of operations.

•TerrAscend's use of joint ventures may expose TerrAscend to risks associated with jointly owned investments.

•TerrAscend's voting control is concentrated.

•TerrAscend's Preferred Shares have a liquidation preference over the Common Shares, which could limit TerrAscend's ability to make distributions to the holders of Common Shares.

•An investor may face liquidity risks with an investment in the Common Shares.

•The price of TerrAscend's Common Shares may be volatile, and may be adversely affected by the price of cannabis.

•Additional issuances of TerrAscend's securities may result in dilution.

•Sales of substantial amounts of Common Shares may have an adverse effect on the market price of the Common Shares.

•TerrAscend's management will continue to have broad discretion over the use of the proceeds TerrAscend receives in its public offerings, private placements, warrant exercises and loans, as applicable, and might not apply the proceeds in ways that increase the value of your investment.

•Risks related to potential disqualification of equity holders by regulatory authorities.

•TerrAscend does not intend to pay dividends on its Common Shares for the foreseeable future and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of TerrAscend's Common Shares.

•"Penny stock" rules may make buying or selling TerrAscend's securities difficult which may make its securities less liquid and make it harder for investors to buy and sell such securities.

•TerrAscend may not be able to obtain necessary permits and authorizations.

•Due to the uncertainty regarding the implementation and impact of the CARES Act and other legislation related to COVID-19, and their application to businesses substantially similar to TerrAscend there is a risk that failure to comply with the legislation may negatively impact TerrAscend and businesses substantially similar to TerrAscend.

•TerrAscend may be subject to litigation, which could divert the attention of management and cause TerrAscend to expend significant resources.

•TerrAscend faces risks and hazards that may not be covered by insurance.

•TerrAscend has incurred and will continue to incur substantial costs as a result of operating as a public company in Canada and the United States, and its management will continue to devote substantial time to new compliance initiatives.

•TerrAscend is currently an "emerging growth company" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and to the extent TerrAscend has taken advantage of certain exemptions from disclosure requirements available to emerging growth companies, this could make its securities less attractive to investors and may make it more difficult to compare the company's performance with other public companies.

PART I

ITEM 1. BUSINESS

Overview

TerrAscend is a leading North American cannabis operator with vertically integrated licensed operations in Pennsylvania, New Jersey, Michigan, Maryland and California, and is a cannabis retailer in Ontario, Canada with a minority-owned dispensary in Toronto, Ontario, Canada. TerrAscend's cultivation and manufacturing practices yield consistent and high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use markets. Notwithstanding the fact that various states in the U.S. have implemented medical marijuana laws or that have otherwise legalized the use of cannabis, the use of cannabis remains illegal under U.S. federal law for any purpose, by way of the Controlled Substances Act of 1970.

TerrAscend operates under one operating segment, which is the cultivation, production and sale of cannabis products.

TerrAscend owns a portfolio of operating businesses and several synergistic brands including:

•Gage Growth ("Gage"), a vertically integrated cannabis cultivator, processor and dispensary operator in Michigan;

•KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively "Pinnacle"), a dispensary operator in Michigan;

•Ilera Healthcare ("Ilera"), a vertically integrated cannabis cultivator, processor and dispensary operator in Pennsylvania;

•TerrAscend NJ, LLC ("TerrAscend NJ"), a majority owned subsidiary that operates three dispensaries in New Jersey with the ability to cultivate and process;

•HMS Health, LLC ("HMS Health") and HMS Processing, LLC ("HMS Processing" and together with HMS Health, "HMS"), a producer and seller of dried flower and oil products for the wholesale medical cannabis market in Maryland;

•The Apothecarium, consisting of retail dispensaries in California, Pennsylvania, and New Jersey;

•Valhalla Confections, a provider of premium edible products;

•State Flower, a California-based cannabis producer operating a licensed cultivation facility in San Francisco, California;

•Arise Bioscience Inc. ("Arise"), a manufacturer and distributor of hemp-derived products, located in Boca Raton, Florida; and

•TerrAscend Canada ("TerrAscend Canada" or "TCI") is a cannabis retailer in Ontario, Canada with a minority-owned dispensary in Toronto, Ontario, Canada ("Cookies Canada"). TerrAscend Canada was previously a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis until TerrAscend commenced an optimization of its operations in Canada, whereby TerrAscend reduced its manufacturing footprint in order to focus on its Cookies Canada retail business, as well as monetize its intellectual property portfolio in Canada. TerrAscend ceased operations at its manufacturing facility during the three months ended December 31, 2022.

TerrAscend's head office and registered office is located at 3610 Mavis Road, Mississauga, Ontario, Canada, L5C 1W2.

TerrAscend's telephone number is 1.855.837.7295 and its website is www.terrascend.com. Information contained on or accessible through TerrAscend's website is not part of this Annual Report, and the inclusion of TerrAscend's website address in this Annual Report on Form 10-K is an inactive textual reference only.

Operating Businesses and Brands

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, Michigan and California, licensed cultivation and processing operations in Maryland, and licensed processing operations in Canada.

Michigan Business- Gage and Pinnacle

TerrAscend entered into the Michigan market when it acquired Gage, a wholly-owned subsidiary, in March 2022. The Michigan business is innovating and curating high quality cannabis experiences for cannabis consumers in the state of Michigan and in

Canada, and bringing renowned brands to market. The Michigan business has successfully built and grown operations with state licenses, including cultivation, processing and retail locations. Gage's portfolio includes city and state approvals for 19 "Class C" cultivation licenses, three processing licenses and 18 provisioning centers (dispensaries).

On August 23, 2022, TerrAscend acquired all of the outstanding equity interests in KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively, "Pinnacle"), a dispensary operator in Michigan, and related real estate. The transaction included six retail dispensary licenses, five of which are currently operational and located in the cities of Addison, Buchanan, Camden, Edmore, and Morenci, Michigan. TerrAscend intends to rebrand each of the dispensaries under either the Gage or Cookies retail brand.

Northeast Business

TerrAscend is a vertically integrated operator in the Northeast with licenses in the states of Pennsylvania, New Jersey and Maryland.

Pennsylvania- The Apothecarium, Ilera Healthcare and Keystone Canna Remedies

TerrAscend acquired Ilera, a wholly-owned subsidiary, in September 2019. Ilera is one of the initial five permitted vertically integrated cannabis cultivator, processor, and dispensary operators in the State of Pennsylvania. Its grower/processor operation is located in Waterfall, Pennsylvania and encompasses a 150,000 square foot footprint. Ilera distributes its product lines, including dried flower, vaporizables, concentrates, tinctures, and topicals, broadly across dispensaries throughout Pennsylvania.

In addition, Ilera operates three Apothecarium-branded retail dispensaries, one in Plymouth Meeting, a second in Lancaster, and a third in Thorndale. In April 2021, TerrAscend added three additional retail dispensaries located in Bethlehem, Allentown and Stroudsburg, Pennsylvania through the acquisition of Guadco, LLC and KCR Holdings LLC (collectively “KCR”) by TerrAscend's wholly-owned subsidiary, WDB Holding PA, Inc. ("WDB Holding PA"). For more information regarding TerrAscend's acquisitions of Ilera and KCR, please see the sections below titled "Reorganization — Acquisitions — Acquisition of Ilera" and "—Acquisition of Keystone Canna Remedies".

Through these Pennsylvania dispensaries, TerrAscend is able to offer a variety of products and formats for medical use, produced by Ilera and other manufacturers, to ensure pharmacists and wellness associates can provide appropriate product to meet a particular patient's needs.

New Jersey- TerrAscend NJ

TerrAscend NJ is a vertically integrated cultivator, processor and dispenser of cannabis in New Jersey’s northern region. Under New Jersey law, alternative treatment centers are vertically integrated and are able to cultivate and process medical and adult use cannabis, and operate up to three dispensaries. TerrAscend NJ is a majority-owned subsidiary of TerrAscend, whose minority partners are BWH NJ, LLC and Blue Marble Ventures, LLC. TerrAscend NJ owns a 16-acre site in Boonton Township, Morris County that currently has a cultivation and processing facility with a total footprint of approximately 140,000 square feet with the ability to further expand on the site. In addition to cultivation, TerrAscend NJ is also engaged in the extraction, processing and manufacturing of a wide range of branded form factors including, vaporizables, concentrates, topicals, tinctures and edibles and currently operates three Apothecarium-branded dispensaries in Phillipsburg, Lodi, and Maplewood, New Jersey.

Maryland- The Apothecarium

TerrAscend is a vertically integrated operator in Maryland. Under the medical marijuana law, operators are allowed up to 1 processor license, 1 cultivation license and up to 4 dispensary licenses. On May 3, 2021, TerrAscend, through its wholly owned subsidiary WDB Holdings MD, Inc. (“WDB MD”), acquired HMS Health LLC, which held a cultivation license. Simultaneously, TerrAscend acquired control of HMS Processing LLC through a master services agreement. On June 23, 2022, TerrAscend acquired 100% of HMS Processing, LLC enabling TerrAscend to own a processor license. The cultivator/processor operation includes a newly renovated state-of-the-art 150,000 square foot facility located in Hagerstown, Maryland and the full transition of the operations to Hagerstown occurred in October 2022. In its Maryland business, TerrAscend produces dried flower and oil products for the medical cannabis market and is the process of receiving approval to produce edibles. On January 27, 2023, TerrAscend closed on its previously announced acquisition of Allegany Medical Marijuana Dispensary ("AMMD"),

a medical dispensary in Maryland from Moose Curve Holdings, LLC. TerrAscend intends to rebrand the 10,000 square foot dispensary as The Apothecarium. AMMD is TerrAscend's first dispensary in the State of Maryland.

California Business- The Apothecarium Dispensaries, Valhalla and State Flower

The Apothecarium Dispensaries include a group of licensed, full-service dispensaries in northern California that provide quality cannabis to both medical patients and adult-use customers. The dispensaries are known for emphasizing education and customer service for seniors, first-time dispensary visitors, and patients with serious medical conditions. The focus is on providing guests with in-depth, one-on-one consultations from trained cannabis consultants. The Apothecarium Dispensaries also provide free cannabis education events that are open to the public. Guests may purchase their cannabis in the dispensaries or order online for pickup or delivery.

There are currently five Apothecarium Dispensaries in California, including three in San Francisco, one in Berkeley and one in Capitola. The flagship dispensary located in the Castro district of San Francisco was previously named the best-designed dispensary in the country by Architectural Digest.

Valhalla is a premier manufacturer of select cannabis-infused artisan edibles that are gluten free, in both gelatin and vegan varieties, and made with ingredients free of chemically formulated fertilizers, growth stimulants, antibiotics, or pesticides, all while maintaining eco-friendly practices.

State Flower is a California-based cannabis producer operating a licensed cultivation facility in San Francisco, California.

Florida Business- Arise

On January 15, 2019, TerrAscend, through its wholly owned subsidiary Arise, completed the acquisition of substantially all of the assets of Grander Distribution, LLC ("Grander"). Arise is currently engaged in the production and distribution of innovative hemp-derived wellness products. Arise's whole-plant hemp extract products are made in the United States and are available for sale in retail locations in the United States. Effective March 1, 2023, TerrAscend sold substantially all of the Arise assets, including all intellectual property and inventory, to a third party.

TerrAscend Canada

TerrAscend Canada is a cannabis retailer in Ontario Canada with a minority-owned dispensary in Toronto, Ontario, Canada ("Cookies Canada"), and its current principal business activities include the retail sale of recreational ("recreational" or "adult-use") cannabis to consumers. TerrAscend Canada was previously a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis until TerrAscend commenced an optimization of its operations in Canada, whereby TerrAscend reduced its manufacturing footprint in order to focus on its Cookies Canada retail business, as well as monetize its intellectual property portfolio in Canada. Prior to the optimization of its operations, TerrAscend Canada operated out of a 67,300 square foot facility located in Mississauga, Ontario and was licensed to cultivate, process and sell cannabis for medical and non-medical purposes. These licenses allowed for sales of dried cannabis, cannabis oil and extracts, topicals, and edibles. TerrAscend ceased operations at its manufacturing facility during the three months ended December 31, 2022. As such, the Canadian Licensed Producer results are presented in discontinued operations in this Annual Report.

Reorganization

Entry into the U.S. Cannabis Market and Capital Reorganization

TerrAscend was incorporated under the Ontario Business Corporations Act on March 7, 2017. At the time TerrAscend had limited operations in the U.S. and did not engage in the business of, or derive any revenue from, the cultivation, distribution or possession of cannabis in the United States. On October 9, 2018, TerrAscend announced its intention to pursue growth opportunities in the U.S. cannabis market, including potential acquisitions of operators in states that have legalized cannabis for medical or recreational use. In connection therewith, TerrAscend began exploring potential acquisition targets with significant market share and strong brand recognition. To support this strategy, TerrAscend entered into an agreement with Canopy Growth Corporation ("Canopy Growth"), RIV Capital Inc. (formerly Canopy Rivers Inc.) ("RIV Capital"), and entities controlled by Jason Wild, chairman of TerrAscend (JW Opportunities Master Fund, Ltd., JW Partners, LP, and Pharmaceutical Opportunities Fund, LP) to reorganize the capital of TerrAscend (the "TerrAscend Reorganization") and obtain waivers of certain contractual covenants that at the time, restricted TerrAscend from operating in the U.S. The TerrAscend Reorganization was implemented by way of a statutory plan of arrangement on the terms set out in the Arrangement Agreement and was subject to court approval, the approval of TerrAscend's shareholders, and other customary conditions. The TerrAscend Reorganization was completed on November 30, 2018.

Acquisitions

Acquisition of Grander Assets

On December 24, 2018, TerrAscend announced the signing of a definitive agreement to acquire substantially all of the assets of Grander, a manufacturer and distributor of hemp-derived wellness products. The transaction closed on January 15, 2019. Substantially all of the operating assets of Grander were indirectly acquired by TerrAscend through a wholly owned subsidiary Arise. As consideration, TerrAscend paid $12.7 million, comprising $6.5 million in cash, 1,362,343 Common Shares, and $0.5 million in working capital adjustments. The fair value of the Common Shares was $5.1 million as at January 15, 2019. Subject to meeting certain earnings milestones, TerrAscend agreed to pay up to an additional $10 million in cash or share considerations. The total value of the potential purchase consideration payable by TerrAscend under the terms of the agreement was approximately $22.7 million, and the fair value of the contingent consideration was $0.6 million as at January 15, 2019. Based on performance of the Arise business during the measurement period, the milestones for the additional $10 million payment were not met and the total purchase consideration paid by TerrAscend remained $12.7 million.

Acquisition of The Apothecarium Dispensaries in Northern California

On June 6, 2019, TerrAscend closed a series of transactions to acquire controlling interests in three entities in California operating the retail dispensary brand known as “The Apothecarium.” The transactions also included the acquisition of entities that were seeking to operate two additional retail locations in Northern California, which were ultimately opened in Berkeley and Capitola, and Valhalla, a leading provider of premium edible products. TerrAscend acquired 49.9% of the outstanding equity interests of the entities operating the three San Francisco The Apothecarium Dispensary locations and TerrAscend has the right (or, in certain circumstances, obligation) to acquire the remaining equity interests of those entities post-closing, following receipt of certain regulatory approvals. As consideration, TerrAscend paid $71.8 million, comprising $36.8 million in cash, $1.1 million in the form of a working capital adjustment, contingent consideration of $3 million and 6,700 TerrAscend proportionate voting shares (“Proportionate Voting Shares”). TerrAscend retains 100% of the economics of entities operating the three San Francisco locations and the Berkeley and Capitola locations of The Apothecarium Dispensaries through control of such entities.

Acquisition of Ilera

On September 16, 2019, TerrAscend acquired 100% of the equity of the entities comprising Ilera for total consideration of $225 million paid in a combination of cash and Common Shares. At closing, TerrAscend paid to the sellers $25 million in cash, subject to customary closing adjustments, an additional $25 million worth of Proportionate Voting Shares in the equity of TerrAscend equivalent to approximately 5,059.102 Proportionate Voting Shares (which are each exchangeable for 1,000 Common Shares), and $601,000 in working capital adjustments. Additional cash consideration of $175 million in aggregate was paid to the sellers based on Ilera achieving certain specified sales and profitability targets, with staged payments made in 2020 and 2021. On June 30, 2021 the final earn-out had been calculated and remaining fair value amount of $29.7 million was paid on that date.

Acquisition of State Flower

On January 23, 2020, TerrAscend obtained control of ABI SF LLC, owner of State Flower, a premium California cannabis brand that is currently sold through dispensaries in California. As consideration, TerrAscend converted its previously issued note receivable and accrued interest in the amount of $3 million into a 49.9% equity interest in State Flower. TerrAscend also recorded contingent consideration payable of $6.6 million, representing the expected consideration payable to acquire the remaining 50.1% of State Flower, which comprises 100% of its preferred shares, subject to regulatory approval. TerrAscend retains 100% of the economics of State Flower through control of ABI SF LLC and has the right to acquire the remaining equity interests of ABI SF LLC, following receipt of certain regulatory approvals. On December 31, 2021, the final earn-out was calculated. TerrAscend made a payment of $7.0 million in January 2022. The remaining amount of $1.4 million will be paid to the sellers of State Flower upon TerrAscend’s acquisition of the remaining 50.1% of State Flower.

Acquisition of HMS

On May 3, 2021, TerrAscend, through a wholly owned subsidiary, WDB MD, acquired HMS, a cultivator of cannabis flower for the wholesale medical cannabis market in Maryland. TerrAscend acquired 100% of the equity of HMS Health and the rights to acquire 100% of the equity of HMS Processing, a processor of cannabis flower, post-closing following receipt of certain regulatory approvals, for total consideration of $24.5 million comprised of $22.4 million in cash and a $2.1 million note, bearing 5.0% annual interest, which was settled when due in April 2022. TerrAscend retains 100% of the economics of HMS through full ownership of HMS Health and a master services agreement with HMS Processing.

Acquisition of Keystone Canna Remedies

On April 30, 2021, TerrAscend, through a wholly owned subsidiary, acquired KCR (the "KCR Acquisition"). The transaction added three retail dispensaries located in Bethlehem, Allentown and Stroudsburg, Pennsylvania. Prior to the acquisition, TerrAscend owned 10% of KCR. TerrAscend acquired the remaining 90% of the equity for total consideration of $69.8 million comprised of $34.4 million in Common Shares, $20.5 million in cash, $7.1 million related to the fair value in previously owned shares, and a $6.8 million noting bears 10% annual interest, and was settled when due in April 2022.

New Jersey Partnership

On August 20, 2021, TerrAscend purchased an additional 12.5% (previously owned 75%), with an option to purchase an additional 6.25% ownership, of the issued and outstanding equity of TerrAscend NJ from BWH NJ, LLC and Blue Marble Ventures, LLC for a total cash consideration of $50 million, which was paid during the year ended December 31, 2021. Upon closing of the agreement, TerrAscend now owns 87.5% of the issued and outstanding equity of TerrAscend NJ.

TerrAscend has the option to purchase an additional 6.25% ownership, for a total of 93.75%, at a predetermined valuation during the period commencing April 1, 2023 through June 15, 2023.

Acquisition of Gage

On March 10, 2022, TerrAscend acquired all of the outstanding equity interests of Gage, a cultivator, processor, and retailer with operations in the Michigan market (the "Gage Acquisition"). Pursuant to the terms of the arrangement agreement, for each Gage subordinate voting share and other equity instruments, including outstanding stock options and warrants, each holder received a 0.3001 equivalent replacement award of TerrAscend's respective security at the time of closing based on the closing price of the Common Shares on the Canadian Securities Exchange ("CSE") on March 10, 2022. On the acquisition date there was consideration in the form of 51,349,978 Common Shares valued at $242.9 million, 13,504,500 exchangeable units valued at $66.6 million, 4,940,364 replacement stock options with a fair value of $13.1 million, and 282,023 replacement warrants with a fair value of $0.4 million.

Acquisition of Pinnacle

On August 23, 2022, TerrAscend acquired all of the outstanding equity interests in KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively, "Pinnacle"), a dispensary operator in Michigan, and related real estate, for total consideration of $31.0 million, which included consideration paid in cash of $12.3 million, two promissory notes in an aggregate amount of $10.0 million, and 4,803,184 Common Shares of TerrAscend, no par value, valued at $7.9 million (the "Pinnacle Acquisition"). The cash consideration paid included repayments of indebtedness and transaction expenses on behalf of Pinnacle of $3.9 million and $0.6 million respectively. The transaction includes six dispensary licenses, five of which are currently operational and located in the cities of Addison, Buchanan, Camden, Edmore, and Morenci, Michigan. TerrAscend intends to rebrand each of the dispensaries under either the Gage or Cookies retail brand.

Acquisition of AMMD

For more information regarding the Acquisition of AMMD, please see Item 1 - *"Business" - "Subsequent Transactions".*

Principal Products

TerrAscend offers a competitive product portfolio, ranging from flower, concentrates, vaporizables, edibles and/or accessories, in the jurisdictions in which TerrAscend operates. TerrAscend strives to develop and introduce innovative products to serve patients' and customers' unique needs.

Principal Markets

TerrAscend currently has operations in the United States and Canada. In the United States, TerrAscend sells cannabis products in Michigan, Pennsylvania, New Jersey, Maryland and California. In Canada, TerrAscend operates its Cookies Canada retail business, as well as is monetizing its intellectual property portfolio. TerrAscend's Arise business also sells whole-plant hemp extract products in retail locations across the United States where legally permitted. TerrAscend's business is not generally cyclical or seasonal in nature.

Distribution Methods

TerrAscend distributes its branded products across dispensaries in Pennsylvania, New Jersey, Maryland, Michigan and California. In Canada, TerrAscend sells its products to consumers in Ontario. TerrAscend's Arise business also sells whole-plant hemp extract products in retail locations across the United States where legally permitted.

Sources and Availability of Materials

TerrAscend grows or procures the primary component of its finished products, namely cannabis. TerrAscend's cultivation operations are dependent on a number of key inputs and their related costs including raw materials and supplies related to its growing operations, as well as electricity, water and other utilities.

Specialized Knowledge and Skills

TerrAscend's business requires specialized skills and knowledge. TerrAscend believes its team has developed and sourced business systems to effectively and efficiently operate its wholesale operations and retail cannabis operations in the states and provinces in which it operates in the U.S. states and Canadian provinces in which it operates. The brand building, retail marketing and product development knowledge and skills of TerrAscend's management team and employees will be essential to TerrAscend becoming a well-respected household name within the retail cannabis industry. Please see Item 1A – "*Risk Factors*" – "*Risks Related to TerrAscend's Business, Operations and Industry*" – *"TerrAscend is dependent on suppliers and key inputs for the cultivation, extraction and production of cannabis products*."

Competitive Conditions

TerrAscend faces, and will continue to face, competition from new and existing licensed cannabis operators, competitors with existing retail operations, government owned retailers and the illicit market and other applicable participants in the cannabis wholesale and manufacturing industry. Some of the competitors of TerrAscend may have greater financial resources, market access and manufacturing and marketing experience than TerrAscend. Due to challenging market conditions in certain states, some operators have exited the industry and in doing so have heavily discounted their products, creating pressure on pricing.

Increased competition by numerous independent cannabis retail outlets, wholesalers and larger and better financed competitors (including new entrants), and heavily discounted products by exiting players could have a material adverse effect on TerrAscend.

TerrAscend's competition can be grouped into the following categories:

(a)Vertically Integrated Competitors: This class of competitors (which may include licensed producers of cannabis that are able to produce cannabis and cannabis products sold at retail stores of their affiliates) includes well-financed competitors with an established operating history in North America.

(b)Existing Retailers: This class of competitors includes early-stage and semi-developed retail cannabis businesses, as well as established retail cannabis businesses, which may be well capitalized, and which may also have an established and longer retail operating history in North America.

(c)Government Competition: This class of competitors includes government wholesalers that sell directly to consumers in the Provinces of British Columbia, Alberta and Ontario.

(d)Illicit Market: This class of competitors includes individuals and businesses operating in the illicit market within various jurisdictions across North America. These competitors may divert sizeable commercial opportunities from TerrAscend.

(e)Existing Wholesalers: This class of competitors includes early-stage and semi-developed wholesalers, as well as established wholesalers, which may be well capitalized, and which may also have an established and longer retail operating history in North America.

(f)Exiting Competitors: This class of competitors may be vertically integrated or may only operate at retail or wholesale, and due to financial distress are exiting the cannabis market. These competitors may heavily discount their products during the process of winding down their operations.

Protection of Intellectual Property

The ownership and protection of TerrAscend's intellectual property rights is a significant aspect of TerrAscend's future success. Currently the Company relies on trade secrets, technical know-how and proprietary information. The Company protects its intellectual property by seeking and obtaining registered protection where possible, developing and implementing standard operating procedures to protect trade secrets, technical know-how and proprietary information and entering into restrictive agreements with parties that have access to the Company's inventions, trade secrets, technical know-how and proprietary information, such as TerrAscend's partners, collaborators, employees and consultants, to protect confidentiality and ownership. The Company also seeks to preserve the integrity and confidentiality of its inventions, trade secrets, trademarks, technical know-how and proprietary information by maintaining physical security of the Company's premises and physical and electronic security of its information technology systems.

In addition, the Company has sought and will continue to seek trademark protection in the United States and Canada. TerrAscend's ability to obtain registered trademark protection for cannabis-related goods and services, in particular for cannabis itself, may be limited in certain countries outside of Canada, including the United States, where registered federal trademark protection is currently unavailable for trademarks covering marijuana-related products and services that are illegal under the CSA. Accordingly, TerrAscend's ability to obtain intellectual property rights or enforce intellectual property rights against third party uses of similar trademarks may be limited in certain countries. The U.S. Patent and Trademark Office released a policy on May 2, 2019 that clarifies that applications for trademarks for products that meet the definition of hemp could be accepted for registration, with certain exceptions.

Human Capital

As of December 31, 2022, TerrAscend employed 1,125 employees, none of whom were subject to a collective bargaining agreement. Of these employees, approximately 972 were full-time. TerrAscend believes it has a good relationship with its employees.

TerrAscend believes in building a diverse team, and it strives to make TerrAscend a welcoming space where everyone can make an impact on TerrAscend's success. TerrAscend encourages talented people from all backgrounds to join TerrAscend and strives to make it a place of inclusion.

TerrAscend is committed to providing a safe and secure work environment in accordance with applicable labor, safety, health, anti-discrimination and other workplace laws. TerrAscend strives for all TerrAscend's employees to feel safe and empowered at work. To that end, TerrAscend maintains a hotline that employees can call, with the option of remaining anonymous, to voice concerns.

Licenses and Regulatory Framework in United States

TerrAscend and its subsidiaries, as applicable, currently hold all necessary state licenses and permits to carry on the activities it conducts.

Summary of U.S. Cannabis Regulatory Regime

The cannabis industry is subject to various state and local laws, regulations and guidelines relating to the cultivation, manufacture, distribution, sale, storage and disposal of medical and recreational cannabis, as well as laws and regulations relating to health and safety, the conduct of operations and the protection of the environment. The U.S. regulatory scheme varies in its terminology and definitions, using "cannabis", "marijuana" and "hemp" as distinct terms. The regulatory environment governing the medical and recreational marijuana industries in the United States, where state law permits such activities, are, and will continue to be, subject to evolving regulation by governmental authorities. Accordingly, there are a number of risks associated with investing in businesses in an evolving regulatory environment, including, without limitation, increased industry competition, rapid consolidation of industry participants and potential insolvency of industry participants.

38 states plus the District of Columbia, the Commonwealth of the Northern Mariana Islands, Puerto Rico, U.S. Virgin Islands and Guam that have authorized medical marijuana and approximately 21 states plus the District of Columbia, Guam, and the Commonwealth of Northern Marina Islands who have authorized adult-use marijuana. Notwithstanding the permissive regulatory environment of medical, and in some cases also recreational marijuana at the state level, marijuana remains a Schedule I drug under the CSA, making it illegal under U.S. federal law to cultivate, manufacture, distribute, sell or possess marijuana in the United States. Furthermore, financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S/ federal money laundering legislation.

The U.S. federal government's approach to enforcement of marijuana laws has trended toward deference to state laws where a robust state regulatory framework exists. On August 29, 2013, the U.S. Department of Justice (the "DOJ") issued a memorandum known as the "Cole Memorandum" to all U.S. Attorneys' offices. The Cole Memorandum generally directed U.S. Attorneys not to prioritize the enforcement of federal marijuana laws against individuals and businesses that comply with state medical marijuana programs. The Cole Memorandum, while not legally binding and only a policy statement, assisted in managing the tension between state and federal laws concerning all medical and adult-use state-regulated marijuana businesses.

On January 4, 2018, the Cole Memorandum was rescinded by former Attorney General Sessions. While this did not create a change in federal law, the revocation added to the uncertainty of U.S. federal enforcement of the CSA in states where marijuana use is regulated. Former Attorney General Sessions also issued a one-page memorandum known as the "Sessions Memorandum" which confirmed the rescission of the Cole Memorandum and explained that the Cole Memorandum was "unnecessary" due to existing general enforcement guidance as set forth in the U.S. Attorney's Manual. While the Sessions Memorandum does emphasize that marijuana is a Schedule I controlled substance, and states the statutory view that it is a "dangerous drug and that marijuana activity is a serious crime," it does not otherwise indicate that the prosecution of marijuana-related offenses is a heightened DOJ priority. Furthermore, the Sessions Memorandum explicitly describes itself as a guide to prosecutorial discretion. Such prosecutorial discretion remains in the hands of U.S. Attorneys when deciding whether or not to prosecute marijuana-related offenses.

On November 7, 2018, U.S. Attorney General Jeff Sessions resigned as U.S. Attorney General. On February 14, 2019, William Barr was confirmed by the U.S. Senate as the next Attorney General. During one of his Senate confirmation hearings, Mr. Barr stated that he did not support cannabis legalization but would not prosecute cannabis businesses that comply with state laws. Mr. Barr stated further that he would not upset settled expectations that have arisen as a result of the Cole Memorandum.

On March 11, 2021, Merrick Garland was appointed U.S. Attorney General. Mr. Garland indicated he would generally act in accordance with the Cole Memorandum, when, at his confirmation hearing, he said, "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise." He has not, however, reissued the Cole Memorandum or issued substitute guidance. While enforcement of federal laws against regulated state entities does not appear to be a U.S. DOJ priority, the U.S. DOJ may change its enforcement policies at any time, with or without advance notice.

For the reasons set forth herein, TerrAscend's existing investments in the United States, and any future investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TerrAscend may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not lead to the imposition of certain restrictions on TerrAscend's ability to invest in the United States or any other jurisdiction. Government policy changes or public opinion may also result in a significant influence over the regulation of the marijuana industry in the United States or elsewhere. A negative shift in the public's perception of marijuana in the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, such a shift could cause state and local jurisdictions to abandon initiatives or proposals to legalize medical or recreational marijuana, thereby limiting the number of new state jurisdictions into which TerrAscend could expand. Any inability to fully implement TerrAscend's expansion strategy may have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Additionally, under United States federal law, it may be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of marijuana or any other Schedule I controlled substance. Banks and other financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to marijuana businesses. It may also be a violation of federal money laundering statutes for "federal health care law violations," which include violations of the Federal Food, Drug, and Cosmetic Act ("FDCA").

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, civil forfeiture or divestiture. This could have a material adverse effect on TerrAscend, including its reputation and ability to conduct business, its marijuana licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for TerrAscend to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial. For the reasons set forth above, TerrAscend's investments and operations in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada.

TerrAscend may also be subject to a variety of laws and regulations domestically and in the United States that relate to money laundering, financial recordkeeping and proceeds of crime, including the Currency and Foreign Transactions Reporting Act of 1970 (commonly known as the Bank Secrecy Act), as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act), the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), as amended and the rules and regulations thereunder, the Criminal Code (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada. Further, under U.S. federal law, banks or other financial institutions that provide a marijuana business with a checking account, debit or credit card, small business loan, or any other service could be found guilty of money laundering, aiding and abetting, or conspiracy.

In February 2014, the Financial Crimes Enforcement Network of the Treasury Department issued a memorandum (the "FinCEN Memorandum") providing instructions to banks seeking to provide services to marijuana-related businesses. The FinCEN Memorandum clarifies how financial institutions can provide services to marijuana-related businesses consistent with their Bank Secrecy Act obligations. It refers to supplementary guidance that Deputy Attorney General Cole issued to federal prosecutors relating to the prosecution of money laundering offenses predicated on marijuana-related violations of the CSA and independently lists the federal government's enforcement priorities as related to marijuana. Although the original FinCEN Memorandum is still in place, this supplementary Department of Justice guidance that accompanied the FinCEN Memorandum was rescinded when former Attorney General Sessions rescinded the Cole Memorandum. It is unclear whether the current administration will follow the guidelines of the FinCEN Memorandum, although immediately after the Sessions Memorandum, then-U.S. Treasury Secretary Steven Mnuchin stated that the Treasury Department had no intention to rescind the FinCEN Memorandum but, instead, wanted to improve the availability of banking services in the state-regulated marijuana space. The position of current Treasury Secretary Janet Yellen is relatively unknown. In the foreseeable future, TerrAscend expects any amounts payable by TerrAscend from its subsidiaries to remain in the United States to fund the further development of its businesses. TerrAscend may also consider future debt or equity financings.

H.R. 1595, the SAFE Banking Act of 2019, which would expand financial services in the United States to marijuana-related legitimate businesses and service providers, was introduced in the U.S. House of Representatives (the "House") on March 7, 2019 with bipartisan support. On April 11, 2019, S. 1200, the U.S. Senate (the "Senate") version of the SAFE Banking Act, was filed. This bill also has bipartisan support and more than a fifth of the total Senate, 27 members, co-sponsored it. On September 25, 2019, H.R. 1595 passed in the House by a vote of 321 to 103, but it stalled in the U.S. Senate. The SAFE Banking Act passed the House again on May 15, 2020, when it was included in the COVID-19 stimulus bill, the Health and Economic Recovery Omnibus Emergency Solutions Act. However, that measure also stalled in the Senate. The SAFE Banking Act passed the House again on April 19, 2021 as H.R. 1996, by a vote of 321 – 101. The bill was received by the Senate and referred to the Committee on Banking, Housing and Urban Affairs, where it remained. On September 23, 2021, the House approved the National Defense Authorization Act ("NDAA") that contained the provisions of the SAFE Banking Act. The SAFE Banking Act was subsequently removed from the NDAA by the House-Senate conference committee on December 7, 2021, and was not included in the final version of the NDAA. On February 4, 2022, the House passed the America COMPETES Act of 2022, which included the provisions of the SAFE Banking Act. The legislation has yet to be affirmed by the Senate.

Other legislation that has been introduced in the United States that would make cannabis transactions easier and more predictable, include the Marijuana Opportunity Reinvestment and Expungement Act (the "MORE Act") and the Cannabis Administration and Opportunities Act (the "CAOA"). The MORE Act was first introduced in July 2019 by Representative Jerrold Nadler in the House, and in the Senate by then-U.S. Senator Kamala Harris. If it were to become law, the MORE Act would remove cannabis as a Schedule I controlled substance under the CSA and make available U.S. Small Business Administration funding for regulated cannabis operators. The MORE Act was reintroduced in the current U.S. Congress ("Congress") by Representative Nadler on May 28, 2021, with no corresponding bill introduced in the Senate. The CAOA was released as a discussion draft by U.S. Senate Majority Leader Chuck Schumer, U.S. Senator Ron Wyden, and U.S. Senator Cory Booker in July 2021. If it were to become law it would, among other things, remove cannabis from the definition of a controlled substance under the CSA, allow states to set their own regulations for cannabis, and block states from prohibiting interstate commerce of regulated cannabis across their borders. Recently introduced into Congress is another bill, the States Reform Act ("SRA"), introduced by Rep. Nancy Mace (R-SC), which would repeal the federal prohibition of cannabis.

Despite the rescission of the Cole Memorandum, one legislative safeguard for the medical marijuana industry remains in place. Congress has used a rider known as the Rohrabacher-Blumenauer Amendment in the fiscal year 2015, 2016 and 2017 Consolidated Appropriations Acts (the "RBA") to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. However, this measure does not protect adult-use marijuana businesses. As part of the $1.3 trillion federal spending bill enacted on March 23, 2018, Congress renewed the RBA through September 2018, and subsequently extended it further. The RBA is an appropriations rider that prohibits the DOJ from using federal funds to prevent states from implementing marijuana laws. The U.S. Ninth Circuit in *United States v. McIntosh* held that the prohibition under the RBA also prevents the DOJ from

spending federal funds to prosecute individuals who are engaged in conduct that is permitted by, and in compliance with, state medical marijuana laws.

State-Level Overview

The following section presents an overview of market and regulatory conditions for the marijuana industry in U.S. states in which TerrAscend has or is intending to have an operating presence and is presented as of the date of filing, unless otherwise indicated.

California

In 1996, California voters passed Proposition 215, also known as the Compassionate Use Act, allowing physicians to recommend cannabis for an inclusive set of qualifying medical conditions including chronic pain. The law established a not-for-profit patient/caregiver system but there was no state licensing authority to oversee the businesses that emerged as a result of the system. In September of 2015, the California legislature passed three bills, collectively known as the Medical Marijuana Regulation and Safety Act. In 2016, California voters passed The Adult Use of Marijuana Act, which legalized recreational use cannabis for adults 21 years of age and older and created a licensing system for commercial cannabis businesses. Note, California defines "cannabis" to mean "marijuana." On June 27, 2017, then-Governor Jerry Brown signed Senate Bill 94 into law, which combined California's medicinal and recreational use cannabis frameworks into one licensing structure under the Medicinal and Adult-Use of Cannabis Regulation and Safety Act ("MAUCRSA").

Pursuant to MAUCRSA: (i) CalCannabis, a division of the California Department of Food and Agriculture, was designated to issue licenses to cannabis cultivators: (ii) the Manufactured Cannabis Safety Branch (the "MCSB"), a division of the California Department of Public Health, was designated to issue licenses to cannabis manufacturers; and (iii) the California Department of Consumer Affairs, via its agency the Bureau of Cannabis Control (the "BCC"), was designated to issue licenses to cannabis distributors, testing laboratories, retailers, and micro-businesses. These agencies were also charged with overseeing various aspects of implementing and maintaining California's cannabis landscape, including the statewide track and trace system. All three agencies released their initial emergency rulemakings at the end of 2017 and updated them with minor revisions in June 2018. The three agencies adopted their permanent rulemakings on January 16, 2019. All three agencies began issuing temporary licenses in January 2018 and stopped doing so on December 31, 2018, pursuant to MAUCRSA.

Local authorization is a prerequisite to obtaining a state license, and local governments are permitted to prohibit or otherwise regulate the types and number of cannabis businesses allowed in their locality. All three state regulatory agencies require confirmation from the applicable locality that the operator is operating in compliance with local requirements and was granted authorization to continue or commence commercial cannabis operations within the locality's jurisdiction. Applicants are required to comply with all local zoning and land use requirements and provide written authorization from the property owner where the commercial cannabis operations are proposed to take place, which must dictate that the applicant has the property owner's authorization to engage in the specific state-sanctioned commercial cannabis activities proposed to occur on the premises. The State has not set a limit on the number of state licenses an entity may hold, unlike other states that have restricted how many cannabis licenses an entity may hold in total or for various types of cannabis activity. Although vertical integration across multiple license types is allowed under MAUCRSA, testing laboratory licensees may not hold any other licenses aside from a laboratory license. There are also no residency requirements for ownership of a state license under MAUCRSA.

California state licenses, and some local licenses, are renewed annually. Each year, licensees are required to submit a state renewal application to the relevant regulatory authority, and all applicable local renewal applications to the applicable local regulatory body (for local licenses) such as the Department of Cannabis Regulation in the City of Los Angeles.

On July 12, 2021, Governor Gavin Newsom signed AB-141 into law, triggering the consolidation of CalCannabis, the MCSB, and the BCC into the newly created Department of Cannabis Control (the "DCC"). The DCC was created in an effort to centralize regulatory authority and facilitate a more easily navigable regulatory regime. All licenses obtained under the previous regulatory authorities automatically transferred to the DCC, which will be responsible for issuing and renewing all cannabis licenses moving forward. In September 2021 the DCC issued emergency regulations, which were approved and went into effect the same month. The emergency regulations, among other things, include revised definitions clarifying who are considered to be owners or holders of a financial stake in cannabis businesses, and provisions allowing for the sale of branded products between businesses.

California's robust regulatory system is designed to ensure, monitor, and enforce compliance with all aspects of a cannabis operator's licensed operations. California's state license application process additionally requires comprehensive criminal, regulatory, financial and personal disclosures, coupled with stringent monitoring and continuous reporting requirements designed to ensure only good actors are granted licenses and that licensees continue to operate in compliance with the state

regulatory program. Applicants must submit standard operating procedures describing how the operator will, among other requirements, secure the facility, manage inventory, comply with the state's seed-to-sale tracking requirements, dispense cannabis, and handle waste, as applicable to the license sought. Once licensed, an operator must continue to abide by the processes described in its application and seek regulatory approval before any changes to such procedures can be made. Licensees are additionally required to train their employees on compliant operations and are only permitted to transact with other legal and licensed businesses.

As a condition of state licensure, operators must consent to random and unannounced inspections of their commercial cannabis facility as well as all of the facility's books and records, so as to monitor and enforce compliance with state law. Many localities have also enacted similar standards for inspections, and the state has already commenced site-visits and compliance inspections for operators who have received state temporary or annual licensure.

New Jersey

On January 18, 2010, the Compassionate Use Medical Marijuana Act (the "CUMMA") came into force allowing patients with a limited number of qualifying medial conditions to access the state's medical marijuana program. The New Jersey Department of Health (the "NJDOH") issued regulations shortly thereafter authorizing the NJDOH to accept applications for a minimum of six alternative treatment centers (the "ATCs"), with two each to operate in the north, central and south regions of New Jersey.

CUMMA permits each ATC to operate as both a cultivator and dispensary under one permit. These activities can take place at up to two locations, as long as both locations are within the same region. The application process involves two stages. Those seeking an ATC permit must first submit an application seeking authority to apply for a permit to operate. Upon the granting of the application, the prospective ATC must then complete the application for actual permitting. Applications for authority to apply for a permit may only be submitted following solicitation from NJDOH for such applications. The first six permits for ATCs were awarded to nonprofit entities, with subsequent permits to be available to both nonprofit and for-profit entities. In 2013, CUMMA was amended to allow ATCs to cultivate an unlimited number of strains of marijuana and sell additional marijuana-infused products, and to restrict the same of marijuana-infused edible products to qualifying patients under the age of 18. With additional authorizations, ATCs may also house manufacturing facilities for marijuana-infused products such as syrups and lozenges. All marijuana is subject to a tetrahydrocannabinol ("THC") limit of 10%, though NJDOH is proposing to repeal the regulation that establishes this limit.

Upon taking office on January 16, 2018, Governor Murphy expanded the medical program by issuing Executive Order No. 6, which ordered a 60-day review of all aspects of New Jersey's current program, "with a focus on ways to expand access to marijuana for medical purposes." In response to Executive Order No. 6, NJDOH released its EO 6 Report on March 23, 2018, which proposed significant changes to the existing medicinal program. In an effort to create greater patient access, the state immediately put into effect some of the recommended changes, including cutting registration and renewal fees, and expanding qualifying conditions.

On July 16, 2018, the Murphy Administration announced that the licensing application process would be opened for up to six additional vertically integrated medicinal marijuana ATCs. The NJDOH released a Notice of Request for Applications outlining the reason for issuing the licenses, eligibility rules and information required for the applications. The application period opened on August 1, 2018 and closed on August 31, 2018. Winning applicants were supposed to be selected on or before November 1, 2018 but this deadline was subsequently pushed to December due to administrative constraints. On December 17, 2018, NJDOH revealed the additional six medical marijuana ATCs it picked to add to the program. New Jersey will now have 12 vertically-integrated ATCs across the state, if these additional six applicant ATCs become operational. These six applicant ATCs now must pass background checks, provide evidence of cultivation and dispensary locations with municipal approval for each location, and comply with all regulations promulgated by the NJDOH, including safety and security requirements.

On March 25, 2019, a planned vote on legislative package including medical expansion and adult-use legalization was pulled due to a lack of votes necessary to pass the legislation through the state Senate. This setback came after significant momentum had helped to pass the bill through the appropriations and judiciary committees earlier in the month. After the package of cannabis reforms stalled, Governor Murphy announced he would be expanding the medical program through administrative action. This announcement has proved contentious as the Senate President claims any regulatory changes for medical cannabis would make securing the votes necessary to pass adult-use legalization more difficult. On May 14, 2019, the Senate President announced he would no longer work to advance adult-use legalization through the legislature and instead would pivot to put the issue before voters for the 2020 general election. While legalization stalled, bills to expand the state's medical program and reform criminal penalties continued to move forward. On December 18, 2020, Governor Murphy signed A. 5981/S. 4154 into law, which facilitates the expungement of low-level marijuana crimes and other offenses. And, on November 3, 2020, New Jersey voters passed a ballot measure amending the New Jersey Constitution to permit the use of marijuana for adults over 21 years of age. The ballot measure will also allow New Jersey to regulate the growth, distribution, and sale of adult-use marijuana.

On November 4, 2020, New Jersey Attorney General Gurbir S. Grewal issued a statement reminding New Jersey residents that the state's criminal laws related to marijuana still apply until the state legislature enacts a framework for adult-use cannabis.

On February 22, 2021, Governor Murphy signed the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act ("CREAMMA") into law, legalizing the use of marijuana by adults 21 years of age and older in New Jersey. On August 19, 2021, New Jersey's Cannabis Regulatory Commission ("CRC") published its first set of rules associated with adult-use cannabis in the state. These rules outline the details of licensing, the authority of municipalities, the operations of cannabis businesses, and the CRC's authority over adult-use cannabis. Adult-use sales in New Jersey commenced on April 21, 2022.

Pennsylvania

The Pennsylvania medical marijuana program was signed into law on April 17, 2016 under Act 16 and provided access to state residents with one or more of 17 qualifying conditions, including: epilepsy, chronic pain and PTSD. The state originally awarded only 12 licenses to cultivate/process and 27 licenses to operate retail dispensaries (which entitled holders to up to three medical dispensary locations per retail license).

On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would initiate its rollout, which included 13 additional cultivation/processing licenses and 23 additional dispensary licenses. Additionally, the list of qualifying conditions was expanded from 17 to 21. On July 20, 2019, two more qualifying medical conditions were added, bringing the total to 23.

There are two principal license categories in Pennsylvania: (1) cultivation/processing and (2) dispensary. All cultivation/processing establishments and dispensaries must register with Pennsylvania Department of Health. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. The Pennsylvania Department of Health must renew a permit unless it determines the applicant is unlikely to maintain effective control against diversion of medical cannabis and the applicant is unlikely to comply with all laws as prescribed under the Pennsylvania medical marijuana program.

Under applicable laws, the licenses permit the license holder to cultivate, manufacture, process, package, sell and purchase medical marijuana pursuant to the terms of the licenses, which are issued by the Pennsylvania Department of Health under the provisions of Medical Marijuana Act and Pennsylvania regulations. The medical cultivation/processing licenses permit the licensee to acquire, possess, cultivate, manufacture/process into medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries.

The retail dispensary licenses permit TerrAscend to purchase marijuana and marijuana products from cultivation/processing facilities, as well as allow the sale of marijuana and marijuana products.

Maryland

The Maryland medical cannabis program was signed into law on May 2, 2013. In 2016, the Maryland Medical Cannabis Commission issued preliminary licenses to 102 dispensaries, 15 cultivators, and 15 processors; the first dispensaries opened to patients in December 2017.

Maryland has three classes of cannabis licenses: dispensaries, cultivators, and processors. Wholesaling occurs between cultivators and processors, cultivators and dispensaries, and processors and dispensaries. Originally, no one Company could directly control multiple licenses of the same class, but this restriction was changed in May 2019 when Governor Hogan signed a bill that permitted a single company to own or control, including the power to manage or operate, up to four dispensaries. Dispensary locations are tied to the Senate District in which they were awarded, with the exception of dispensary licenses that were awarded to applicants who also were awarded a cultivation license. These dispensaries can be located at the discretion of the license holder. Permitted products include oil-based formulations, flower, and edibles.

In April 2018, the Maryland House and Senate approved a bill, which was later signed by Governor Hogan, that expanded the license pool, allowing for a maximum of seven additional cultivation licenses, for a total of 22, and 13 additional processing licenses, for a total of 28. As of March 1, 2022, there were approximately 95 licensed dispensaries, 18 licensed cultivators, and 19 licensed processors. In November 2022, the voters in Maryland approved adult-use cannabis as a ballot question. Beginning on July 1, 2023, adults 21 or older may possess and consume up to 1.5 ounces of cannabis flower, 12 grams of concentrated cannabis, or a total amount of cannabis products that does not exceed 750 mg THC. This amount is known as the "personal use amount." Adult-use sales are expected to begin around the same time.

Michigan

In November 2008, Michigan residents approved the Michigan Compassionate Care Initiative to provide a legal framework for individuals with certain debilitating medical conditions to lawfully use marijuana for medicinal purposes. In September 2016, the Michigan Legislature passed, and Governor Snyder signed into law, the Medical Marihuana Facilities Licensing Act (the "MMFLA") and the Marihuana Tracking Act (the "MTA") to provide a comprehensive licensing and tracking scheme, respectively, for state's medical marijuana program.

In 2018, Michigan voters approved Proposal 1, to make marijuana legal under state and local law for adults 21 years of age or older and to control the commercial production and distribution of marijuana under a system that licenses, regulates, and taxes the businesses involved. The proposal is known as the Michigan Regulation and Taxation of Marihuana Act (the "MRTMA" and together with the Michigan Medical Marihuana Act (the "MMMA"), the MMFLA, and the MTA, the "Michigan Cannabis Laws").

Additionally, the Michigan Department of Licensing and Regulatory Affairs ("LARA") and the MRA have supplemented the Michigan Cannabis Laws with administrative rules and bulletins to further clarify the regulatory landscape surrounding the state's medical and adult use marijuana programs. The MRA is the main regulatory authority for the licensing and regulation of medical and adult use marijuana businesses, and is an agency within LARA.

Under the MMFLA, the MRA administrates five types of "state operating licenses" for medical marijuana businesses: (a) a "grower" license, including three different classes of licenses: (i) a Class A license that allows the licensee to cultivate up to 500 plants; (ii) a Class B license that allows the licensee to cultivate up to 1,000 plants; and (iii) a Class C license that allows the licensee to cultivate up to 1,500 plants, (b) a "processor" license, (c) a "secure transporter" license, (d) a "provisioning center" license and (e) a "safety compliance facility" license. Likewise, under the MRTMA, the MRA administers six types of "state licenses" for adult use marijuana business: (a) a "marihuana grower" license, including three different classes of licenses: (i) a Class A license that allows the licensee to cultivate up to 100 plants; (ii) a Class B license that allows the licensee to cultivate up to 500 plants; and (iii) a Class C license that allows the licensee to cultivate up to 2,000 plants, (b) a "marihuana processor" license, (c) a "secure transporter" license, (d) a "marihuana retailer" license, (e) a "marihuana safety compliance facility" license, and (f) a "marihuana microbusiness" license. However, MRTMA also allows the MRA to create additional license types through the administrative rulemaking process. To date, the MRA has created four additional license types: (a) a "designated consumption establishment" license, (b) an "excess marihuana grower" license, (c) a "marihuana event organizer" license, and (d) a "temporary marihuana event" license. Importantly, each excess marihuana grower license allows an entity that holds five adult use Class C grower licenses issued under MRTMA and at least two medical Class C grower licenses issued under the MMFLA to grow an additional 2,000 plants.

Under both MRTMA and the MMFLA, there are no stated limits on the number of licenses that can be made available on a state level; however, the MRA has discretion over the approval of applications and municipalities can pass additional restrictions, including limiting the number and type of licenses that can be issued within their jurisdiction. Additionally, a person or entity cannot possess or own both a grower/process/provisioning center and a secure transporter license or a safety compliance lab.

On February 11, 2022, Governor Whitmer signed an Executive Reorganization Order (ERO) 2022-1 which modified the Marijuana Regulatory Agency (MRA) to be called the Cannabis Regulatory Agency (CRA). This allowed for the CRA to have authority over Michigan's hemp processors and handlers under the Industrial Hemp Research and Development Act also shifting to the new CRA.

U.S. Hemp Regime

The Agriculture Improvement Act of 2018 (commonly known as the "2018 Farm Bill") was signed into law on December 20, 2018. The 2018 Farm Bill, among other things, removed "hemp" (including any part of the cannabis plant containing 0.3% THC or less), its extracts, derivatives, and cannabinoids from the CSA definition of "marihuana", and allows for federally-sanctioned hemp production under the purview of the U.S. Department of Agriculture (the "USDA"), in coordination with state departments of agriculture that elect to have primary regulatory authority. States and Tribal governments can adopt their own regulatory plans, even if more restrictive than federal regulations, so long as the plans meet minimum federal standards and are approved by the USDA. Hemp production in jurisdictions that do not choose to submit their own plans (and that do not otherwise prohibit hemp production) will be governed by USDA regulation. "Hemp" as defined in the 2018 Farm Bill, "means the plant Cannabis sativa L., and any part of that plant, including the seeds thereof and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not with a THC concentration of not more than 0.3% on a dry weight basis."

While the 2018 Farm Bill removes hemp and hemp-derived products from the controlled substances list under the CSA, it does not legalize cannabidiol ("CBD") in every circumstance. While not independently scheduled under the CSA, CBD, depending on the source from which it was derived and its THC concentration, can still be classified as a Schedule I substance under the CSA's definition of "marihuana." Further, although the 2018 Farm Bill creates a limited exception to this prohibition, this exception only applies if the CBD is derived from "hemp" as defined in federal law. Federal law also requires that: (i) the hemp is produced by a Licensed Producer; and (ii) in a manner consistent with the applicable federal and state regulations. CBD and other cannabinoids produced from marihuana as defined by the CSA remain an illegal Schedule I substance under federal law. In addition, many state laws include all CBD within definitions of marijuana and some states have policies or laws that otherwise prohibit or restrict CBD sales.

Notwithstanding the foregoing, the 2018 Farm Bill expressly preserves the U.S. Food and Drug Administration's authority to regulate certain products under the FDCA and Section 351 of the Public Health Service Act. The FDA takes the position that because CBD was the subject of substantial clinical investigations that have been made public and is the active ingredient in an FDA-approved drug (Epidiolex), it is therefore illegal to add to food and CBD products are excluded from the dietary supplement definition. While there is an exception for articles that were marketed as a conventional food or dietary supplement before the new drug investigations were authorized (or the new drug was approved), the FDA has asserted that, based on available evidence, the exception does not apply to CBD. As previously mentioned, the FDA takes the position that it is unlawful under the FDCA to introduce food containing added CBD into interstate commerce, or to market CBD products as, or in, dietary supplements, regardless of whether the substances are hemp-derived. Despite FDA's stated position, the agency has not, to date, been active in its CBD-related enforcement absent CBD products bearing aggressive therapeutic claims (e.g., claims of treatment of COVID-19, neuropathy, AIDS, diabetes, cancer, etc.). FDA could change its enforcement priorities at any time. The FDA has indicated that it will work towards providing ways for companies to seek approval from the FDA to market CBD products. In addition, options remain available for the FDA to consider whether there are circumstances in which certain cannabis-derived compounds might be permitted in a food or dietary supplement. Importantly, notwithstanding the FDA's stated position prohibiting sales of CBD containing-foods and dietary supplements, the FDA has authority to issue a regulation allowing the use of a pharmaceutical ingredient, such as CBD, in a food or dietary supplement, even if such pharmaceutical ingredient was not previously marketed as a food or dietary ingredient prior to the initiation of clinical drug trials. Timing regarding if or when FDA might issue such a regulation is unclear.

States have also taken various approaches to the production and sale of hemp-derived food products. Many states have adopted the Uniform State Food, Drug, and Cosmetic Act, which was created in 1984 by the Association of Food and Drug Officials (the "AFDO"), the primary organization for state food and drug officials. The AFDO's model Uniform Act includes a provision to automatically incorporate changes to the FDCA into state law. However, there is some variation between state Food, Drug, and Cosmetic Acts both because not all states have adopted this provision, and because not all states have adopted the Uniform Act. States that have adopted the Uniform Act generally prohibit the use of CBD in food and dietary supplements due to the FDA's lack of approval for such uses of the substance, discussed above. For example, Michigan (among other states) prohibits the use of CBD in retail food and beverage products because of the FDA's stated position. Like FDA, some states, despite having stated positions of the impermissibility of CBD foods and supplements, or any CBD products at all, enforcement is inconsistent, with some state regulators more active than others. Again, these enforcement priorities could change at any time.

Although hemp-derived CBD cannot be added or marketed in foods or dietary supplements, certain hemp derived substances, such as hemp seed oil, may be permissible in food, dietary supplements, cosmetics, and other products depending on whether the ingredients and finished products comply with the other requirements of the FDCA. For example, a substance that will be added to food is subject to premarket approval by the FDA unless it is generally recognized, among qualified experts, to be safe under the conditions of its intended use ("GRAS"). Pursuant to the FDCA, a food ingredient may be marketed in the United States under any of the following three alternative criteria: (i) if it was approved by the FDA or USDA between 1938 and 1958 for the intended use (commonly referred to as a "prior sanction"); (ii) if it is GRAS for its intended use; or (iii) pursuant to a food additive regulation promulgated by the FDA. On December 20, 2018, the FDA issued GRAS approvals for three ingredients that are derived from parts of the cannabis plant that do not contain THC or CBD – hulled hemp seeds, hemp seed protein, and hemp seed oil. These three types of products can be legally marketed in human foods without food additive approval, provided they comply with all other requirements and do not make unlawful drug claims. It is worth noting that none of these GRAS products contain CBD.

The 2018 Farm Bill also contemplates a significant state presence in the regulation of hemp production, as the 2018 Farm Bill empowers states, U.S. territories and Native American tribes to regulate the production and sale of hemp within their respective borders. To regulate commercial hemp production, states, U.S. territories and Native American tribes must submit plans to the USDA setting out the processes associated with how the state, territory or tribe will regulate hemp production, including how it will gather information, test, inspect and dispose of hemp and its related byproducts. The Secretary of the USDA must approve or reject these plans within sixty days of receipt. If a state, territory or tribe chooses not to submit a plan to the USDA, potential producers will be able to apply directly to the USDA for licensing approval. States, territories and tribes may also

enact stricter laws than those enacted at the federal level and may ban hemp production and sale within their respective jurisdiction.

Once implemented, in jurisdictions with USDA-approved state programs, it will be a violation of state law to cultivate hemp without a registration in compliance with state law, or in the case of a state or territory without a USDA-approved program, it will be a violation of federal law to cultivate hemp without a federally issued license.

The 2018 Farm Bill was signed into law on December 20, 2018. Importantly, however, the Industrial Hemp cultivation and research provisions contained in the Section 7606 of the Agricultural Act of 2014 (the "2014 Farm Bill") will remain in effect pending the USDA's rulemaking process and certain provisions of the law may not yet be effective. The federal rulemaking process may take more than one year to finalize, and the 2014 Farm Bill will be repealed one year after the USDA establishes regulations governing hemp production in states lacking their own USDA-approved plans. The scope of the 2014 Farm Bill is limited to cultivation that is: (i) for research purposes (inclusive of market research, which multiple federal agencies have confirmed includes commercial sales with a research purpose); (ii) part of an "agricultural pilot program" or other agricultural or academic research; and (iii) permitted by state law. Further, the 2014 Farm Bill defines "Industrial Hemp" as the plant Cannabis sativa L., and any part of such plant, whether growing or not, with a delta-9 THC concentration of not more than 0.3% on a dry weight basis. The USDA published its final rule on January 19, 2021. The USDA's final rule establishes a federal licensing plan for regulating U.S. hemp producers in states that do not have their own USDA-approved plans. In the absence of a state plan, U.S. hemp producers will be subject to regulation directly by the USDA unless the state prohibits U.S. hemp production. Additionally, the final rule includes requirements for maintaining information on the land where US hemp is produced, testing U.S. hemp for THC levels, disposing of plants with more than 0.3 percent THC on a dry-weight basis and licensing for U.S. hemp producers. The USDA's final rule requires hemp producers to use a laboratory that is registered with the DEA, although the USDA is delaying enforcement of this requirement until December 31, 2022. The final rule also includes provisions for producers to dispose or remediate violative hemp plants without the use of a DEA-registered reverse distributor or law enforcement.

State-Level Overview

The following section presents an overview of market and regulatory conditions for the hemp industry in Florida, where the Company has an operating presence as of the date of this filing.

Florida

Florida continues to classify all cannabis as a Schedule I controlled substance, except medical marijuana grown and sold under the state's medical marijuana program and, as of July 1, 2019, both hemp and industrial hemp. Florida defines "cannabis" in its criminal code to include, "all parts of any plant of the genus cannabis, whether growing or not; the seeds thereof; the resin extracted from any part of the plant; and every compound, manufacture, salt derivative, mixture, or preparation of the plant or its seeds or resin." The term does not include "marijuana," if manufactured, possessed, sold, purchased, delivered, distributed, or dispensed, in conformance with § 381.986 Florida's Medical Marijuana Program statutes. This term also does not include "hemp" defined in § 581.217 or "industrial hemp" as defined in § 1004.4473.

On May 3, 2019, the Florida legislature passed SB1020, creating Florida's hemp farming program governed by the Florida Department of Agriculture, legalizing cannabidiol and the sale and distribution of hemp extracts, and removing hemp and industrial hemp from the definition of cannabis under state law so that hemp is no longer a controlled substance in the state of Florida. On June 25, 2019, the bill was signed by the governor and went into on effect July 1, 2019. On April 16, 2020, Florida's Hemp Plan was approved by USDA. Hemp cultivators may now apply for licensure online with the Florida Department of Agriculture. As part of the application, hemp cultivators must undergo a background check and must submit a Hemp Containment and Transportation Plan, among other requirements.

Regulatory Framework in Canada

Licenses and Regulatory Framework in Canada

The TerrAscend Canada Licensed Producer License

TerrAscend Canada held a standard cultivation license, standard processing license and license for sale for medical purposes under the Cannabis Act until February 9, 2023 when it opted to return its license. Under the Licensed Producer License, and subject to further requirements set out in the Cannabis Act, TerrAscend Canada was able to possess, obtain produce and sell cannabis, including sales of cannabis extracts, topicals and edibles, and oils, in accordance with the applicable Cannabis Regulations, subject to certain terms and conditions.

The Cookies Canada License

TerrAscend's minority-owned business, Cookies Canada, has an interest in a retail operator's license under the Cannabis License Act (Ontario). The retail operator's license permits, subject to further requirements set out in the legislation, to possess and sell cannabis, including sales of cannabis extracts, topicals and edibles, and oils, in accordance with the applicable legislation and regulation, subject to certain terms and conditions, subject to certain restrictions on age and time of sale.

Summary of Canadian Regulatory Framework

On October 17, 2018, the Cannabis Act and Cannabis Regulations came into force as law with the effect of legalizing the recreational adult-use of cannabis and regulating the production, distribution and sale of cannabis and cannabis derived products (both medical and adult-use) within Canada. The Cannabis Act replaced the Access to Cannabis for Medical Purposes Regulations ("ACMPR") and the Old International Health Regulations ("IHR"), both of which came into force under the CDSA, which previously permitted access to cannabis for medical purposes for only those Canadians who had been authorized to use cannabis by their health care practitioner.

The Cannabis Act provides a licensing and permitting scheme for activities related to cannabis, implemented by regulations made under the Cannabis Act. The Cannabis Act maintains separate medical access to cannabis, including providing that import and export licenses and permits will only be issued in respect of cannabis for medical or scientific purposes or in respect of industrial hemp. Transitional provisions of the Cannabis Act provide that licenses and permits issued under the former ACMPR and the Narcotics Control Regulations ("NCR") that were in force immediately before the day on which the Cannabis Act came into force are deemed to continue under the Cannabis Act.

The Cannabis Regulations (the "Regulations"), among other things, outline the rules for the legal cultivation, processing, research, testing, distribution, sale, importation and exportation of cannabis and hemp in Canada, including the various classes of licenses that can be granted, and set standards for cannabis and hemp products. The Regulations include strict specifications for the plain packaging and labelling and analytical testing of all cannabis products as well as stringent physical and personnel security requirements for all federally licensed production and processing sites.

The Cannabis Act and Regulations were amended on October 17, 2019 to provide for new classes of cannabis, namely edible cannabis, cannabis extracts and cannabis topicals, that are permitted to be sold in the medical and adult-use markets as well as to establish new regulatory controls to address the public health and safety risks associated with these new classes of cannabis. These controls include restrictions on product composition and ingredients, THC limits, and new requirements pertaining to promotion, packaging and labelling, good production practices and record keeping.

Pursuant to the Cannabis Act, subject to provincial regulations, individuals over the age of 18 are able to purchase fresh cannabis, dried cannabis, cannabis oil, cannabis extracts, cannabis topicals, edible cannabis and cannabis plants or seeds and are able to legally possess up to 30 grams of dried cannabis or equivalent. In addition, the Cannabis Act provides provincial, territorial and municipal governments the authority to prescribe regulations regarding retailing and distribution, as well as the ability to alter some of the existing baseline requirements of the Cannabis Act such as increasing the minimum age for purchase and consumption, and limiting the ability of households to grow cannabis plants.

The Cannabis Regulations establish requirements relating to licenses; security, including clearances; cannabis products; packaging, labelling and promotion, health products and cosmetics containing cannabis and cannabis for medical purposes.

Cannabis Products

Initially, the Cannabis Act and the Cannabis Regulations set out certain requirements for the sale of cannabis products at the retail level and initially permitted the sale of dried cannabis, cannabis oil, fresh cannabis, cannabis plants, and cannabis seeds, including in "pre-rolled" and capsule form, by authorized license holders.

On October 17, 2019, the Federal Government legalized new classes of products; specifically, edible cannabis, cannabis extracts, and cannabis topical products pursuant to certain amendments to the Cannabis Act and Cannabis Regulations. The previous class, cannabis oil, was subject to a one year transition period to allow for existing cannabis license holders to transition their current products in order to comply with the amended Cannabis Regulations. Consequently, the Cannabis Act was amended with effect on October 17, 2020 to remove "cannabis oil" as a separate cannabis category from Schedule 4 of the Cannabis Act. Edible cannabis, cannabis extracts, and cannabis topical products, which are now available for sale, are subject to additional regulatory requirements that include supplemental marketing and advertising rules, further restrictions on labelling and packaging, rules relating to ingredients of edible cannabis and cannabis extracts, limits on THC content, and additional

manufacturing and good production practice requirements. In addition, the Cannabis Regulations require processing license holders to notify Health Canada at least sixty days prior to the intended release of a new product to the market.

Advertising and Promotions

The Cannabis Act, and the accompanying Cannabis Regulations, the Cannabis Licence Act (Ontario) and its accompanying regulations, contain strict restrictions on the promotion of cannabis products and generally prohibit the promotion of cannabis, cannabis accessories and services related to cannabis, unless the promotional activity is specifically authorized under the legislation and regulations. These prohibitions are intended to protect public health and safety, including protecting the health of young persons by restricting their access to cannabis and preventing the inducement of the use of cannabis, while allowing consumers to have access to information with which they can make informed decisions about the consumption of cannabis. Thus, the promotion, packaging and labelling, display and sale and distribution of cannabis and cannabis accessories takes place in a highly regulated environment which restricts the ability of operators to brand and market their store or products in a manner consistent with other industries which are not subject to such controls.

Provincial and Territorial Developments

While the Cannabis Act provides for the regulation by the Federal Government of, among other things, the commercial cultivation and processing of cannabis and the sale of medical cannabis, it also provides that the provinces and territories of Canada have authority to regulate certain aspects of adult-use cannabis, such as distribution and sale, minimum age requirements, places where cannabis can be consumed, and a range of other matters.

The governments of every Canadian province and territory have implemented their regulatory regimes for the distribution and sale of cannabis for adult-use purposes. Most provinces and territories have announced a minimum age of 19 years old, except for Alberta, where the minimum age is 18, and Québec, where the minimum age is 21. A summary of the legislative framework in each province and territory is set out below.

Ontario

The distribution and sale of recreational cannabis in Ontario is primarily governed by the Cannabis Control Act, 2017, the Cannabis Licence Act, 2018 and the related regulations. The Ontario Cannabis Retail Corporation is the wholesale distributor of cannabis and conducts all online sales in the province.

Compliance

In the United States, TerrAscend is in compliance with all state laws and the related cannabis licensing framework of Maryland, Pennsylvania, New Jersey, California, and Michigan. In Canada, at the time of license return at the request of TerrAscend, TerrAscend was in compliance with all applicable federal, provincial and territorial laws and regulations, including the Cannabis Act and the Cannabis Regulations. There are no current incidences of noncompliance, citations or notices of violations outstanding which may have an impact on TerrAscend's licenses, business activities or operations in these states. Notwithstanding the foregoing, like all businesses, TerrAscend may from time-to-time experience incidences of noncompliance with applicable rules and regulations in the states in which TerrAscend operates, and such non-compliance may have an impact on TerrAscend's licenses, business activities or operations in the applicable states. However, TerrAscend takes steps to minimize, disclose and remedy all incidences of non-compliance which may have an impact on TerrAscend's licenses, business activities or operations in all states in which TerrAscend operates.

Available Information

TerrAscend's website address is www.terrascend.com. Through this website, TerrAscend's filings with the U.S. Securities and Exchange Commission ("SEC"), including annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and all amendments to those reports, will be accessible (free of charge) as soon as reasonably practicable after materials are electronically filed with or furnished to the SEC. Information contained on or accessible through TerrAscend's website is not a part of this Annual Report, and the inclusion of TerrAscend's website address in this Annual Report is an inactive textual reference only.

The SEC maintains an internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

ITEM 1A. RISK FACTORS

The following risks should be carefully considered when deciding whether to make an investment in TerrAscend. Some of the following factors are interrelated and, consequently, investors and readers should treat such risk factors as a whole. These risks and uncertainties are not the only ones that could affect TerrAscend, and additional risks and uncertainties not currently known to TerrAscend, or that it currently considers not to be material, may also impair the business, financial condition and results of operations of TerrAscend and/or the value of its securities. If any of the following risks or other risks occur, they could have a material adverse effect on TerrAscend business, financial condition and results of operations and/or the value of TerrAscend's securities. There is no assurance that any risk management steps taken by TerrAscend will avoid future loss due to the occurrence of the risks described below, or other unforeseen risks.

Regulatory and Legal Risks to TerrAscend's Business and the Cannabis Industry

There is a substantial risk of regulatory or political change with respect to cannabis, which could have a material adverse effect on TerrAscend's business.

In the United States, the operations of TerrAscend and its subsidiaries are subject to a variety of laws, including, among other things, state and local regulations and guidelines relating to the cultivation, manufacture, management, transportation, distribution, sale, storage and disposal of cannabis. Changes to such laws, regulations and guidelines due to matters beyond the control of TerrAscend may cause adverse effects to TerrAscend's business, financial condition and result of operations. Local, state and federal laws and regulations governing cannabis for medicinal and recreational purposes are broad in control and are subject to evolving interpretations, which could require TerrAscend to incur substantial costs associated with bringing TerrAscend's operations into compliance. In addition, violations of these laws, or allegations of such violations, could disrupt TerrAscend's operations and result in a material adverse effect on its financial performance. It is beyond TerrAscend's scope to predict the nature of any future change to the existing laws, regulations, policies, interpretations or applications, nor can TerrAscend determine what effect such changes, when and if promulgated, could have on TerrAscend's business.

The Cannabis Act came into force in Canada on October 17, 2018 along with various related regulations. The cultivation, processing, distribution and sale of cannabis, among other things, remains subject to extensive regulatory oversight under the Cannabis Act. It is possible that these statutory requirements, including any new regulations that are subsequently issued, could significantly and adversely affect the business, financial condition and results of operations of TerrAscend.

While the foregoing activities in respect of cannabis are under the regulatory oversight of the Government of Canada, the distribution of recreational use cannabis is the responsibility of the respective provincial and territorial governments. These jurisdictions have chosen varying retail frameworks with private, public and hybrid models being implemented. There is no guarantee that provincial and territorial legislation regulating the distribution and sale of cannabis for recreational purposes will be continued according to their current terms, that they will not be materially amended or that such regimes will create the growth opportunities that TerrAscend currently anticipates.

In addition, government policy changes or public opinion may also result in a significant influence over the regulation of the cannabis industry in Canada, the United States or elsewhere. A negative shift in the public's perception of medical or recreational cannabis in Canada, the United States or any other applicable jurisdiction could affect future legislation or regulation. Among other things, a shift could cause state and local jurisdictions to abandon initiatives or proposals to legalize medical or recreational cannabis, thereby limiting the number of new state jurisdictions into which TerrAscend could expand. Any inability to fully implement TerrAscend's expansion strategy may have a material adverse effect on TerrAscend's business, financial condition and results of operations.

Compliance with regulations regarding cannabis is difficult, because the regulation of cannabis is uncertain and frequently changes. TerrAscend's failure to comply with applicable laws regarding cannabis may adversely affect TerrAscend's business.

Achievement of TerrAscend's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products. TerrAscend cannot predict the impact of the compliance regime that the applicable regulatory bodies in the United States and Canada are implementing that effect the business of TerrAscend. Similarly, TerrAscend cannot predict the time required to secure all appropriate regulatory approvals for its products, or the extent of testing and documentation that may be required by governmental authorities. The impact of governmental compliance regimes, any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

TerrAscend will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with regulations may result in additional costs for corrective measures, penalties or restrictions on TerrAscend's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TerrAscend's operations, result in increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

The cannabis industry is subject to extensive controls and regulations, which may significantly affect the financial condition of market participants. The marketability of any product may be affected by numerous factors that are beyond the control of TerrAscend and which cannot be predicted, such as changes to government regulations, including those relating to taxes and other government levies which may be imposed. Changes in government levies, including taxes, could reduce TerrAscend's earnings and could make future capital investments or TerrAscend's operations uneconomic. The industry is also subject to numerous legal challenges, which may significantly affect the financial condition of market participants and which cannot be reliably predicted.

TerrAscend's business relies heavily on its ability to obtain and maintain required licenses, and failure to do so may adversely affect TerrAscend's business.

TerrAscend's ability to grow, store and sell medical and adult-use cannabis in certain U.S. states and Canada is dependent on TerrAscend maintaining licenses with applicable regulators for the production and sale of cannabis. Failure to comply with the requirements of its licenses or any failure to maintain its licenses would have a material adverse impact on the business, financial condition and operating results of TerrAscend.

TerrAscend and its subsidiaries, as applicable, will apply for, as the need arises, all necessary licenses and permits to carry on the activities it expects to conduct in the future. However, the ability of TerrAscend or its subsidiaries to obtain, maintain or renew any such licenses and permits on acceptable terms is subject to changes in regulations and policies and to the discretion of the applicable authorities or other governmental agencies in each respective jurisdictions.

In certain states, the cannabis laws and regulations limit, not only the number of cannabis licenses issued, but also the number of cannabis licenses that one person may own. TerrAscend believes that, where such restrictions apply, it may still capture significant share of revenue in the market through wholesale sales, exclusive marketing relations, provision of management or support services, franchising and similar arrangement with other operators. Nevertheless, such limitations on the acquisition of ownership of additional licenses within certain states or enforcement by regulators in certain states against such services arrangements may limit TerrAscend's ability to grow organically or to increase its market share in such states.

As a cannabis business, TerrAscend is subject to unfavorable tax treatment under the U.S. federal income tax law.

Tax risk is the risk of changes in the tax environment that would have a material adverse effect on TerrAscend's business, results of operations, and financial condition. Currently, U.S. state licensed marijuana businesses are assessed a comparatively high effective U.S. federal income tax rate due to Section 280E of the Internal Revenue Code of 1986, as amended (the "Code"), which prohibits businesses from deducting certain expenses associated with trafficking in controlled substances (within the meaning of Schedule I and II of the CSA). The Internal Revenue Service ("IRS") has invoked Section 280E of the Code in tax audits against various cannabis businesses in the United States that are permitted under applicable U.S. state laws. Although the IRS issued a clarification allowing the deduction of certain expenses, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various U.S. administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E of the Code favorable to cannabis businesses. Given these facts, the impact of any such challenges cannot be reliably estimated; however, it may be significant to the financial condition and/or the overall operations of TerrAscend.

If TerrAscend's tax positions were to be challenged by U.S. federal, state, or local or non-U.S. tax jurisdictions, TerrAscend' may not be wholly successful in defending its tax filing positions. TerrAscend records reserves for unrecognized tax benefits based on its assessment of the probability of successfully sustaining tax filing positions. Management exercises significant judgment when assessing the probability of successfully sustaining TerrAscend's tax filing positions, and in determining whether a contingent tax liability should be recorded and, if so, estimating the amount. If TerrAscend's tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts, or TerrAscend may be required to reduce the carrying amount of its net deferred tax asset, either of which could be significant to TerrAscend's financial condition or results of operations.

If TerrAscend is or becomes a "passive foreign investment company," its U.S. investors may suffer adverse tax consequences.

Generally, for any taxable year, if at least 75% of TerrAscend's gross income is passive income, or at least 50% of the value of TerrAscend's assets (generally determined based on a weighted quarterly average) is attributable to assets that produce, or are held for the production of, passive income, TerrAscend will be a "passive foreign investment company" ("PFIC") for U.S. federal income tax purposes. For purposes of these tests, passive income generally includes dividends, interest, certain gains from the sale of investment property, and certain rents and royalties, and passive assets generally include cash. Additionally, TerrAscend generally will be treated as directly holding and receiving its proportionate share of the assets and income, respectively, of any corporation in which it owns, directly or indirectly, 25% of its stock by value. If TerrAscend is a PFIC for any taxable year, certain U.S. investors may suffer adverse tax consequences, including ineligibility for preferential tax rates on capital gains or dividends, interest charges on certain taxes treated as deferred, and additional tax reporting requirements.

TerrAscend's PFIC status generally will depend on the nature and composition of TerrAscend's income and assets and the value of TerrAscend's assets (which generally will be determined based on the fair market value of each asset, with the value of goodwill determined in large part by reference to the market value of TerrAscend's stock from time to time, which may be volatile). If TerrAscend's market capitalization declines while it holds a substantial amount of cash for any taxable year, TerrAscend may be a PFIC for such taxable year. The manner and timeframe in which TerrAscend spends the cash it raises in any offering, the transactions it enters into, and how TerrAscend's corporate structure may change in the future will affect the nature and composition of TerrAscend's income and assets. Based on the nature and composition of TerrAscend's income and assets and the value of TerrAscend's assets, including goodwill, TerrAscend believes that it was not a PFIC for its taxable year ended December 31, 2022. Because PFIC determination is a factual determination made annually after the end of each taxable year by applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation, there can be no assurance that TerrAscend will not be a PFIC for any taxable year, and TerrAscend's U.S. counsel expresses no opinion with respect to TerrAscend's PFIC status for any taxable year. U.S. investors should consult their own tax advisors regarding the PFIC rules' impact in their particular circumstances.

If TerrAscend is a PFIC for any taxable year, the tax consequences that would apply if U.S. investors were able to make a valid "qualified electing fund" ("QEF") election. At this time, TerrAscend does not expect to provide U.S. investors with the information necessary for them to make a QEF election if TerrAscend is a PFIC for any taxable year. U.S. investors should assume that a QEF election will not be available with respect to TerrAscend's stock.

If TerrAscend (or any of its non-U.S. subsidiaries) is a "controlled foreign corporation," certain of its U.S. investors may suffer adverse tax consequences.

If a "United States person" for U.S. federal income tax purposes is treated as owning (directly, indirectly, or constructively) at least 10% of the total value or total combined voting power of TerrAscend's stock, such person may be treated as a "United States shareholder" with respect to each "controlled foreign corporation" ("CFC") in TerrAscend's group (if any). A non-U.S. corporation will be a CFC if United States shareholders own (directly, indirectly, or constructively) more than 50% of the total value or total combined voting power of the stock of the non-U.S. corporation. Because TerrAscend's group includes one or more U.S. corporate subsidiaries, certain of its current or future non-U.S. corporate subsidiaries may be treated as CFCs (regardless of whether TerrAscend is treated as a CFC). A United States shareholder of a CFC may be required to annually report and include in its U.S. taxable income its pro rata share of the CFC's "Subpart F income," "global intangible low-taxed income," and investments of earnings in U.S. property (regardless of whether the CFC makes any distributions to its shareholders). Additionally, an individual United States shareholder with respect to a CFC generally will not be allowed certain tax deductions or foreign tax credits that would be allowed to a corporate United States shareholder. A failure to comply with CFC reporting obligations may subject a United States shareholder to significant monetary penalties and prevent the statute of limitations from running with respect to the United States shareholder's U.S. federal income tax return for the taxable year in which reporting was due. There can be no assurance that TerrAscend will assist its U.S. investors in determining whether it (or any of its current or future non-U.S. subsidiaries) is treated as a CFC or whether such U.S. investors are treated as United States shareholders with respect to any such CFC, or that TerrAscend will furnish to any such United States shareholders information that may be necessary to comply with their CFC reporting and tax paying obligations. U.S. investors should consult their own tax advisors regarding the CFC rules' impact in their particular circumstances.

TerrAscend's ability to use its U.S. net operating loss carryforwards to offset its future U.S. taxable income may be subject to limitations.

TerrAscend's U.S. federal net operating loss carryforwards ("NOLs") generated in taxable years beginning before January 1, 2018 may be carried forward for 20 years. TerrAscend's U.S. federal NOLs generated in taxable years beginning after December 31, 2017 may be carried forward indefinitely, but the utilization of such NOLs is limited. In addition, under Section 382 of the Code, a corporation that undergoes an "ownership change" (generally defined as a greater than 50% change (by value) in its stock ownership over a three-year period) is subject to limitations on its ability to utilize its pre-change U.S. federal NOLs to offset its future U.S. taxable income. If TerrAscend has undergone an ownership change in the past, or if future

changes in its stock ownership, some of which are outside its control, results in an ownership change, its ability to utilize its U.S. federal NOLs may be limited by Section 382 of the Code. It is uncertain if and to what extent U.S. states will conform to U.S. federal income tax law with respect to the treatment of NOLs. As a result, TerrAscend's ability to use its U.S. NOLs to offset its future U.S. taxable income may be subject to limitations, which could increase its tax liability and decrease its cash flow.

Tax and accounting requirements may change or be interpreted in ways that are unforeseen to TerrAscend, and TerrAscend may face difficulty or be unable to implement and/or comply with any such changes or interpretations.

TerrAscend is subject to numerous tax and accounting requirements, and changes in existing rules or practices, varying interpretations of current rules or practices, or enactments of new rules or practices could have a significant adverse effect on TerrAscend's financial results, the manner in which TerrAscend conducts its business, or the marketability of any of TerrAscend's products. For instance, the recently enacted Inflation Reduction Act imposes, among other rules, a 15% minimum tax on the book income of certain large corporations and a 1% excise tax on certain corporate stock repurchases. In many countries, including the U.S., TerrAscend is subject to transfer pricing and other tax regulations designed to ensure that appropriate levels of income are reported as earned and are taxed accordingly. Although TerrAscend believes that it is in substantial compliance with all applicable regulations and restrictions, it is subject to the risk that governmental authorities could audit its transfer pricing and related practices and assert that additional taxes are owed or that various jurisdictions could assert that TerrAscend should file tax returns in jurisdictions where it does not file and subject it to additional tax. In the future, the geographic scope of TerrAscend's business may expand, and such expansion will require TerrAscend to comply with the tax laws and regulations of additional jurisdictions. Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws and regulations of these jurisdictions can be time-consuming and expensive and could potentially subject TerrAscend to penalties and fees in the future if it failed to comply. In the event that TerrAscend failed to comply with applicable tax laws and regulations, this could have a material adverse effect on its business, financial condition, and results of operations.

Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change. TerrAscend may be subject to action by the U.S. federal government due to its involvement with cannabis, and such action could materially adversely affect TerrAscend's business.

While some states in the United States have authorized the use and sale of cannabis in some form, it remains illegal under US federal law. On January 4, 2018, then-U.S. Attorney General Jeff Sessions issued a memorandum to U.S. Attorneys which rescinded previous guidance from the U.S. Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum, which stated that the U.S. Department of Justice would not prioritize the prosecution of cannabis-related violations of U.S. federal law in jurisdictions that had enacted laws legalizing medical cannabis in some form and had implemented strong and effective regulatory and enforcement systems. With the Cole Memorandum rescinded, U.S. federal prosecutors have greater discretion in determining whether to prosecute medical cannabis-related violations of U.S. federal law; there was never such a policy statement in relation to U.S. state and territories with adult use cannabis programs. Because TerrAscend engages in cannabis-related activities in the United States, an increase in federal enforcement efforts with respect to current U.S. federal laws applicable to cannabis could cause financial damage to TerrAscend. In addition, TerrAscend is at risk of being prosecuted under U.S. federal law and having its assets seized.

TerrAscend's exposure to U.S. cannabis related activities are as follows:

	December 31, 2022	December 31, 2021
Current assets	98,704	82,328
Non-current assets	577,659	407,675
Current liabilities	124,777	61,255
Non-current liabilities	215,605	164,977

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Revenue, net	246,571	190,847	125,207
Gross profit (loss)	100,941	110,783	85,520
Income (loss) from operations	(4,994)	26,503	38,702
Net loss attributable to controlling interest	(322,461)	(2,506)	(5,582)

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities, civil forfeiture or

divestiture. This could have a material adverse effect on TerrAscend, including its reputation and ability to conduct business, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded shares. In addition, it is difficult for TerrAscend to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Unlike in Canada which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Act, investors are cautioned that in the United States, cannabis is largely regulated at the state level. Notwithstanding the permissive regulatory environment of cannabis at the state level, cannabis continues to be categorized as a controlled substance under the CSA in the United States and as such, is in violation of federal law in the United States. Further, there can be no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. It is also important to note that local and city ordinances may strictly limit and/or restrict the distribution of cannabis in a manner that will make it extremely difficult or impossible to transact business in the cannabis industry.

As stated above, Congress has passed appropriations bills each of the last several years, since 2014, to prevent the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state and local law. Most recently, on September 30, 2021 and December 3, 2021, President Biden signed short-term continuing resolutions to extend current appropriations, most recently through February 18, 2022. The continuing resolution contains, among other things, the RBA, which prevents the federal government from using congressionally appropriated funds to enforce federal marijuana laws against regulated medical marijuana actors operating in compliance with state medical cannabis laws.

The U.S. Court of Appeals for the Ninth Circuit has construed these appropriations bills to prevent the federal government from prosecuting individuals when those individuals comply with state medical cannabis laws, and has vacated numerous convictions and sent the cases back to the trial courts for further determination. However, because this conduct continues to violate federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business—even those that have fully complied with state law—could be prosecuted for violations of federal law. If Congress restores funding, for example by declining to include the RBA in a budget resolution, or by failing to pass necessary budget legislation and causing another government shutdown, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the five-year statute of limitations applicable to non-capital CSA violations. Additionally, it is important to note that the appropriations protections only apply to medical cannabis operations and provide no protection against businesses operating in compliance with a state's recreational cannabis laws.

The Department of Justice or a federal prosecutor could allege that TerrAscend and TerrAscend's Board of Directors (the "Board of Directors" or the "Board") and, potentially its shareholders, "aided and abetted" violations of federal law by providing finances and services to its operating subsidiaries. Under these circumstances, it is possible that a federal prosecutor would seek to seize the assets of TerrAscend and to recover the "illicit profits" previously distributed to shareholders resulting from any of the foregoing financing or services. In these circumstances, TerrAscend's operations could cease, TerrAscend securityholders may lose their entire investment and directors, officers and/or TerrAscend shareholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison. Violations of any federal laws could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on TerrAscend, including its reputation and ability to conduct business, its holding (directly or indirectly) of cannabis licenses in the United States, the listing of its securities on any securities exchanges, its financial position, operating results, profitability or liquidity or the market price of its listed securities. An investor's contribution to and involvement in TerrAscend's activities may result in federal civil and/or criminal prosecution, including forfeiture of his, her or its entire investment.

Although the 2018 Farm Bill, among other things, generally removes hemp from the controlled substances list under the CSA, it does not legalize CBD generally. In particular, the 2018 Farm Bill preserves the FDA's authority to regulate products containing cannabis or cannabis-derived compounds. Pursuant to a statement released December 20, 2018, *Frequently Asked Questions* on the FDA's website, and numerous public statements, the FDA has taken the position that all CBD is a drug ingredient and therefore illegal to add to food or health products without its approval or further action by the FDA. The FDA considers products containing CBD or other cannabis-derived compounds the same as any other FDA-regulated products and takes the position that they are subject to the same authorities and requirements as similarly regulated products, including but not limited to required approvals for food ingredients and dietary supplements based on safety standards. Importantly, the FDA has taken the position that it is unlawful under the FDCA to introduce food containing added CBD into interstate commerce,

or to market CBD products as, or in, food or dietary supplements, regardless of whether the substances are hemp derived. The FDA has however indicated that it will work towards providing ways for companies to seek approval from the FDA to market CBD products. Further, many state criminal laws and food and drug laws prohibit or restrict the production and/or sale of hemp-derived CBD products. TerrAscend's U.S. hemp operations will be subject to FDA oversight. There is no guarantee that TerrAscend will be able to obtain necessary approval from regulatory authorities for its products in the United States.

TerrAscend's activities and operations in the United States are, and will continue to be, subject to evolving regulation by governmental authorities. The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined. The USDA will promulgate additional rules governing the production of hemp in the United States, with many states in the process of amending state laws to regulate hemp production and the sale of hemp-derived products within their borders. In addition, the FDA is expected to make determinations as to how CBD products will be regulated and is expected to issue a substantial change in its regulation of dietary supplements generally. Accordingly, there are significant changes in both federal and state law that may materially impact TerrAscend's operations.

TerrAscend's business is subject to applicable anti-money laundering laws and regulations and have restricted access to capital markets, banking and other financial services, which may adversely affect TerrAscend's business.

Since the use of cannabis is currently illegal under U.S. federal law, and in light of considerations related to money laundering and other cannabis related criminality in the U.S. banking industry, U.S. banks have been reluctant to accept or deposit funds from businesses involved with the cannabis industry. Consequently, businesses involved in the cannabis industry often have difficulty finding banks willing to accept its business. Likewise, cannabis businesses have limited access, if any, to credit card processing services. As a result, cannabis businesses in the United States are largely cash-based. This complicates the implementation of financial controls and increases security issues.

While TerrAscend is not able to obtain financing in the United States from traditional banks or other U.S. federally regulated entities, TerrAscend has been able to access equity financing through private markets in both the United States and Canada. Commercial banks, private equity firms, and venture capital firms have approached the cannabis industry cautiously to date. However, there are increasing numbers of high-net-worth individuals and family offices that have made meaningful investments in companies and businesses similar to TerrAscend. There is neither a broad nor deep pool of institutional capital that is available to cannabis license holders and license applicants. There can be no assurance that additional financing, if raised privately, will be available to TerrAscend when needed or on terms which are acceptable to TerrAscend. TerrAscend's inability to raise financing to fund its operations, capital expenditures or acquisitions could limit its growth and may have a material adverse effect upon future profitability.

Under the federal money laundering statutes, unlicensed money transmitter statute and the Bank Secrecy Act, financial transactions in the United States involving proceeds generated by cannabis-related conduct can form the basis for prosecution. The FinCEN division of the U.S. Department of Treasury has provided guidance for how financial institutions can provide services to the cannabis-related businesses consistent with the obligations under the Bank Secrecy Act.

Previously, DOJ directed its federal prosecutors to consider the federal enforcement priorities enumerated in the Cole Memorandum when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. In January 2018, the DOJ revoked the Cole Memorandum and related memorandum. While the impact remains unclear, the revocation has created uncertainty. For instance, federal prosecutors may increase enforcement activities against institutions or individuals who are engaged in financial transactions related to cannabis activities, or there may be a negative impact to the continuation of financial services in the United States with regard to cannabis-related activities. Consequently, businesses involved in the regulated cannabis industry may experience difficulties establishing banking relationships, and such difficulties may increase over time. If TerrAscend were to experience any inability to access financial services in the United States, including its current bank accounts, this would have a direct impact on the ability for TerrAscend to operate its businesses. This impact would increase TerrAscend's operating costs, and pose additional operational, logistical, and security challenges that could impede its inability to implement its business plans.

The U.S. federal prohibitions on the sale of cannabis may result in TerrAscend and its partners being restricted from accessing the U.S. banking system and they may be unable to deposit funds in federally insured and licensed banking institutions. Banking restrictions could be imposed due to TerrAscend's banking institutions not accepting payments and deposits. TerrAscend is at risk that any bank accounts it has could be closed at any time. Such risks increase costs to TerrAscend. TerrAscend's activities in the United States, and any proceeds thereof, may be considered proceeds of crime due to the fact that cannabis remains federally illegal in the United States. This may restrict the ability of TerrAscend to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada. Furthermore, while TerrAscend has no current intention to declare or pay dividends on its Common Shares in the foreseeable future, TerrAscend may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. The guidance provided in the FinCEN

Memorandum as described above may change depended on the position of the U.S. government administration at any given time and is subject to revision or retraction in the future, which may restrict TerrAscend's access to banking services.

TerrAscend operates in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where TerrAscend carries on business, which could negatively affect TerrAscend's business.

Given the complexity of the U.S. regulation of the cannabis industry, certain requirements may prove to be excessively onerous or otherwise impractical for TerrAscend to comply with. This may result in the exclusion of certain business opportunities from the list of possible transactions that TerrAscend would otherwise consider. Further, U.S. laws and regulations at the local, state, and federal levels which apply to the cannabis industry are continually changing, and it is difficult to determine if future changes could detrimentally affect the operations of TerrAscend. Given the broad scope of cannabis laws and regulations, these are subject to evolving interpretations. This continued evolution could require TerrAscend to incur substantial costs associated with compliance or alter its business plan. In addition, violations of these laws, or allegations of such violations, could disrupt TerrAscend's businesses and result in a material adverse effect on its operations.

TerrAscend's continued compliance with regulatory requirements enacted by government authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintain and renewing all applicable licenses, is crucial to the successful execution of TerrAscend's strategies. The commercial cannabis industry is an emerging industry in the United States, and TerrAscend cannot forecast the impact of the compliance regime to which they will be subject. Similarly, TerrAscend cannot predict its ability to secure all appropriate regulatory approvals for any of its products, or the extent of testing or related documentation that may be required by governmental authorities. Delays in obtaining, or failure to obtain, regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have adverse effect on the business, financial condition, and operating results of TerrAscend. Without limiting the foregoing, TerrAscend's failure to comply with the requirements of any underlying licenses or any failure to maintain any underlying licenses would have a material adverse impact on its business, financial condition, and operating results. It is uncertain whether any required licenses for the operation of TerrAscend's business will be extended or renewed in a timely manner, if at all, or that if they are extended or renewed, that the licenses will be extended or renewed on the same or similar terms.

Furthermore, Internet websites are visible by people everywhere, not just in jurisdiction where the activities described therein are considered legal. As a result, to the extent that TerrAscend sells services or products via web-based links targeting only jurisdictions in which such sales or services are compliant with state law, TerrAscend may face legal action in other jurisdictions which are not the intended object of any of TerrAscend's marketing efforts for engaging in any web-based activity that results in sales into such jurisdictions deemed illegal under applicable laws.

Regulatory restrictions on ownership outside of the control of TerrAscend may have a material adverse impact on TerrAscend's operations in certain markets

TerrAscend's business is subject to oversight by regulators in each market that TerrAscend operates in. Regulators may limit the type or number of licenses that a single company may own. As a result, TerrAscend may be restricted from participating in certain cannabis businesses in specific markets as a result of ownership or control of other cannabis licenses. As an example, certain markets may limit the size of a company's cultivation space, limit the number of dispensaries a single-company may own, or may obligate a company to offer certain products, like medical cannabis, to consumers.

TerrAscend faces further risk associated with restrictions on licenses as a result of TerrAscend's inability to control public company shareholder ownership, and therefore TerrAscend may inadvertently have certain restrictions placed on its ability to operate as a result of third-party ownership. Restrictions placed on TerrAscend's ability to own specific licenses or assets in specific markets, or complexities arising from third-party ownership thresholds may materially adversely impact TerrAscend's ability to compete in a specific market or may cause other regulatory delays in receiving regulatory approval for certain activities.

Failure to comply with privacy or medical practice laws and regulations may result in impacts to operations, monetary fines or litigation

TerrAscend maintains an array of sensitive information, including confidential business and personal information in connection with our operations, and are subject to laws and regulations governing the privacy and security of such information. The global data protection landscape is rapidly evolving, and we may be affected by or subject to new, amended or existing laws and regulations in the future, including as our operations continue to expand and we operate in additional markets. Each market

may be subject to differing laws or legal interpretations, which adds to the complexity of collecting, using, disclosing and processing personal data, and emerging cannabis markets may make changes to their legal frameworks.

In the United States, there are numerous federal and state privacy and data security laws and regulations governing the collection, use, disclosure and protection of personal information, including federal and state health information privacy laws, federal and state security breach notification laws and federal and state consumer protection laws. Each of these laws is subject to varying interpretations and constantly evolving. While the United States lacks a nationwide privacy law of general applicability, certain state laws govern the privacy and security of personal information, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Additionally, in the United States, the Health Insurance Portability and Accountability Act ("HIPAA") imposes privacy and security requirements and breach reporting obligations with respect to individually identifiable health information upon "covered entities" (health plans, health care clearinghouses and certain health care providers), and their respective business associates, individuals or entities that create, received, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HIPAA mandates the reporting of certain breaches of health information to the US Department of Health and Human Services ("HHS"), affected individuals and if the breach is large enough, the media. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured protected health information, a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. In addition, provisions of the Americans with Disabilities Act require confidential treatment of employee medical records.

In Canada, the Personal Information Protection and Electronics Documents Act (Canada) ("PIPEDA") and comparable legislation at the provincial level, governs the treatment of private information held by a corporation. Office of the Privacy Commissioner of Canada has stated that it considers the personal information of cannabis users is to be considered sensitive. Canadian privacy jurisprudence regarding the obligations that private sector organizations have to individual data subjects is constantly evolving. Privacy laws in Canada are also changing at the legislative level. On November 17, 2020, the Canadian Federal Government introduced Bill C-11, An Act to enact the Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal and to make consequential amendments to other Acts, for consideration in the House of Commons. Should Bill C-11 come into force, all private organizations that collect, use, and disclose personal information will become subject to new obligations and restrictions, including, without limitation, in connection with obtaining consent, access and control over personal information, deletion of personal information, data portability, de-identification of personal information, and transparency requirements. The penalties and enforcement measures available to Canadian regulators for non-compliance that are contemplated under Bill C-11 and Bill-64 are more significant than those that are available under current privacy and data protection legislation in Canada.

In addition, with respect to consumer health information, there are a number of federal, state and provincial laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. For example, the privacy rules under PIPEDA and other applicable privacy laws protect medical records and other personal health information by limiting their use and disclosure of health information to the minimum level reasonably necessary to accomplish the intended purpose and may apply to our operations globally. In Canada, we may also be required to retain certain customer personal information for prescribed periods of time pursuant to the Cannabis Act.

Overall, failure to maintain adequate compliance or safeguards regarding stakeholder privacy could materially adversely impact TerrAscend's business and result in fines, litigation or certain government mandated actions, and could be detrimental to TerrAscend's ability to operate its business.

TerrAscend's products may be subject to product recalls or returns, which may result in expense, legal proceedings, regulatory action, loss of sales and reputation, and management attention.

TerrAscend's products may be subject to recall or return for a variety of reasons, including product defects such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labeling disclosure. If any of TerrAscend's products are recalled due to an alleged product defect or for any other reason, TerrAscend could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection therewith. TerrAscend may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Although TerrAscend has detailed procedures in place for testing its products, there can be no assurance that any quality, potency or contamination problems will be detected in time to avoid unforeseen product recalls, regulatory action or lawsuits. Additionally, if one of the products produced by TerrAscend were subject to recall, the image of that product and TerrAscend could be harmed. A recall for any of the foregoing reasons could lead to decreased demand for TerrAscend's products and could have a material adverse

effect on the results of operations and financial condition of TerrAscend. Additionally, product recalls may lead to increased scrutiny of TerrAscend's operations by regulatory agencies, requiring further management attention and potential legal fees and other expenses.

TerrAscend faces an inherent risk of product liability claims and other consumer protection claims as a manufacturer, processor and producer of products that are meant to be ingested by people, and dealing with such claims could cause TerrAscend to incur substantial expenses and have a material adverse effect on TerrAscend's business.

As a manufacturer of products designed to be ingested by humans, TerrAscend faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused loss or injury. In addition, the manufacturing and sale of cannabis and other products involve the risk of injury to consumers due to tampering by unauthorized third parties, product contamination, or unauthorized sale of counterfeit products. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. TerrAscend may be subject to various product liability claims, including, among others, that the products produced by TerrAscend caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against TerrAscend could result in increased costs, could adversely affect TerrAscend's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of TerrAscend.

TerrAscend's products may be considered misbranded or adulterated, or otherwise unlawful under federal and state food and drug laws and could subject TerrAscend to local, federal, or state enforcement or private litigation. Some states permit advertising, labeling laws, false and deceptive trade practices, and other consumer-protection laws to be enforced by state attorney generals, who may seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by TerrAscend. Private litigation may also seek relief for consumers, class action certifications, class wide damages and product recalls of products sold by TerrAscend in any of the markets in which it operates. Any actions against TerrAscend by governmental authorities or private litigants could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

TerrAscend may be subject to constraints on and differences in marketing its products under varying regulatory restrictions.

The development of TerrAscend's business and results of operations may be hindered by applicable regulatory restrictions on sales and marketing activities. For example, the regulatory environment in Canada limits TerrAscend's ability to compete for market share in a manner similar to other industries. If TerrAscend is unable to effectively market its products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for TerrAscend's products, TerrAscend's sales and results of operations could be adversely affected.

TerrAscend may be subject to heightened scrutiny by Canadian regulatory authorities, which could negatively affect its business.

TerrAscend's future investments, joint ventures and operations in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, TerrAscend may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on TerrAscend's ability to invest in the United States or any other jurisdiction, in addition to those described herein.

Although a memorandum of understanding signed by the Canadian Depository for Securities ("CDS") and the Canadian recognized exchanges (Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange) dated February 8, 2018, confirms that CDS relies on the exchanges to review the conduct of listed issuers, and therefore there is currently no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Common Shares to make and settle trades. In particular, Common Shares would become highly illiquid as and until an alternative was implemented, investors would have no ability to affect a trade of Common Shares through the facilities of a stock exchange.

TerrAscend's investors and directors, officers and employees who are not U.S. citizens may be denied entry into the United States, which may negatively affect TerrAscend's business.

Because cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed Canadian cannabis companies could face detention, denial of entry or lifetime bans from the United States for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the US Customs and Border Protection officers on duty, and these

officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the United States. Business or financial involvement in the legal cannabis industry in Canada or in the United States could also be reason enough for U.S. border guards to deny entry.

Because TerrAscend's contracts involve cannabis and related activities, which are not legal under U.S. federal law, TerrAscend may face difficulties in enforcing its contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal at a federal level, judges may refuse to enforce contracts in connection with activities that violate U.S. federal law, even if there is no violation of state law. There remains doubt and uncertainty that TerrAscend will be able to legally enforce contracts it enters into if necessary. TerrAscend cannot be assured that it will have a remedy for breach of contract, the lack of which may have a material adverse effect on TerrAscend's business, revenues, operating results, financial condition or prospects.

TerrAscend may encounter increasingly strict environmental health and safety regulations in connection with its operations, which may harm TerrAscend's business.

TerrAscend's operations are subject to environmental and safety laws and regulations concerning, among other things, emissions and discharges to water, air and land, the handling and disposal of hazardous and non-hazardous materials and wastes, and employee health and safety. Changes in environmental, employee health and safety or other laws, more vigorous enforcement thereof or other unanticipated events could require extensive changes to TerrAscend's operations or give rise to material liabilities, which could have a material adverse effect on the business, results of operations and financial condition of TerrAscend.

Transition to becoming a U.S. reporting company poses added risks as a result of required compliance changes.

TerrAscend has determined that it no longer meets the definition of a foreign private issuer ("FPI") as at the applicable reference date. As a public issuer, TerrAscend is currently subject to the reporting requirements and rules and regulations under the Exchange Act, and the regulations promulgated thereunder, in addition to Canadian securities laws, where applicable, and rules of any stock exchange on which TerrAscend's securities may be listed from time to time. Additional or new regulatory requirements may be adopted in the future. The loss of FPI status and subsequent transition to becoming a US filer may have adverse consequences on TerrAscend's ability to issue its securities to acquire companies and its ability to raise capital in private placements or prospectus offerings. In addition, the requirements of existing and potential future rules and regulations will increase TerrAscend's legal, audit, accounting and financial compliance costs, make some activities more difficult, time consuming or costly and may also place undue strain on the Company's personnel, systems and resources. TerrAscend's transition of financial reporting from IFRS to U.S. GAAP could adversely affect TerrAscend's business, financial condition, and results of operations.

Risks Related to TerrAscend's Business, Operations and Industry

TerrAscend's indebtedness may adversely affect TerrAscend's business, results of operations and financial condition. TerrAscend's failure to comply with applicable covenants could trigger events that may materially adversely affect TerrAscend's business, results of operations and financial condition.

TerrAscend's indebtedness may adversely affect TerrAscend's business, results of operations and financial condition. As of December 31, 2022, TerrAscend had approximately $205 million of total debt principal amounts outstanding. See the section titled "Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources" of this Annual Report for more information regarding TerrAscend's indebtedness. As a result of its indebtedness, a portion of TerrAscend's cash flow will be required to pay interest and principal on its outstanding loans. TerrAscend's indebtedness could have important consequences. For example, it could

- make it more difficult for TerrAscend to satisfy its obligations with respect to any other debt it may incur in the future;
- increase TerrAscend's vulnerability to general adverse economic and industry conditions;
- require TerrAscend to dedicate a substantial portion of its cash flow from operations to payments on its indebtedness and related interest, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;

- limit TerrAscend's flexibility in planning for, or reacting to, changes in its business and the industry in which it operates;
- increase TerrAscend's cost of borrowing;
- place TerrAscend at a competitive disadvantage compared to its competitors that may have less debt; and
- limit TerrAscend's ability to obtain additional financing for working capital, capital expenditures, acquisitions, debt service requirements or general corporate purposes.

TerrAscend expects to use cash flow from operations and outside financings to meet its current and future financial obligations, including funding its operations, debt service and capital expenditures. TerrAscend's ability to make these payments depends on its future performance, which will be affected by financial, business, economic and other factors, many of which TerrAscend cannot control. TerrAscend's business may not generate sufficient cash flow from operations in the future, which could result in TerrAscend being unable to repay indebtedness, or to fund other liquidity needs. If TerrAscend does not generate sufficient cash from operations, it may be forced to reduce or delay its business activities and capital expenditures, sell assets, obtain additional debt or equity capital or restructure or refinance all or a portion of its debt on or before maturity. TerrAscend cannot make any assurances that it will be able to accomplish any of these alternatives on terms acceptable to it, or at all. In addition, the terms of existing or future indebtedness may limit TerrAscend's ability to pursue any of these alternatives.

Furthermore, the instruments governing TerrAscend's indebtedness include obligations and covenants that limit TerrAscend's discretion with respect to certain business matters and require TerrAscend to satisfy certain financial requirements. TerrAscend can make no assurances that it will be able to comply with such obligations and covenants and any failure to comply could result in a default, which, if not amended, cured or waived, could permit acceleration of the relevant indebtedness and the exercise of other remedies available to the lenders. In such event, there can be no assurance that TerrAscend would be able to obtain any amendment, cure, waiver or other relief on terms acceptable to TerrAscend. If TerrAscend is unable to obtain relief from an event of the relevant indebtedness may be accelerated and the related collateral may be foreclosed upon, in addition such circumstances may result in the cross-default or cross-acceleration of other debt, any of which would materially adversely affect TerrAscend's business, results of operations, and financial condition.

TerrAscend may require substantial additional financing to operate its business and it may face difficulties acquiring additional financing on terms acceptable to TerrAscend, or at all.

The building and operation of TerrAscend's business, including its facilities, are capital intensive. In order to execute the anticipated growth strategy, TerrAscend may require additional equity and/or debt financing to support on-going operations, to undertake capital expenditures or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to TerrAscend when needed or on terms which are acceptable. TerrAscend's inability to raise financing to support on-going operations or to fund capital expenditures or acquisitions could limit TerrAscend's growth and may have a material adverse effect upon future profitability. TerrAscend may require additional financing to fund its operations to the point where it is generating positive cash flows. Any debt financing secured in the future could involve restrictive covenants relating to capital raising activities and other financial and operational matters, which may make it more difficult for TerrAscend to obtain additional capital and to pursue business opportunities, including potential acquisitions.

Raising additional funds by issuing equity securities will cause dilution to existing stockholders. Raising additional funds through debt financings may involve restrictive covenants and raising funds through lending and licensing arrangements may restrict our operations or require us to relinquish proprietary rights. We may not be able to secure additional debt or equity financing on favorable terms or at all.

TerrAscend expects that significant additional capital will be needed in the future to continue its planned operations. TerrAscend expects to finance its cash needs through revenue from ongoing operations and a combination of equity offerings, debt financings and other strategies. TerrAscend cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to TerrAscend, if at all. If TerrAscend raises additional equity financing, its shareholders may experience significant dilution of their ownership interests, the terms of these securities may include liquidation or other preferences that could adversely affect the rights of a common shareholder, and the per-share value of TerrAscend's common shares could decline. If TerrAscend engages in debt financing, it may be required to accept terms that restrict or limit TerrAscend's ability to take specific actions, such as incurring additional indebtedness, making capital expenditures or declaring dividends, and other restrictive covenants that could adversely impact TerrAscend's ability to conduct its business. In addition, weakness and volatility in the capital markets and the economy in general could limit our access to the capital markets and increase our cost of borrowing.

An adverse change in market conditions, including a sustained decline in TerrAscend's share price, negative changes to TerrAscend's position in the market, or lack of growth in demand for its products and services could be considered to be an impairment triggering event. Such changes could impact valuation assumptions relating to the recoverability of assets and have resulted in, and may in the future result in, impairment charges to TerrAscend's goodwill or long-lived asset balances, which would negatively impact TerrAscend's operating results and harm its business.

There are inherent uncertainties in management's estimates, judgments and assumptions used in assessing recoverability of goodwill, intangible, and other long-lived assets. Any material changes in key assumptions, including failure to meet business plans, a deterioration in the U.S., Canadian and global financial markets, an increase in interest rate or an increase in the cost of equity financing by market participants within the industry or other unanticipated events and circumstances, may decrease the projected cash flows and could potentially result in an impairment charge. From time to time, TerrAscend may be required to record a significant charge to earnings in its consolidated financial statements during the period in which any impairment of TerrAscend's goodwill or intangible and other long-lived assets is determined, which might have a materially adverse impact on TerrAscend's business operations and its financial position or results of operations.

For example, during the year ended December 31, 2022, it was determined that it was more likely than not that the Michigan reporting unit's fair value was less than its carrying value, and a one-step goodwill quantitative impairment test was performed. As a result of the quantitative test, TerrAscend recorded impairment of goodwill of $170,357 at its Michigan reporting unit. In addition, during the year ended December 31, 2022, TerrAscend performed an impairment analysis over its indefinite lived and definite lived intangible assets acquired through the Gage Acquisition as the changes in the market expectations of cash flows in Michigan, as well as increased competition and supply in the state, were determined to be indicators of impairment. TerrAscend determined that it was more likely than not that the carrying value of its definite lived retail and cultivation and processing licenses was greater than its fair value, and therefore, recorded impairment of $79,462 and $42,065 for the retail license and the cultivation and processing licenses, respectively.

TerrAscend faces intense competition as a relatively new entrant in the cannabis industry, and its business could be adversely affected by other businesses in a better competitive position.

The introduction of an adult-use model for cannabis production and distribution may impact the growth in the existing medical cannabis market. The impact of this potential development may be negative for TerrAscend and could result in increased levels of competition in its existing medical market and/or the entry of new competitors in the overall cannabis market in which TerrAscend operates. There is potential that TerrAscend will face intense competition from other companies, particularly larger multi-state operators, some of which can be expected to have longer operating histories and more financial resources and manufacturing and marketing experience than TerrAscend. Increased competition by larger and better financed competitors could materially and adversely affect the business, financial condition and results of operations of TerrAscend and result in lower than anticipated growth in both the existing medical cannabis market and the adult-use market.

If the number of users of medical cannabis in North America increases, the demand for products will increase and TerrAscend expects that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, TerrAscend will require a continued high level of investment in research and development, marketing, sales and client support. TerrAscend may not have sufficient resources to maintain research and development, marketing, sales and client support efforts on a competitive basis, which could materially and adversely affect the business, financial condition and results of operations of TerrAscend.

Consolidation in the cannabis industry and other changes to the competitive environment can impact TerrAscend's margins and profitability.

The markets for cannabis in the US and Canada are becoming increasingly competitive and are evolving rapidly. TerrAscend may face intense and increasing competition from existing operators and new entrants in each of the markets that TerrAscend operates in. Some of these competitors may have longer operating histories or offer competitive products. There is also the potential that the cannabis industry will undergo further consolidation that may pose a risk to TerrAscend's ability to compete.

As a result of this competition, we may be unable to maintain our operations or develop them as currently intended. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect our business, financial condition and results of operations. If we are unable to achieve our business objectives, such failure could materially adversely affect our business.

As the emerging cannabis industry continues to rapidly evolve, we may not be able to create and maintain a competitive advantage in the marketplace. Our success will depend on our ability to respond to, among other things, changes in consumer preferences, regulatory conditions, and general competitive pressures. Should TerrAscend be unable to adequately respond to

such changes, it could have a material adverse effect on our business, financial condition, operating results, liquidity, cash flow and operational performance.

In each market we operate in, the number of licenses granted, and the number of license holders ultimately authorized by the regulator, or previously authorized licenses becoming more commercially active, could have an impact on our business. If the number of users of medical and/or recreational cannabis increases, the demand for products will increase and we expect that competition will become more intense, as current and future competitors begin to offer an increasing number of diversified products. To remain competitive, we will require a continued high level of investment in R&D, sales and customer support. We may not have sufficient resources to maintain R&D, sales and customer support efforts on a competitive basis which could have a material adverse effect on our business, financial condition and results of operations.

TerrAscend may be required to write down intangible assets, including goodwill, due to impairment, which could have a material adverse effect on our results of operations or financial position.

TerrAscend may be required to write down intangible assets, including goodwill, due to impairment, which would reduce earnings. TerrAscend periodically calculates the fair value of our reporting units and intangible assets to test for impairment. This calculation may be affected by several factors, including general economic conditions, regulatory developments, market and economic conditions, impact on operations due to changing consumer preferences, successful execution of product launches and overall competitive activity within the market. Certain events can also trigger an immediate review of goodwill and intangible assets. If the carrying value of our reporting unit and other intangible assets exceed their fair value and the loss in value is other than temporary, the goodwill and other intangible assets are considered impaired, which would result in impairment losses and could have a material adverse effect on our consolidated financial position or results of operations. We may be required to perform a quantitative goodwill impairment assessment in future periods for TerrAscend, to the extent TerrAscend experiences declines in the price of its common shares.

The cannabis industry and market are relatively new, and this industry and market may not continue to exist or grow as expected.

TerrAscend is operating its business in a relatively new industry and market. Competitive conditions, consumer preferences, patient requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances that differ from existing industries and markets. Accordingly, there are no assurances that this industry and market will continue to exist or grow as currently estimated or anticipated, or function and evolve in a manner consistent with management's expectations and assumptions. Any event or circumstance that affects the medical cannabis industry and market could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

TerrAscend's success in North America is dependent on the market building out direct to consumer channels including but not limited to retail outlets. There are many factors which could impact TerrAscend's ability to gain market share and distribute its products, including but not limited to the continued growth and expansion of retail outlets in the North American market which may have a material adverse effect on TerrAscend's business, operating results and financial condition. TerrAscend's ability to continue to grow, process, store and sell medical cannabis and participate in the adult-use cannabis markets is dependent on the maintenance and validity of TerrAscend's licenses from regulatory authorities.

The cannabis industry and markets are relatively new in North America and in other jurisdictions, and this industry and market may not continue to exist or grow as anticipated or TerrAscend may ultimately be unable to succeed in this industry and market.

TerrAscend's profitability may be impacted by declining wholesale or retail cannabis prices in certain markets and shifting market conditions.

TerrAscend's gross profits may decline as a result of reduction in wholesale or retail cannabis prices. TerrAscend's profitability is sensitive to fluctuations in wholesale and retail prices caused by crop seasonality, disruptions to supply chains, increased competition, government taxes or levies, and other market conditions, all of which are factors beyond TerrAscend's control. There is currently not an established market price for cannabis and the price of may change rapidly. Any price decline may have a material adverse effect on TerrAscend.

If a significant number of new licenses are granted by a regulator in a market in which TerrAscend operates, TerrAscend may experience increased competition for market share and may experience downward price pressure on our products as new entrants increase production. We may also face competition from illegal cannabis dispensaries that are selling cannabis to individuals despite not having a valid license. The continued declining wholesale and retail price will impact the Company's overall business.

TerrAscend has historically had negative cash flow from operating activities, and continued losses could have a material negative effect on TerrAscend's business and prospects and impact TerrAscend's ability to continue as a going concern.

TerrAscend started sales in April 2018 and historically has had negative cash flow from operating activities. As of December 31, 2022, TerrAscend has an accumulated deficit of approximately $618 million. TerrAscend incurred losses in fiscal year 2020 and fiscal year 2022. TerrAscend may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. TerrAscend's cash flow and net losses for the year ended December 31, 2022 are indicators that raise substantial doubt about TerrAscend's ability to continue as a going concern for at least one year from the issuance of these financial statements. In addition, debt service requirements will have an adverse impact on liquidity. Because the cannabis industry and market are relatively new and rapidly evolving, it is difficult for TerrAscend to predict its future operating results. As a result, it may incur future losses that may be larger than anticipated. In addition, TerrAscend expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. TerrAscend's ability to execute on its growth strategy requires significant additional financing. TerrAscend will need to raise additional funds in order to operate its business and meet obligations as they become due. However, financing may not be available to TerrAscend in the necessary time frame, in amounts that TerrAscend requires, on terms that are acceptable to TerrAscend, or at all. If TerrAscend is unable to raise the necessary funds when needed, it may materially and adversely impact TerrAscend's ability to execute on its operating plans. If TerrAscend becomes unable to continue as a going concern, TerrAscend may have to dispose of assets and might realize significantly less than the values at which are carried on its consolidated financial statements. These actions may cause TerrAscend's stockholders to lose all or part of their investment in TerrAscend's common stock. If TerrAscend’s sales do not increase to offset these expected increases in costs and operating expenses, TerrAscend will not be profitable. Furthermore, if TerrAscend's future growth and operating performance fail to meet investor or analyst expectations, or if it has future negative cash flow or losses resulting from its investment in product development or marketing, its financial condition and share price could be materially adversely affected.

TerrAscend may be affected by currency fluctuations.

TerrAscend may face exposure to currency fluctuations because of its present operations in the U.S. Recent events in the global financial markets have been coupled with increased volatility in the currency markets. All or substantially all of TerrAscend’s revenue is earned in U.S. dollars, but its shares, employee options and some of its warrants issued to holders of TerrAscend’s notes are denominated in Canadian dollars which can provide variability for results of operations. TerrAscend does not have currency hedging arrangements in place and there is no expectation that it will put any currency hedging arrangements in place in the future. Fluctuations in the exchange rate between the U.S. dollar and the Canadian dollar may have a material adverse effect on TerrAscend’s business, financial position or results of operations.

Demand for TerrAscend’s products is difficult to forecast due to limited and unreliable market data.

As a result of recent and ongoing regulatory and policy changes in the medical and adult-use cannabis industry, the market data available is limited and unreliable. Federal and state laws prevent widespread participation and hinder market research. Therefore, TerrAscend must rely largely on its own market research to forecast sales as detailed forecasts are not generally obtainable from other sources at this early stage of the industry. Market research and projections by TerrAscend of estimated total retail sales, demographics, demand, and similar consumer research are based on assumptions from limited and unreliable market data, and generally represent the personal opinions of TerrAscend’s management team as of the date of this Form 10-K. A failure in the demand for its products to materialize as a result of competition, technological change or other factors could have a material adverse effect on the business, results of operations, financial condition or prospects of TerrAscend.

TerrAscend’s inability to attract and retain key personnel could materially adversely affect its business.

The success of TerrAscend is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management, which are key personnel. Moreover, TerrAscend’s future success depends on its continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand, and TerrAscend may incur significant costs to attract and retain them. TerrAscend does not maintain "key man" insurance policies on the lives of its key personnel, or the lives of any of its other employees. In order to induce valuable employees to continue their employment with the company, TerrAscend has provided stock options and restricted stock units that vest over time. The value to employees of such equity grants that vest over time is significantly affected by movements in TerrAscend's share price that are beyond TerrAscend's control, and may at any time be insufficient to counteract more lucrative offers from other companies. In addition, if TerrAscend's share-based compensation otherwise ceases to be viewed as a valuable benefit, TerrAscend's ability to attract, retain and motivate personnel could be weakened, which could harm its business. The loss of the services of key personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on TerrAscend’s ability to execute on its business plan and strategy, and TerrAscend may be unable to find adequate replacements

on a timely basis, or at all. While employment agreements are customarily used as a primary method of retaining the services of such key personnel these agreements cannot assure the continued services of such employees.

There is no assurance that any of TerrAscend's existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by such key personnel to maintain or renew their security clearance would result in a material adverse effect on TerrAscend's business, financial condition and results of operations. In addition, if any key personnel leave TerrAscend, and TerrAscend is unable to find a suitable replacement that has a security clearance in a timely manner, or at all, it could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

TerrAscend may not be able to attract or retain qualified management and other key employees in the future due to the intense competition for a limited number of qualified personnel in its industry. Many of the other cannabis companies that it competes against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than TerrAscend does. They also may provide more diverse opportunities and better chances for career advancement. Some of these characteristics may be more appealing to high quality candidates than what TerrAscend has to offer. If TerrAscend is unable to continue to attract and retain high quality personnel, the rate and success at which it can develop and market its products will be limited.

TerrAscend may face unfavorable publicity or consumer perception of the safety, efficacy and quality of its cannabis products.

TerrAscend believes the cannabis industry is highly dependent upon consumer perception regarding the safety, efficacy and quality of the cannabis distributed to such consumers. Consumer perception of TerrAscend's products can be significantly influenced by scientific research or findings, regulatory investigations, litigation, media attention and other publicity regarding the consumption of medical cannabis products. There can be no assurance that future scientific research, findings, regulatory proceedings, litigation, media attention or other research findings or publicity will be favorable to the medical cannabis market or any particular product, or consistent with earlier publicity.

Future research reports, findings, regulatory proceedings, litigation, media attention or other publicity that are perceived as less favorable than, or that question, earlier research reports, findings or publicity could have a material adverse effect on the demand for TerrAscend's products and the business, results of operations, financial condition of TerrAscend. In particular, adverse publicity reports or other media attention regarding the safety, efficacy and quality of medical cannabis in general, or TerrAscend's products specifically, or associating the consumption of medical cannabis with illness or other negative effects or events, could have such a material adverse effect. Such adverse publicity reports or other media attention could arise even if the adverse effects associated with such products resulted from consumers' failure to consume such products appropriately or as directed. For instance, the vape crisis that began in the summer of 2019 was ultimately linked to cutting agents almost exclusively found in the illicit market. Regardless, several states moved to ban the sale of vape products in legal markets, severely impacting entire revenue streams.

Although TerrAscend believes that it takes care in protecting its image and reputation, TerrAscend does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to TerrAscend's overall ability to advance its business, thereby having a material adverse impact on the financial condition and results of operations of TerrAscend.

TerrAscend faces reputational risks, which may negatively impact its business.

Damage to TerrAscend's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. The increased usage of social media and other web-based tools used to generate, publish, and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to TerrAscend and its activities, whether true or not. Although TerrAscend believes that it operates in a manner that is respectful to all shareholders and that it takes care in protecting its image and reputation, TerrAscend does not ultimately have direct control over how it is perceived by others. Reputation loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations, and an impediment to TerrAscend's overall ability to advance its projects, thereby having a material adverse impact on financial performance, financial condition, cash flows, and growth prospects. Further, the parties with which TerrAscend does business may perceive that they are exposed to reputational risk as a result of TerrAscend's cannabis business activities. Failure to establish or maintain business relationships could have a material adverse effect on TerrAscend.

TerrAscend is dependent on suppliers and key inputs for the cultivation, extraction and production of cannabis products.

The ability of TerrAscend to compete and grow will be dependent on it having access, at a reasonable cost and in a timely manner, to equipment, parts and components. No assurances can be given that TerrAscend will be successful in maintaining its required supply of equipment, parts and components. Global supply challenges have added further uncertainties around availability and price of equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by TerrAscend's capital expenditure plans may be significantly greater than anticipated by TerrAscend's management and may be greater than funds available to TerrAscend, in which circumstance TerrAscend may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have an adverse effect on the business, financial condition, results of operations or prospects of TerrAscend.

The cannabis business is dependent on a number of key inputs and their related costs including raw materials and supplies related to growing operations, as well as electricity, water and other local utilities. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the business, financial condition, results of operations or prospects of TerrAscend. In addition, any restrictions on the ability to secure required supplies or utility services or to do so on commercially acceptable terms could have a materially adverse impact on the business, financial condition and operating results. Some of these inputs may only be available from a single supplier or a limited group of suppliers. If a sole source supplier was to go out of business, TerrAscend might be unable to find a replacement for such source in a timely manner or at all. If a sole source supplier were to be acquired by a competitor, that competitor may elect not to sell to TerrAscend in the future. Any inability to secure required supplies and services or to do so on appropriate terms and/or agreeable terms could have a materially adverse impact on the business, financial condition, results of operations or prospects of TerrAscend.

TerrAscend's business is subject to the risks inherent in agricultural operations.

TerrAscend's business involves the cultivation of the cannabis plant. The cultivation of this plant is subject to agricultural risks related to insects, plant diseases, unstable growing conditions, water and electricity availability and cost, and force majeure events. Although TerrAscend cultivates its cannabis plants in indoor or greenhouse, climate controlled rooms staffed by trained personnel, there can be no assurance that agricultural risks will not have a material adverse effect on the cultivation of its cannabis. TerrAscend may in the future cultivate cannabis plants outdoors, which would also subject it to related agricultural risks.

TerrAscend may be adversely impacted by rising or volatile energy costs.

TerrAscend's cannabis growing and manufacturing operations consume considerable energy, which make TerrAscend vulnerable to rising energy costs. Accordingly, rising or volatile energy costs have adversely impacted the business of TerrAscend and its profitability.

TerrAscend's intellectual property may be difficult to protect, and failure to do so may negatively impact its business.

The ownership and protection of trademarks, patents, trade secrets and intellectual property rights are significant aspects of TerrAscend's future success. TerrAscend has no patented technology or trademarked business methods at this time, nor has it registered any patents. TerrAscend has filed trademark applications in the United States and Canada. TerrAscend will continue to seek trademark protection in the United States and Canada.

TerrAscend's ability to obtain registered trademark protection for cannabis-related goods and services, in particular for cannabis itself, may be limited in certain countries outside of Canada, including the United States, where registered federal trademark protection is currently unavailable for trademarks covering marijuana-related products and services that are illegal under the CSA. Accordingly, TerrAscend's ability to obtain intellectual property rights or enforce intellectual property rights against third party uses of similar trademarks may be limited in certain countries. The U.S. Patent and Trademark Office released a policy on May 2, 2019 that clarifies that applications for trademarks for products that meet the definition of hemp could be accepted for registration, with certain exceptions.

Even if TerrAscend moves to protect its technology with trademarks, patents, copyrights or by other means, TerrAscend is not assured that competitors will not develop similar technology, business methods or that TerrAscend will be able to exercise its legal rights. Other countries may not protect intellectual property rights to the same standards as does the United States or Canada. Actions taken to protect or preserve intellectual property rights may require significant financial and other resources which may have a significant impact on TerrAscend's ability to successfully grow the business.

In addition, other parties may claim that TerrAscend's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in TerrAscend's expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages.

TerrAscend and investors may have difficulty enforcing their legal rights.

In the event of a dispute arising from TerrAscend's U.S. operations, TerrAscend may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of courts in Canada. Similarly, to the extent that TerrAscend's assets are located outside of Canada, investors may have difficulty collecting from TerrAscend any judgments obtained in the Canadian courts and predicated on the civil liability provisions of securities provisions. TerrAscend may also be hindered or prevented from enforcing its rights with respect to a governmental entity or instrumentality because of the doctrine of sovereign immunity.

TerrAscend (and the third parties upon which it relies) faces physical security risks, as well as risks related to its information technology systems, potential cyber-attacks, and security breaches.

In the ordinary course of its business, TerrAscend collects, receives, stores, processes, generates, uses, transfers, discloses, makes accessible, protects, secures, disposes of, transmits, and shares (collectively, processes) personal data about its patients, adult-use customers and guests and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third-party data, business plans, transactions, and financial information (collectively, sensitive data). TerrAscend is responsible for protecting sensitive data from security breaches.

If there was a breach in security systems and TerrAscend became victim to a robbery or theft or if there was a failure of information technology systems or a component of information technology systems, or if TerrAscend's sensitive data were compromised, it could, depending on the nature of any such breach, failure or compromise, adversely impact TerrAscend's reputation, business continuity and results of operations. Any such security breach, failure or compromise could expose TerrAscend to additional liability and to potentially costly litigation, government enforcement actions, additional reporting requirements and/or oversight, indemnification obligations, negative publicity, increase expenses relating to the resolution and future prevention of these breaches and may deter potential customers from choosing TerrAscend's products. Given the nature of TerrAscend's products and its lack of legal availability outside of channels approved by the government of the US, as well as the concentration of inventory in its facilities, there remains a risk of shrinkage as well as theft.

A security breach may occur through procedural or process failure, information technology malfunction, or deliberate unauthorized intrusions. Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of TerrAscend's sensitive data and information technology systems, and those of the third parties upon which it relies. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, TerrAscend and the third parties upon which it relies may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, that could materially disrupt its systems and operations, supply chain, and ability to produce, sell and distribute its services.

TerrAscend and the third parties upon which it relies are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks (such as credential stuffing), credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, cable cuts, damage to physical plants, power loss, vandalism, theft, and other similar threats.

In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in TerrAscend's operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but TerrAscend may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

Remote work has become more common and has increased risks to TerrAscend's information technology systems and data, as more of its employees utilize network connections, computers, and devices outside its premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose TerrAscend to additional cybersecurity risks and vulnerabilities, as its systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, TerrAscend may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into TerrAscend's information technology environment and security program

In addition, TerrAscend's reliance on third-party service providers could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks, and other threats to its business operations. TerrAscend has entered into agreements with third parties for hardware, software, telecommunications and other information technology (or "IT") services in connection with its operations. TerrAscend's ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If its third-party service providers experience a security incident or other interruption, TerrAscend could experience adverse consequences. While TerrAscend may be entitled to damages if its third-party service providers fail to satisfy their privacy or security-related obligations to TerrAscend, any award may be insufficient to cover TerrAscend's damages, or TerrAscend may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and TerrAscend cannot guarantee that third parties' infrastructure in its supply chain or its third-party partners' supply chains have not been compromised.

TerrAscend's operations depend, in part, on how well it and its suppliers protect networks, equipment, IT systems and software against damage from of the aforementioned or similar threats. TerrAscend's operations also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could TerrAscend's ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If its third-party service providers experience a security incident or other interruption, TerrAscend could experience adverse consequences. While TerrAscend may be entitled to damages if its third-party service providers fail to satisfy their privacy or security-related obligations to TerrAscend, any award may be insufficient to cover TerrAscend's damages, or TerrAscend may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and TerrAscend cannot guarantee that third parties' infrastructure in its supply chain or its third-party partners' supply chains have not been compromised.

TerrAscend may expend significant resources or modify its business activities to try to protect against security breaches. Additionally, certain data privacy and security obligations may require TerrAscend to implement and maintain specific security measures or industry-standard or reasonable security measures to protect its information technology systems and sensitive data.

While TerrAscend has implemented security measures designed to protect against security breaches, there can be no assurance that these measures will be effective. TerrAscend takes steps to detect and remediate vulnerabilities, but it may not be able to detect and remediate all vulnerabilities because the threats and techniques used to exploit the vulnerability change frequently and are often sophisticated in nature. Therefore, such vulnerabilities could be exploited but may not be detected until after a security incident has occurred. These vulnerabilities pose material risks to TerrAscend's business. Further, TerrAscend may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require TerrAscend to notify relevant stakeholders of security breaches. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences.

TerrAscend's contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in its contracts are sufficient to protect it from liabilities, damages, or claims related to its data privacy and security obligations. TerrAscend cannot be sure that its insurance coverage will be adequate or sufficient to protect it from or to mitigate liabilities arising out of its privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security breach, third parties may gather, collect, or infer sensitive data about it from public sources, data brokers, or other means that reveals competitively sensitive details about TerrAscend and could be used to undermine its competitive advantage or market position.

TerrAscend is or may become subject to stringent and evolving U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Its actual or perceived failure to comply with such obligations could lead to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; and other adverse business consequences.

TerrAscend's data processing activities may subject it to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to data privacy and security.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade

Commission Act), and other similar laws (e.g., wiretapping laws). For example, there are a number of federal, state, and local laws protecting the confidentiality of certain health-related information of TerrAscend's patients and customers, including their health-related records, and restricting the use and disclosure of that information. As another example, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 ("CPRA") (collectively, "CCPA") applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses to provide specific disclosures in privacy notices and honor requests of such individuals to exercise certain privacy rights. The CCPA provides for administrative fines of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the CPRA expanded the CCPA's requirements, including by adding a new right for individuals to correct their personal data and establishing a new regulatory agency to implement and enforce the law. Other states, such as Virginia and Colorado, have also passed comprehensive privacy laws, and similar laws are being considered in several other states, as well as at the federal and local levels. These developments may further complicate compliance efforts, and increase legal risk and compliance costs for TerrAscend and the third parties upon whom it relies.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern data privacy and security. For example, Canada's Personal Information Protection and Electronic Documents Act (PIPEDA) imposes strict requirements for processing personal data.

In addition to data privacy and security laws, TerrAscend is bound by other contractual obligations related to data privacy and security, and its efforts to comply with such obligations may not be successful. TerrAscend publishes privacy policies, marketing materials, and other statement. If found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of its practices, TerrAscend may be subject to investigation, enforcement actions by regulators, or other adverse consequences.

Obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires TerrAscend to devote significant resources and may necessitate changes to its services, information technologies, systems, and practices and to those of any third parties that process personal data on its behalf.

TerrAscend may at times fail (or be perceived to have failed) in its efforts to comply with its data privacy and security obligations. Moreover, despite its efforts, TerrAscend's personnel or third parties on whom it relies may fail to comply with such obligations, which could negatively impact its business operations. If TerrAscend or the third parties on which it relies fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, it could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims); additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. Any of these events could have a material adverse effect on TerrAscend's reputation, business, or financial condition, including but not limited to: loss of customers; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize its products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to its business model or operations.

TerrAscend faces exposure to fraudulent or illegal activity by employees, contractors and consultants, which may subject TerrAscend to investigations or other actions.

TerrAscend is exposed to the risk that its employees, independent contractors and consultants may engage in fraudulent or other illegal activity. Misconduct by these parties could include intentional, reckless and/or negligent conduct or disclosure of unauthorized activities to TerrAscend that violates: (i) government regulations; (ii) manufacturing standards; (iii) federal, state and provincial healthcare fraud and abuse laws and regulations; or (iv) laws that require the true, complete and accurate reporting of financial information or data. It may not always be possible for TerrAscend to identify and deter misconduct by its employees and other third parties, and the precautions taken by TerrAscend to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting TerrAscend from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against TerrAscend, and it is not successful in defending itself or asserting its rights, those actions could have a significant impact on TerrAscend's business, including the imposition of civil, criminal and administrative penalties, damages, monetary fines, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of TerrAscend's operations, any of which could have a material adverse effect on TerrAscend's business, financial condition, results of operations or prospects.

Directors and officers of TerrAscend have faced, and may in the future face, conflicts of interests regarding the business strategy of TerrAscend.

Certain of the directors and officers of TerrAscend are also directors and officers of other companies or are engaged and will continue to be engaged in activities that may put them in conflict with the business strategy of TerrAscend. Consequently, there exists the possibility for such directors and officers to be in a position of conflict.

In particular, TerrAscend may also become involved in other transactions which conflict with the interests of its directors and officers, who may from time to time deal with persons, firms, institutions or companies with which TerrAscend may be dealing, or which may be seeking investments similar to those desired by it. All decisions to be made by directors and officers of TerrAscend are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of TerrAscend. In addition, the directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

TerrAscend's internal controls over financial reporting may not be effective, and the TerrAscend's independent auditors may not be able to certify as to their effectiveness, which could have a significant and adverse effect on TerrAscend's business.

TerrAscend is subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"). Pursuant to Section 404 of the Sarbanes-Oxley Act, TerrAscend is required to perform system and process evaluation and testing of its internal control over financial reporting to allow Company management to report on the effectiveness of its internal control over financial reporting. Furthermore, if at such time, TerrAscend no longer qualifies as a "emerging growth company," its independent registered public accounting firm will be required to issue an annual report that attests the effectiveness of TerrAscend's internal control over financial reporting.

TerrAscend incurs expenses and, to a lesser extent, diversion of Company management's time in its efforts to comply with Section 404 of the Sarbanes-Oxley Act regarding internal controls over financial reporting. Effective internal controls over financial reporting are necessary for TerrAscend to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause TerrAscend to fail to meet its reporting obligations. In addition, any testing by TerrAscend conducted in connection with Section 404 of the Sarbanes-Oxley Act, or the subsequent testing by TerrAscend's independent registered public accounting firm when required, may reveal deficiencies in TerrAscend's internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retrospective changes to TerrAscend's consolidated financial statements or identify other areas for further attention or improvement. Moreover, TerrAscend's internal controls over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objective will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If TerrAscend is unable to assert that its internal control over financial reporting is effective, investors could lose confidence in TerrAscend's reported financial information, the trading price of TerrAscend's Common Shares could decline and TerrAscend could be subject to sanctions or investigations by the United States Securities and Exchange Commission or other regulatory authorities.

TerrAscend's business could be adversely affected by economic downturns, inflation, increases in interest rates, natural disasters, public health crises such as the COVID-19 pandemic, political crises, geopolitical events, such as the crisis in Ukraine, or other macroeconomic conditions, which have in the past and may in the future negatively impact TerrAscend's business and financial performance.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including, among other things, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates and uncertainty about economic stability. For example, the COVID-19 pandemic resulted in widespread unemployment, economic slowdown and extreme volatility in the capital markets. The U.S. Federal Reserve recently raised interest rates multiple times in response to concerns about inflation and it may raise them again. Higher interest rates, coupled with reduced government spending and volatility in financial markets may increase economic uncertainty and affect consumer spending. If the equity and credit markets deteriorate, including as a result of political unrest or war, such as the crisis in Ukraine, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. Increased inflation rates can adversely affect TerrAscend by increasing TerrAscend's costs, including labor and employee benefit costs.

The development of TerrAscend's products is complex and requires significant investment. Failure to develop new technologies and products could adversely affect TerrAscend's business.

The introduction of new products embodying new technologies, including new manufacturing processes, and the emergence of new industry standards may render TerrAscend's products obsolete, less competitive or less marketable. The process of developing TerrAscend's products is complex and requires significant continuing costs, development efforts and third-party commitments. TerrAscend's failure to develop new technologies and products and the obsolescence of existing technologies could adversely affect the business, financial condition and operating results of TerrAscend. TerrAscend may be unable to anticipate changes in its potential customer requirements that could make TerrAscend's existing technology obsolete.

The development of TerrAscend's proprietary technology entails significant technical and business risks. TerrAscend may not be successful in using its new technologies or exploiting its niche markets effectively or adapting its businesses to evolving customer or medical requirements or preferences or emerging industry standards.

TerrAscend needs to attract and retain customers and patients in order to succeed, and failure to do so may have a material adverse effect on TerrAscend's business.

TerrAscend's success depends on its ability to attract and retain customers and patients. There are many factors which could impact TerrAscend's ability to attract and retain customers and patients, including but not limited to TerrAscend's ability to continually produce desirable and effective products and, the successful implementation of a customer and patient-acquisition plan. TerrAscend's failure to acquire and retain customers and patients would have a material adverse effect on TerrAscend's business, operating results and financial condition.

TerrAscend has a limited operating history, which makes it difficult to evaluate its prospects and predict future operating results.

TerrAscend has a limited operating history and, accordingly, potential investors will have a limited basis on which to evaluate its ability to achieve its business objectives. The future success of TerrAscend is dependent on management's ability to implement its strategy, there is no certainty that anticipated outcomes and sustainable revenue streams will be achieved and there is no certainty that TerrAscend will successfully produce commercial medical cannabis, establish a market for and sell its product, maintain its licenses or obtain other necessary licenses and/or approvals.

TerrAscend faces risks frequently encountered by early-stage companies. In particular, its future growth and prospects will depend on its ability to expand its operation and gain additional revenue streams while at the same time maintaining effective cost controls. Any failure to expand is likely to have a material adverse effect on TerrAscend's business, financial condition and results. As such, there is no assurance that TerrAscend will be successful in achieving a return on TerrAscend shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

TerrAscend may be subject to growth-related risks, which could negatively affect its business.

TerrAscend may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of TerrAscend to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of TerrAscend to deal with this growth may have a material adverse effect on TerrAscend's business, financial condition, results of operations and prospects.

Risks Related to TerrAscend's Investment and Acquisition Business Strategies

The success of TerrAscend's business depends, in part, on its ability to successfully integrate recently acquired businesses and to retain key employees of acquired businesses. If TerrAscend is unsuccessful in doing so, it may negatively affect TerrAscend's business.

TerrAscend may not be able to successfully integrate and combine the operations, personnel and technology infrastructure of any such acquired company with its existing operations. If integration is not managed successfully by TerrAscend's management, TerrAscend may experience interruptions to its business activities, deterioration in its employee and customer relationships, increased costs of integration and harm to its reputation, all of which could have a material adverse effect on TerrAscend's business, financial condition and results of operations. TerrAscend may experience difficulties in combining corporate cultures, maintaining employee morale and retaining key employees. The integration of any such acquired companies may also impose substantial demands on management. There is no assurance that these acquisitions will be successfully integrated in a timely manner.

There can be no assurance that TerrAscend's current and future strategic alliances will have a beneficial impact on TerrAscend's business, financial condition and results of operations.

TerrAscend currently has, and may in the future, enter into strategic alliances with third parties that it believes will complement or augment its existing business. TerrAscend's ability to complete strategic alliances is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic alliances could present unforeseen integration obstacles or costs, may not enhance TerrAscend's business, and may involve risks that could adversely affect TerrAscend, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic alliances. Future strategic alliances could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic alliances will achieve, or that TerrAscend's existing strategic alliances will continue to achieve, the expected benefits to TerrAscend's business or that TerrAscend will be able to consummate future strategic alliances on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on TerrAscend's business, financial condition and results of operations.

TerrAscend's use of joint ventures may expose TerrAscend to risks associated with jointly owned investments.

TerrAscend currently operates parts of its business through joint ventures with other companies, and it may enter into additional joint ventures in the future. Joint venture investments and partnerships may involve risks not otherwise present for investments made solely by TerrAscend, including: (i) TerrAscend may not control the joint ventures; (ii) TerrAscend's joint venture partners may not agree to distributions that it believe are appropriate; (iii) where TerrAscend does not have substantial decision-making authority, it may experience impasses or disputes with TerrAscend's joint venture partners on certain decisions, which could require it to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (iv) TerrAscend's joint venture partners may become insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfil their obligations as a joint venture partner; (v) the arrangements governing TerrAscend's joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved; (vi) TerrAscend's joint venture partners may have business or economic interests that are inconsistent with TerrAscend's and may take actions contrary to TerrAscend's interests; (vii) TerrAscend may suffer losses as a result of actions taken by TerrAscend's joint venture partners with respect to TerrAscend's joint venture investments; and (viii) it may be difficult for TerrAscend to exit a joint venture if an impasse arises or if TerrAscend desires to sell its interest for any reason. Any of the foregoing risks could have a material adverse effect on TerrAscend's business, financial condition and results of operations. In addition, TerrAscend may, in certain circumstances, be liable for the actions of its joint venture partners.

TerrAscend may not realize the benefits of its growth strategy, which could have an adverse effect on TerrAscend's business.

In March 2022, TerrAscend acquired all of the issued and outstanding equity interests in Gage, a cultivator and processor in Michigan (such transaction, the "Gage Acquisition"). TerrAscend believes that the completion of the Gage Acquisition will allow it to accelerate its strategic efforts to capitalize on significant growth opportunities by gaining exposure to the Michigan market. As part of its growth strategy, TerrAscend will continue in its existing efforts and initiate new efforts to expand its footprint, and brand and marketing capabilities. Such expansion is dependent on availability of capital funding, achieving satisfactory returns on the acquisition of Gage, continuing to enter into successful business arrangements and certain assumptions about being able to achieve Gage's projected growth strategy. The failure to successfully implement either its own strategic initiatives, or those with respect to Gage, could have a material adverse effect on TerrAscend's business and results of operations.

Risks Related to TerrAscend's Common Shares

TerrAscend's voting control is concentrated.

Mr. Jason Wild, TerrAscend's Executive Chairman and Chairman of TerrAscend's Board, beneficially owns, directly or indirectly, or exercises control or direction over shares representing approximately 28.52% of the voting capital stock of TerrAscend as of March 14, 2023. As a result, he exerts significant control over matters that may be put forth for the consideration of all TerrAscend shareholders, including for example, the approval of a potential business combination or consolidation, a liquidation or sale of all or substantially all of TerrAscend's assets, electing members to TerrAscend's Board, and adopting amendments to TerrAscend's constating documents, including its articles of incorporation, as amended (the "Articles") and by-laws.

TerrAscend's Preferred Shares have a liquidation preference over the Common Shares, which could limit TerrAscend's ability to make distributions to the holders of Common Shares.

In the event of liquidation, dissolution or winding up of TerrAscend, whether voluntary or involuntary, or upon any other return of capital or distribution of the assets of TerrAscend among its shareholders, in each case for the purposes of winding up its affairs, TerrAscend's preferred shares (the "Preferred Shares") are entitled to receive any distribution available to be paid out of the assets of TerrAscend before the Proportionate Voting Shares, Common Shares and exchangeable shares of TerrAscend (the "Exchangeable Shares"). Accordingly, should TerrAscend be liquidated, dissolved or wound-up, TerrAscend may be unable to make any distribution to the holders of the Common Shares.

An investor may face liquidity risks with an investment in the Common Shares.

TerrAscend's Common Shares are listed on the CSE and also trade over the counter in the United States on the OTCQX® Best Market, however, there can be no assurance that an active and/or liquid market for Common Shares will develop or be maintained and an investor may find it difficult to resell any securities of TerrAscend. For example, given the heightened risk profile associated with cannabis in the United States, capital markets participants may be unwilling to assist with the settlement of trades for U.S. resident securityholders of companies with operations in the U.S. cannabis industry, which may prohibit or significantly impair the ability of securityholders in the United States to trade TerrAscend's securities. In the event residents of the United States are unable to settle trades of TerrAscend's securities, this may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices and the liquidity of these securities.

The price of TerrAscend's Common Shares may be volatile, and may be adversely affected by the price of cannabis.

The market price of Common Shares may be subject to wide price fluctuations, and the price of TerrAscend's shares and its financial results may be significantly and adversely affected by a decline in the price of cannabis. There is currently no established market price for cannabis and the price of cannabis is affected by several factors beyond TerrAscend's control. For example, price fluctuations may be in response to many factors, including variations in the operating results of TerrAscend and its subsidiaries, divergence in financial results from analysts' expectations, changes in earnings estimates by stock market analysts, changes in the business prospects for TerrAscend and its subsidiaries, general economic conditions, legislative changes, community support for the cannabis industry and other events and factors outside of TerrAscend's control. In addition, stock markets have from time to time experienced extreme price and volume fluctuations, which, as well as general economic and political conditions, could adversely affect the market price for TerrAscend's Common Shares.

Additional issuances of TerrAscend's securities may result in dilution.

TerrAscend may issue additional securities in the future, which may dilute a TerrAscend shareholder's holdings in TerrAscend. TerrAscend's Articles permit the issuance of an unlimited number of Proportionate Voting Shares, Exchangeable Shares, Preferred Shares and Common Shares, and TerrAscend shareholders will have no pre-emptive rights in connection with such further issuance. For example, in connection with the recently completed Transaction with Gage, TerrAscend issued approximately 51.3 million Common Shares to Gage shareholders and reserved approximately an additional 25.8 million Common Shares pursuant to the convertible securities of Gage which will be exchanged for convertible securities of TerrAscend. The directors of TerrAscend have discretion to determine the price and the terms of issue of further issuances, and such terms could include rights, preferences and privileges superior to those existing holders. Moreover, additional Common Shares will be issued by TerrAscend on the exercise of options under TerrAscend's stock option plan and upon the exercise of outstanding warrants and upon the conversion of Proportionate Voting Shares, Exchangeable Shares and Preferred Shares. To the extent holders of TerrAscend's stock options or other convertible securities convert or exercise their securities and sell Common Shares they receive, the trading price of the Common Shares may decrease due to the additional amount of Common Shares available in the market. TerrAscend cannot predict the size or nature of future issuances or the effect that future issuances and sales of Common Shares will have on the market price of the Common Shares. Issuances of a substantial number of additional Common Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and economic interest in TerrAscend.

Sales of substantial amounts of Common Shares may have an adverse effect on the market price of the Common Shares.

Sales of a substantial number of Common Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Common Shares intend to sell Common Shares, could reduce the market price of Common Shares.

TerrAscend's management will continue to have broad discretion over the use of the proceeds TerrAscend receives in its public offerings, private placements, warrant exercises and loans, as applicable, and might not apply the proceeds in ways that increase the value of your investment.

TerrAscend's management will continue to have broad discretion to use the net proceeds from its public offerings, private placements warrant exercises and loans, as applicable, and you will be relying on the judgment of TerrAscend's management regarding the application of these proceeds. TerrAscend's management might not apply TerrAscend's net proceeds in ways that ultimately increase the value of your investment. Because of the number and variability of factors that will determine its use of the remaining net proceeds from TerrAscend's public offerings and other financing transactions, their ultimate use may vary substantially from their currently intended use. If TerrAscend does not invest or apply the net proceeds from its public offerings, private placements, warrant exercises and loans in ways that enhance shareholder value, it may fail to achieve the expected financial results, which could cause its share price to decline.

Risks related to potential disqualification of equity holders by regulatory authorities.

An individual with an ownership interest in TerrAscend could become disqualified from having such ownership interest in TerrAscend under a U.S. state cannabis agency's interpretation of the relevant state laws and regulations if such owner is convicted of a certain type of felony or fails to meet the residency requirements, if any, for owning equity in a company like TerrAscend. The loss of such equity holder could potentially have a material adverse effect on TerrAscend.

TerrAscend does not intend to pay dividends on its Common Shares for the foreseeable future and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of TerrAscend's Common Shares.

TerrAscend's policy is to retain earnings to finance the development and enhancement of its products and to otherwise reinvest in TerrAscend's businesses. Therefore, TerrAscend does not anticipate paying cash dividends on Common Shares in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of TerrAscend's Board and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that TerrAscend's Board may deem relevant. As a result, investors may not receive any return on investment in Common Shares unless they sell them for a share price that is greater than that at which such investors purchased them.

"Penny stock" rules may make buying or selling TerrAscend's securities difficult which may make its securities less liquid and make it harder for investors to buy and sell such securities.

Trading in TerrAscend's securities is subject to the SEC's "penny stock" rules and it is anticipated that trading in TerrAscend's securities will continue to be subject to the penny stock rules for the foreseeable future. The SEC has adopted regulations that generally define a penny stock to be any equity security that has a market price of less than $5.00 per share, subject to certain exceptions. These rules require that any broker-dealer who recommends TerrAscend's securities to persons other than prior customers and accredited investors must, prior to the sale, make a special written suitability determination for the purchaser and receive the purchaser's written agreement to execute the transaction. Unless an exception is available, the regulations require the delivery, prior to any transaction involving a penny stock, of a disclosure schedule explaining the penny stock market and the risks associated with trading in the penny stock market. In addition, broker-dealers must disclose commissions payable to both the broker-dealer and the registered representative and current quotations for the securities they offer. The additional burdens imposed upon broker-dealers by these requirements may discourage broker-dealers from recommending transactions in TerrAscend's securities, which could severely limit the liquidity of such securities and consequently adversely affect the market price for such securities.

General Risk Factors

TerrAscend may not be able to obtain necessary permits and authorizations.

TerrAscend may be required to obtain and maintain certain permits, licenses and approvals in the jurisdictions where its products are manufactured and/or sold. There can be no assurance that TerrAscend will be able to obtain or maintain any necessary licenses, permits or approvals. Any material delay or inability to receive these items is likely to delay and/or inhibit TerrAscend's ability to conduct its business, and would have an adverse effect on its business, financial condition and results of operations.

Due to the uncertainty regarding the implementation and impact of the CARES Act and other legislation related to COVID-19, and their application to businesses substantially similar to TerrAscend there is a risk that failure to comply with the legislation may negatively impact TerrAscend and businesses substantially similar to TerrAscend.

On March 27, 2020, the Coronavirus Aid, Relief and Economic Securities Act ("CARES Act") was signed into law, aimed at providing emergency assistance and health care for individuals, families, and businesses affected by the COVID-19 pandemic and generally supporting the U.S. economy. The CARES Act, among other things, includes provisions relating to refundable payroll tax credits, deferment of employer social security payments, net operating loss carryback periods, alternative minimum tax credit refunds, and modifications to the net interest deduction limitations. In December 2022, TerrAscend filed for an Employee Retention Tax Credit ("ERC") distribution in the amount of approximately $14,903. ERC distributions are refundable tax credits for 50% of qualified wages paid to employees during the pandemic. A company is eligible for the ERC if it has not received a Paycheck Protection Program loan under the Cares Act and (1) its operations have been fully or partially suspended because of COVID-19 or (2) its gross receipts in a calendar quarter in 2020 declined by more than 50% from the same period in 2019. No formal determination regarding the claim for the ERC has been received. Due to the potential uncertainty regarding the implementation of the CARES Act and other stimulus legislation, and due to the nature of our business, there is a risk that failure to comply with the legislation may negatively impact TerrAscend and businesses substantially similar to TerrAscend.

TerrAscend may be subject to litigation, which could divert the attention of management and cause TerrAscend to expend significant resources.

TerrAscend may become party to litigation from time to time in the ordinary course of business which could adversely affect its business. Should any litigation in which TerrAscend becomes involved be determined against TerrAscend, such a decision could adversely affect TerrAscend's ability to continue operating and the market price for Common Shares. Even if TerrAscend is involved in litigation and wins, litigation can redirect significant resources.

TerrAscend faces risks and hazards that may not be covered by insurance.

TerrAscend's business is subject to a number of risks and hazards generally, including adverse environmental conditions, accidents, disputes and changes in the regulatory environment. Such occurrences could result in damage to assets, personal injury or death, environmental damage, delays in operations, monetary losses and possible legal liability.

Although TerrAscend maintains insurance to protect against certain risks in such amounts as it considers to be reasonable, its insurance does not cover all the potential risks associated with its operations. TerrAscend may also be unable to maintain insurance to cover these risks at economically feasible premiums. Insurance coverage may not continue to be available or may not be adequate to cover any resulting liability. Moreover, insurance against risks such as environmental pollution or other hazards encountered in the operations of TerrAscend is not generally available on acceptable terms. Losses from these events may cause TerrAscend to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

TerrAscend has incurred and will continue to incur substantial costs as a result of operating as a public company in Canada and the United States, and its management will continue to devote substantial time to new compliance initiatives.

TerrAscend's Common Shares are listed on the CSE under the trading symbol "TER." The Common Shares also trade over the counter in the United States on OTCQX under the trading symbol "TRSSF." As a public company, TerrAscend incurs substantial legal, accounting, and other expenses that it did not incur as a private company. For example, TerrAscend is subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of the SEC. The Exchange Act and Securities Act (Ontario) require, among other things, that TerrAscend file annual, quarterly, and current reports with respect to its business, financial condition and results of operations. Compliance with these rules and regulations increase TerrAscend's legal and financial compliance costs and increase demand on its systems, particularly after TerrAscend is no longer an emerging growth company. In addition, as a public company, TerrAscend may be subject to shareholder activism, which can lead to additional substantial costs, distract management and impact the manner in which TerrAscend operates its business in ways it cannot currently anticipate. As a result of disclosure of information in filings required of a public company, TerrAscend's business and financial condition are more visible, which may result in threatened or actual litigation, including by competitors.

TerrAscend is currently an "emerging growth company" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), and to the extent TerrAscend has taken advantage of certain exemptions from disclosure requirements

available to emerging growth companies, this could make its securities less attractive to investors and may make it more difficult to compare the company's performance with other public companies.

TerrAscend is an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act, and TerrAscend may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies" including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in TerrAscend's periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. As a result, TerrAscend's shareholders may not have access to certain information they may deem important. TerrAscend could be an emerging growth company for up to five years, although circumstances could cause TerrAscend to lose that status earlier, including if the market value of its Common Shares held by non-affiliates exceeds $700 million as of June 30, in which case TerrAscend would no longer be an emerging growth company as of the following fiscal year. TerrAscend cannot predict whether investors will find its securities less attractive because it will rely on these exemptions. If some investors find TerrAscend's securities less attractive as a result of its reliance on these exemptions, the trading prices of its securities may be lower than they otherwise would be, there may be a less active trading market for the securities and the trading prices of its securities may be more volatile.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such an election to opt out is irrevocable. TerrAscend has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, TerrAscend, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of TerrAscend's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

TerrAscend's corporate headquarters is located in Mississauga, Ontario, Canada, and it has various other offices, manufacturing, cultivation and/or processing facilities and dispensaries across the United States. TerrAscend believes that its current offices and facilities are suitable and adequate to meet its current needs. TerrAscend intends to add new facilities or expand existing facilities as it adds employees, and it believes that suitable additional or substitute space will be available as needed to accommodate any such expansion of TerrAscend's operations.

The following tables set forth TerrAscend's material physical properties as of March 14, 2023.

Corporate Properties

Type	Location	Leased / Owned
Headquarters	TerrAscend Canada Inc. Mississauga, Ontario, Canada	Owned*
Office	IHC Management LLC / TerrAscend Corp. King of Prussia, PA	Leased*
Office	Corporate Office (West) Healdsburg, CA	Leased

Production and Storage Properties

Type	Location	Leased / Owned
Manufacturing, Cultivation	Ilera Healthcare LLC– Grow PA Waterfall, PA	Owned* †
Manufacturing, Cultivation	TerrAscend NJ LLC Boonton, NJ	Owned
Manufacturing, Cultivation	TerrAscend NJ LLC Phillipsburg, NJ	Leased
Cultivation	ABI LLC (State Flower) San Francisco, CA	Leased
Manufacturing, Cultivation	HMS Health LLC Hagerstown, Maryland	Owned☐
Cultivation	Gage Growth Warren, MI	Owned
Cultivation	Gage Growth Harrison, MI	Owned
Processing	Gage Growth Harrison, MI	Owned
Cultivation	Gage Growth Monitor, MI	Owned

Retail Properties

Type	Location	Leased / Owned
Dispensary	The Apothecarium Dispensary – Plymouth Plymouth Meeting, PA	Leased*
Dispensary	The Apothecarium Dispensary – Lancaster Lancaster, PA	Leased*
Dispensary	The Apothecarium Dispensary – Thorndale Thorndale, PA	Leased*
Dispensary	KCR Dispensary – Allentown Allentown, PA	Owned*
Dispensary	KCR Dispensary – Bethlehem Bethlehem, PA	Leased*
Dispensary	KCR Dispensary – Stroudsburg Stroudsburg, PA	Leased*
Dispensary	The Apothecarium Dispensary – Phillipsburg Phillipsburg, NJ	Owned
Dispensary	The Apothecarium Dispensary – Maplewood Maplewood, NJ	Leased
Dispensary	The Apothecarium Dispensary – Lodi Lodi, NJ	Leased
Dispensary	The Apothecarium Dispensary – Castro San Francisco, CA	Leased
Dispensary	The Apothecarium Dispensary – Marina San Francisco, CA	Leased
Dispensary	The Apothecarium Dispensary – Soma San Francisco, CA	Leased
Dispensary	The Apothecarium Dispensary – Berkeley Berkeley, CA	Leased
Dispensary	The Apothecarium Dispensary – Capitola Capitola, CA	Leased
Dispensary	Gage Growth Cookies Ann Arbor, MI	Leased
Dispensary	Gage Growth Adrian, MI	Leased
Dispensary	Gage Growth Battle Creek, MI	Leased
Dispensary	Gage Growth Burton, MI	Leased

Retail Properties

Type	Location	Leased / Owned
Dispensary	Gage Growth Cookies Detroit, MI	Owned
Dispensary	Gage Growth Ferndale, MI	Leased
Dispensary	Gage Growth Grand Rapids, MI	Leased
Dispensary	Gage Growth Cookies Kalamazoo, MI	Leased
Dispensary	Gage Growth Kalamazoo, MI	Owned
Dispensary	Gage Growth Lansing, MI	Leased
Dispensary	Gage Growth Traverse City, MI	Leased
Dispensary	Gage Growth Addison, MI	Owned
Dispensary	Gage Growth Buchanan, MI	Owned
Dispensary	Gage Growth Camden, MI	Owned
Dispensary	Gage Growth Edmore, MI	Leased
Dispensary	Gage Growth Morenci, MI	Owned
Dispensary	Gage Growth Bay City, MI	Leased☐
Dispensary	Gage Growth Oxford, MI	Leased☐
Dispensary	Gage Growth Centerline, MI	Owned☐
Dispensary	Gage Growth Coleman, MI	Owned☐
Dispensary	Gage Growth Sturgis, MI	Owned☐
Dispensary	Gage Growth Mt. Morris, MI	Owned☐

Retail Properties

Type	Location	Leased / Owned
Dispensary	Gage Growth Cookies Jackson, MI	Leased
Dispensary	Gage Growth Detroit, MI	Owned

* Property or lease on the property is subject to an encumbrance as described below.

† TerrAscend owns the production property at the Ilera Healthcare property in Waterfall, PA, but the land is leased from another entity.

☐ Not yet operational.

Properties Subject to an Encumbrance

The TerrAscend Canada property located in Mississauga, Ontario, Canada has been pledged as collateral to secure TerrAscend Canada's obligations under a loan agreement entered into on June 19, 2020 by and between TerrAscend Canada and KingSett Mortgage Corporation, for a loan in the principal amount of C$7.3 million bearing interest of 8.25% and a balance due date of June 30, 2023.

The following properties have been pledged as collateral to secure obligations of TerrAscend's subsidiary, WDB Holding PA, under a senior secured term loan, entered into on December 18, 2020, by and between WDB Holding PA and a syndicate of lenders, in the amount of $120 million, bearing an interest rate of 12.875% per annum and maturing on December 17, 2024: (i) Ilera Healthcare – Grow PA, Waterfall, Pennsylvania and (ii) KCR Dispensary – Allentown, Allentown, Pennsylvania. The interests of WDB Holding PA in the leases for the following properties have been pledged as collateral to secure the obligations WDB Holding PA under the same loan: (i) Ilera Healthcare / TerrAscend Corp. Office., King of Prussia, Pennsylvania, (ii) The Apothecarium Dispensary – Plymouth, Plymouth Meeting, Pennsylvania, (iii) The Apothecarium Dispensary – Lancaster, Lancaster, Pennsylvania, (iv) The Apothecarium Dispensary – Thorndale, Pennsylvania, (v) KCR Dispensary – Bethlehem, Pennsylvania, (vi) KCR Dispensary – Stroudsburg, Pennsylvania. The loan is secured by the assets of TerrAscend's Pennsylvania business.

Gage Growth, a subsidiary of TerrAscend, has pledged as collateral all assets of each Credit Party (as defined therein) to the credit agreement, unless Gage Growth is granted a permitted lien in connection with this credit agreement or any other secured debt agreement. The collateral includes the interest in certain licenses to secure the obligations under the credit agreement. The credit agreement was initially entered into on November 22, 2021, and was subsequently amended and restated on August 10, 2022 and November 29, 2022, by and between Gage Growth and a syndicate of lenders, in the amount of $25 million, bearing an interest rate of the greater of the prime rate plus 6.00%, and 13.00% per annum and maturing on November 1, 2024.

The following properties have been pledged as collateral to secure obligations of TerrAscend's subsidiaries, TerrAscend NJ, LLC, HMS Health, LLC, HMS Processing, LLC, and HMS Hagerstown, LLC, under a loan agreement, entered into on October 11, 2022, by and between TerrAscend NJ, LLC, HMS Health, LLC, HMS Processing, LLC, and HMS Hagerstown, LLC and Pelorus Fund REIT, LLC, bearing an interest rate of the secured overnight financing rate plus 9.5% per annum and maturing on October 11, 2027: (i) Cultivation and Processing – Boonton, NJ (ii) The Apothecarium Dispensary – Phillipsburg, NJ and (iii) Cultivation and Processing – Hagerstown, MD. The interests of TerrAscend NJ, LLC in the leases for the following properties have been pledged as collateral to secure the obligations under the same loan: (i) The Apothecarium – Maplewood, NJ, (ii) The Apothecarium – Lodi, NJ and (iii) Cultivation (proposed) – Phillipsburg, NJ. The loan is secured by all assets of TerrAscend's New Jersey business, unless otherwise excluded by the loan agreement.

Item 3. Legal Proceedings

Legal Proceedings

In the ordinary course of business, TerrAscend is involved in a number of lawsuits incidental to its business, including litigation related to intellectual property, product liability, employment, and commercial matters. Although it is difficult to predict the ultimate outcome of these cases, management believes that any ultimate liability would not have a material adverse effect on

TerrAscend's consolidated balance sheets or results of operations. At December 31, 2022, there were no pending lawsuits that could reasonably be expected to have a material effect on the results of TerrAscend's consolidated financial statements.

Item 4. Mine Safety Disclosures

Not applicable.

PART II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market Information

TerrAscend's Common Shares are listed on the CSE under the trading symbol "TER." The Common Shares also trade over the counter in the United States on the OTCQX Best Market tier of the electronic over-the-counter marketplace operated by OTC Markets Group, Inc. under the trading symbol "TRSSF." Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Shareholders

TerrAscend had 381 shareholders of record as of March 14, 2023. This does not include shares held in the name of a broker, bank or other nominees (typically referred to as being held in "street name").

Dividends

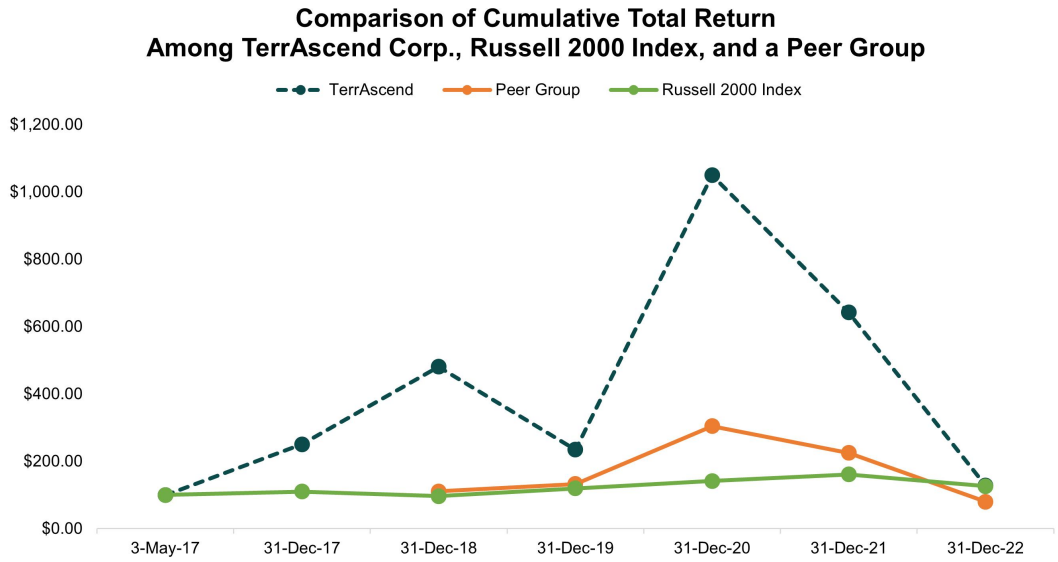
TerrAscend has not declared any dividends or made any distributions. Furthermore, TerrAscend has no current intention to declare dividends on its Common Shares in the foreseeable future. Any decision to pay dividends on its Common Shares in the future will be at the discretion of the Board of Directors and will depend on, among other things, TerrAscend's results of operations, current and anticipated cash requirements and surplus, financial condition, any future contractual restrictions and financing agreement covenants, solvency tests imposed by corporate law and other factors that the Board of Directors may deem relevant.

Stock Performance Graph

The following shall not be deemed incorporated by reference into any of TerrAscend's other filings under the Securities Exchange Act of 1934, as amended, or the Securities Act of 1933, as amended (the "Exchange Act"), except to the extent TerrAscend specifically incorporates it by reference into such filings.

The following graph shows a comparison from May 3, 2017, when TerrAscend began trading on the CSE, through December 31, 2022 of the cumulative total return for an investment of $100 in TerrAscend's Common Shares, Russell 2000 Index and a selected peer group of companies. The comparison assumes all dividends have been reinvested (if any).

The comparisons in this graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of TerrAscend's Common Shares.



The following specific companies were included in the peer group:

- Green Thumb Industries Inc.
- Curaleaf Holdings, Inc.
- Trulieve, Inc.
- Cresco Labs Inc.
- Verano Holdings Corp.

Recent Sales of Unregistered Securities

The following information represents securities sold by TerrAscend during the fiscal year ending December 31, 2022, which were not registered under the Securities Act. Included are new issues, securities issued in exchange for property, services or other securities, securities issued upon conversion from other Company share classes and new securities resulting from the modification of outstanding securities. TerrAscend sold all of the securities listed below pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, or Regulation D or Regulation S promulgated thereunder.

Common Shares

During 2022, 669,478 Common Shares were issued to holders of the 2022 RSUs (as defined below) upon settlement at fair value prices on the dates of issuance between $2.76 and $10.88 per share.

In 2022, 101,203 Common Shares were issued to an individual shareholder at price range between $2.46 and $5.88 per share as a result of a liability settlement.

Other Issuances

In March 2022, in connection with the Gage Acquisition, TerrAscend issued 13,504,500 exchangeable units to the former owners of Gage at a price of $4.93 per share as consideration for the acquisition of 100% of the equity interests of Gage.

The Gage Acquisition included consideration in the form of 4,940,364 replacement options that were issued on March 10, 2022 to employees of Gage. The post-combination options vest over a period of one to three years.

During the year ended December 31, 2022, 7,058,840 options to purchase Common Shares were granted to certain Company employees as additional compensation pursuant to TerrAscend's Stock Option Plan at various exercise prices between $1.47 and $5.86 per share. These options vest annually over a period of three or four years.

During the year ended December 31, 2022, 1,176,397 RSUs (each, a “2022 RSU”) were granted to various employees and members of the board of directors as compensation pursuant to TerrAscend’s RSU Plan at grant prices between $3.89 and $5.47 per share. Each 2022 RSU entitles the holder to receive one Common Share. Of the RSUs issued, 106,840 vested immediately on the grant date, and 562,638 vested on December 31, 2022. The remainder vest annually over three to four years.

Use of Proceeds from Initial Public Offering of Common Shares

Not applicable.

Purchase of Equity Securities by the Issuer and Affiliated Purchasers

None.

Item 6. [Reserved]

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of TerrAscend's financial condition and results of operations should be read in conjunction with TerrAscend's audited consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to TerrAscend's plans and strategy for its business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth under "Risk Factors", its actual results could differ materially from the results described in or implied by the "Cautionary Note Regarding Forward-Looking Statements" contained in this Annual Report on Form 10-K and in the following discussion and analysis.

Unless otherwise noted, dollar amounts in this Item 2 are in thousands of U.S. dollars.

Overview

TerrAscend is a leading North American cannabis operator with vertically integrated licensed operations in Pennsylvania, New Jersey, Michigan, Maryland and California, and is a cannabis retailer in Ontario, Canada with a minority-owned dispensary in Toronto, Ontario, Canada. TerrAscend's cultivation and manufacturing practices yield consistent and high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use markets. Notwithstanding the fact that various states in the U.S. have implemented medical marijuana laws or that have otherwise legalized the use of cannabis, the use of cannabis remains illegal under U.S. federal law for any purpose, by way of the Controlled Substances Act of 1970.

TerrAscend operates under one operating segment, which is the cultivation, production and sale of cannabis products.

TerrAscend owns a portfolio of operating businesses and several synergistic brands including:

•Gage Growth ("Gage"), a vertically integrated cannabis cultivator, processor and dispensary operator in Michigan;

•KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively "Pinnacle"), a dispensary operator in Michigan;

•Ilera Healthcare ("Ilera"), a vertically integrated cannabis cultivator, processor and dispensary operator in Pennsylvania;

•TerrAscend NJ, LLC ("TerrAscend NJ"), a majority owned subsidiary that operates three dispensaries in New Jersey with the ability to cultivate and process;

•HMS Health, LLC ("HMS Health") and HMS Processing, LLC ("HMS Processing" and together with HMS Health, "HMS"), a producer and seller of dried flower and oil products for the wholesale medical cannabis market in Maryland;

•The Apothecarium, consisting of retail dispensaries in California, Pennsylvania, and New Jersey;

•Valhalla Confections, a provider of premium edible products;

•State Flower, a California-based cannabis producer operating a licensed cultivation facility in San Francisco, California;

•Arise Bioscience Inc. ("Arise"), a manufacturer and distributor of hemp-derived products, located in Boca Raton, Florida; and

•TerrAscend Canada ("TerrAscend Canada" or "TCI") is a cannabis retailer in Ontario, Canada with a minority-owned dispensary in Toronto, Ontario, Canada ("Cookies Canada"). TerrAscend Canada was previously a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis until TerrAscend commenced an optimization of its operations in Canada, whereby TerrAscend reduced its manufacturing footprint in order to focus on its Cookies Canada retail business, as well as monetize its intellectual property portfolio in Canada. TerrAscend ceased operations at its manufacturing facility during the three months ended December 31, 2022.

TerrAscend's head office and registered office is located at 3610 Mavis Road, Mississauga, Ontario, Canada, L5C 1W2.

TerrAscend's telephone number is 1.855.837.7295 and its website is www.terrascend.com. Information contained on or accessible through TerrAscend's website is not a part of this Annual Report, and the inclusion of TerrAscend's website address in this Annual Report on Form 10-K is an inactive textual reference only.

Recent Developments

•TerrAscend optimized its Canadian operation by reducing its manufacturing footprint in order to focus on its Cookies Canada retail business, as well as to monetize its intellectual property portfolio in Canada. TerrAscend ceased operations at its manufacturing facility during the three months ended December 31, 2022. As such, the Canadian Licensed Producer results are presented in discontinued operations in this Annual Report.

•On December 9, 2022, TerrAscend, Arise and TerrAscend Canada Inc. entered into a debt settlement agreement (the "Canopy Debt Settlement Agreement") with Canopy USA, LLC, Canopy USA I Limited Partnership and Canopy USA III Limited Partnership (collectively, the "Canopy USA Entities"), pursuant to which agreement certain obligations under all of the outstanding loans, plus accrued interest, with the Canopy USA Entities were extinguished in exchange for 24,601,467 exchangeable shares of TerrAscend ("Exchangeable Shares") at a notional price of $3.74 (C$5.10) per Exchangeable Share. Additionally, in accordance with Accounting Standards Codification ("ASC") 815, Derivatives and Hedging, the 22,474,130 original warrants to acquire common shares of TerrAscend (the "Common Shares") were modified (the "Modified Canopy Warrants") at a weighted average exercise price of $4.45 (C$6.07) per common share. The Exchangeable Shares and Modified Canopy Warrants were considered in the calculation for extinguishing the debt obligations, including all principal and interest on the amounts outstanding thereunder.

•On August 23, 2022, in order to expand its retail footprint in Michigan, TerrAscend acquired KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively, "Pinnacle"), a dispensary operator in Michigan, and related real estate for total consideration of $28,500 (the "Pinnacle Acquisition"). The transaction includes six retail dispensary licenses, five of which are currently operational and located in the cities of Addison, Buchanan, Camden, Edmore, and Morenci, Michigan. TerrAscend intends to rebrand each of the dispensaries under either the Gage or Cookies retail brand.

•During the twelve months ended December 31, 2022, TerrAscend commenced adult-use sales in New Jersey.

Subsequent Transactions

•Effective March 1, 2023, TerrAscend sold substantially all of the Arise assets, including all intellectual property and inventory, to a third party.

•On January 27, 2023, TerrAscend closed on its previously announced acquisition of Allegany Medical Marijuana Dispensary ("AMMD"), a medical dispensary in Maryland from Moose Curve Holdings, LLC. Under the terms of the agreement, TerrAscend acquired 100% equity interest in AMMD for total consideration of $10,000 in cash, in addition to entering into a long-term lease with the option to purchase the real estate. TerrAscend intends to rebrand the 10,000 square foot dispensary as The Apothecarium.

Components of Results of Operations

The following discussion sets forth certain components of our Consolidated Statements of Comprehensive Loss as well as factors that impact those items.

Revenue

TerrAscend generates revenue from the sale of cannabis products, brands, and services to the United States and Canadian markets. Revenues consist of wholesale and retail sales in the medical and legal adult use market across Canada and in several U.S. states where cannabis has been legalized for medical or adult use.

Cost of sales

Cost of sales primarily consists of expenses related to providing cannabis products and services to TerrAscend's customers, including personnel-related expenses, the depreciation of property and equipment, amortization of acquired intangible assets, and other overhead costs.

General and administrative

General and administrative ("G&A") consists primarily of personnel costs related to finance, human resources, legal, and other administrative functions. Additionally G&A expense includes professional fees to third parties, as well as marketing expenses.

In addition, G&A expense includes share-based compensation on options, restricted stock units and warrants. TerrAscend expects that G&A expense will increase in absolute dollars as the business grows.

Amortization and depreciation

Amortization and depreciation includes the amortization of intangible assets. Amortization is calculated on a straight line basis over the following terms:

Brand intangibles- indefinite lives	Indefinite useful lives or 3 years
Brand intangibles- definite lives	3 years
Software	5 years
Licenses	5-30 years
Customer relationships	5 years
Non-compete agreements	3 years

Depreciation of property and equipment is calculated on a straight-line basis over the estimated useful life of the asset using the following terms:

Buildings and improvements	Lesser of useful life or 30 years
Land	Not depreciated
Machinery & equipment	5-15 years
Office furniture & production equipment	3-5 years
Right of use assets	Lease term
Assets in process	Not depreciated

Impairment of intangible assets and goodwill

Goodwill and indefinite lived intangible assets are reviewed for impairment annually and whenever there are events or changes in circumstances that indicate that the carrying amount has been impaired. TerrAscend first performs a qualitative assessment. If based on the results of a qualitative assessment it has been determined that it is more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment test is performed which compares the carrying value of the reporting unit to its estimated fair value. If the carrying value exceeds the estimated fair value, an impairment is recorded.

Definite lived intangible assets are tested for impairment when there are indications that an asset may be impaired. When indicators of impairment exist, TerrAscend performs a quantitative impairment test which compares the carrying value of the assets for intangible assets to their estimated fair values. If the carrying value exceeds the estimated fair value, an impairment is recorded.

(Gain) loss from revaluation of contingent consideration

As a result of some of its acquisitions, TerrAscend recognizes a contingent consideration payable, which is an obligation to transfer additional assets to the seller if future events occur. The liability is revalued at the end of each reporting period to determine its fair value. A gain or loss is recognized as a result of the revaluation.

(Gain) loss on fair value of warrants and purchase option derivative asset

During the year ended December 31, 2020, TerrAscend closed a non-brokered private placement by issuing 18,679 convertible preferred stock units, each unit consisting of one non-voting, non-participating preferred share and one preferred share warrant

("Preferred Warrant"). The Preferred Warrants were recorded as a warrant liability and are remeasured to fair value at the end of each reporting unit using the Black Scholes model. A gain or loss is recognized as a result of the revaluation.

Finance and other expenses

Finance and other expenses consists primarily of interest expense on TerrAscend's outstanding debt obligations.

Transaction and restructuring costs

Transaction costs include costs incurred in connection with TerrAscend's acquisitions, such as expenses related to professional fees, consulting, legal and accounting. Restructuring costs are those costs associated with severance and restructuring of business units.

Impairment of property and equipment

TerrAscend evaluates the recoverability of property and equipment whenever events or changes in circumstances indicate that the carrying value of the asset, or asset group, may not be recoverable. When TerrAscend determines that the carrying value of the long-lived asset may not be recoverable based upon the existence of one or more indicators, the assets are assessed for impairment based on the estimate of future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

Unrealized and realized foreign exchange loss

Unrealized and realized foreign exchange loss represents the loss recognized on the remeasurement of USD denominated cash and other assets recorded in the Canadian dollars functional currency at TerrAscend's Canadian operations.

Unrealized and realized gain on investments

TerrAscend accounts for its investment in equity securities without readily determinable fair values using a valuation technique which maximizes the use of relevant observable inputs, with subsequent holding changes in fair value recognized in unrealized gain or loss on investments in the consolidated statement of loss.

Provision for income taxes

Provision for income taxes consists of U.S. federal and state income taxes in certain jurisdictions in which TerrAscend conducts business.

Results from Operations - Years ended December 31, 2022, December 31, 2021, and December 31, 2020

The following tables represent TerrAscend's results from operations for the twelve months ended December 31, 2022, December 31, 2021, and December 31, 2020:

Revenue, net

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Revenue	$ 249,258	$ 201,076	$ 139,118
Excise and cultivation taxes	(1,429)	$ (6,866)	(6,966)
Revenue, net	**$ 247,829**	**$ 194,210**	**$ 132,152**
$ change	$ 53,619	$ 62,058	
% change	28 %	47 %	

The increase in net revenue for the year ended December 31, 2022 as compared to December 31, 2021 was due to an increase of $96,900 in retail sales from $87,119 at December 31, 2021 to $184,019 at December 31, 2022. The increase in revenue was mainly due to adult use sales in New Jersey, which commenced during 2022, as well as the Gage Acquisition and the Pinnacle Acquisition. Retail dispensaries increased from thirteen at December 31, 2021 to thirty-one at December 31, 2022. The increase was partially offset by the decrease of $43,281 in wholesale revenue from $107,091 at December 31, 2021 to $63,810 at December 31, 2022, which was mainly related to challenging market dynamics in Pennsylvania.

The increase in net revenue for the year ended December 31, 2021 as compared to December 31, 2020 was due to an increase of $42,410 in retail sales from $44,709 at December 31, 2020 to $87,119 at December 31, 2021, and an increase of $19,648 in wholesale sales from $87,443 at December 31, 2020 to $107,091 at December 31, 2021. The increase in retail sales was primarily a result of the increase in retail dispensaries across Pennsylvania, California, and New Jersey, which increased from nine at December 31, 2020 to thirteen at December 31, 2021. The increase in wholesale sales was primarily a result of the initial ramp up in New Jersey, expansion in Pennsylvania, as well as the acquisition of HMS.

Cost of Sales

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Cost of sales	$ 137,243	$ 79,465	$ 46,461
Impairment and write downs of inventory	9,082	2,243	-
Total cost of sales	**$ 146,325**	**$ 81,708**	**$ 46,461**
$ change	$ 64,617	$ 35,247	
% change	79 %	76 %	
Cost of sales as a % of revenue	59 %	41 %	42 %

The increase in cost of sales for the twelve months ended December 31, 2022 as compared to December 31, 2021 was driven mainly by the Gage Acquisition, as well as an increase in New Jersey due to the increase in adult use sales which commenced during 2022. The increase in cost of sales as a percentage of revenue was due to lower volumes in Pennsylvania leading to under-absorption, primarily related to lower wholesale flower sales, operational challenges at TerrAscend's cultivation facility in Frederick, Maryland as TerrAscend transitioned to its Hagerstown location, and higher costs of sales as a percentage of revenue as a result of the acquisition of Gage in Michigan.

In addition, during the year ended December 31, 2022, TerrAscend wrote down its inventory by $9,082 mainly due to write downs of inventory to lower of cost or market which was related to TerrAscend's operational reconfiguration of its cultivation facility in Pennsylvania and write downs of inventory related to the vape recall in Pennsylvania. During the year ended December 31, 2021, TerrAscend recorded impairment of $2,243 mainly related to inventory at its Pennsylvania operations that did not meet quality standards.

The increase in cost of sales for the twelve months ended December 31, 2021 as compared to December 31, 2020 was a result of the increased volume of sales.

General and Administrative Expense (G&A)

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
General and administrative expense	$ 115,588	$ 75,107	$ 60,763
$ change	$ 40,481	$ 14,344	
% change	54 %	24 %	
G&A excluding share-based compensation	$ 103,426	$ 60,165	$ 50,688
G&A excluding share-based compensation as a % of revenue	42 %	30 %	36 %

The increase in G&A expenses for the years ended December 31, 2022 as compared to December 31, 2021 was primarily due to increased office and general expense of $15,909, increased salary and wages of $14,558, and increased sales and marketing of $8,460 mainly as a result of the Gage Acquisition and the Pinnacle Acquisition.

The increase in G&A expenses for the years ended December 31, 2021 as compared to December 31, 2020 was primarily a result of increased salaries and wages of $11,464, mainly as a result of the increase in U.S. operations. Additionally, TerrAscend recognized an increase in share-based compensation expense of $4,867, primarily due to the greater number of options granted to new employees during the latter half of 2020, resulting in higher expenses during the twelve months ended December 31, 2021 as compared to the twelve months ended December 31, 2020, as well as expense related to the acceleration of options related to severance. In addition, TerrAscend paid $1,590 in one-time legal settlements during the twelve months ended December 31, 2021. The increase in G&A expenses for the twelve months ended December 31, 2021 was partially reduced by a decrease in professional fees from the twelve months ended December 31, 2020 as a result of payments due of $7,500 related to amounts payable to an entity controlled by the minority shareholders of TerrAscend NJ pursuant to services surrounding the

granting of certain licenses. Excluding this payment, professional fees increased $5,928 primarily due to legal fees and fees for U.S. filer preparation.

Amortization and Depreciation Expense

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Amortization and depreciation	$ 9,658	$ 5,533	$ 3,886
$ change	$ 4,125	$ 1,647	
% change	75 %	42 %	

The increase in amortization and depreciation expense for the year ended December 31, 2022 as compared to December 31, 2021 was primarily due to the Gage and Pinnacle Acquisitions. TerrAscend acquired cultivation and processing, as well as retail licenses which are amortized over a 15-year period.

The increase in amortization and depreciation expense for the twelve months ended December 31, 2021 as compared to December 31, 2020 is primarily related to additions of property and equipment due to TerrAscend's cultivation expansions and increase in dispensaries in Pennsylvania, New Jersey and California.

Impairment of intangible assets

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Impairment of intangible assets	$ 140,727	$ 3,633	$ 343
$ change	$ 137,094	$ 3,290	
% change	3774 %	959 %	

During the year ended December 31, 2022, TerrAscend performed an impairment analysis over its indefinite lived and definite lived intangible assets acquired through the Gage Acquisition as the changes in the market expectations of cash flows in Michigan, as well as increased competition and supply in the state, were determined to be indicators of impairment. TerrAscend determined that it was more likely than not that the carrying value of its definite lived retail and cultivation and processing licenses was greater than its fair value, and therefore recorded impairment of $79,462 and $42,065 for the retail license and the cultivation and processing licenses, respectively, reducing both the carrying values to $nil at December 31, 2022. Additionally, TerrAscend recorded impairment of its indefinite lived brand intangible assets acquired through the Gage Acquisition of $19,200, reducing the carrying value of the brand intangibles to $57,985 at December 31, 2022.

The impairment recorded during the year ended December 31, 2021 relates to the write-off of intellectual property at TerrAscend's Arise business.

During the year ended December 31, 2020, TerrAscend recorded impairment of $343 related to its customer relationships at Arise as a result of its termination of an agreement with one of its wholesale distributors.

Impairment of goodwill

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Impairment of goodwill	$ 170,357	$ 5,007	$ -
$ change	$ 165,350	$ 5,007	
% change	3302 %		

During the year ended December 31, 2022, as it was determined that it was more likely than not that the Michigan reporting unit's fair value was less than its carrying value, a one-step goodwill quantitative impairment test was performed. As a result of the quantitative test, TerrAscend recorded impairment of goodwill of $170,357 at its Michigan reporting unit, reducing the carrying value of the goodwill acquired through the Gage Acquisition and Pinnacle Acquisition, which make up the Michigan reporting unit, to $nil.

The impairment recorded during the year ended December 31, 2021 relates to TerrAscend's Florida reporting unit as TerrAscend determined that the estimated cash flows of its Arise business did not support the carrying value of the intangible

assets and goodwill. As a result, TerrAscend recorded impairment to reduce the balance of goodwill at its Florida reporting unit to $nil.

(Gain) loss from revaluation of contingent consideration

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
(Gain) loss from revaluation of contingent consideration	$ (1,061)	$ 3,584	$ 18,709
$ change	$ (4,645)	$ (15,125)	
% change	-130 %	-81 %	

TerrAscend recognized a gain on revaluation of contingent consideration of $1,061 for the year ended December 31, 2022 as compared to a loss of $3,584 during the year ended December 31, 2021. During the year ended December 31, 2022, the fair value of the contingent consideration related to the KCR Acquisition was reduced to $nil, as it was determined that it was more likely than not that the earnout criteria would not be met.

The decrease in the revaluation of contingent consideration for the year ended December 31, 2021 as compared to December 31, 2020 is a result of a reduction in the liability as compared to December 31, 2020 due to payments for the earnout of Ilera of $29,668 made subsequent to December 31, 2020, reducing the amount outstanding. This decrease is partially offset by the accretion of contingent consideration payable, which was recorded at the present value of future payments upon initial recognition.

Gain on extinguishment of debt

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Gain on extinguishment of debt	$ (4,153)	$ -	$ -
$ change	$ (4,153)	$ -	
% change	100 %	0 %	

Pursuant to the Canopy Debt Settlement Arrangement, on December 9, 2022, TerrAscend and certain of its subsidiaries extinguished certain debt obligations with the Canopy USA Entities, including all the principal and interest on the amounts outstanding thereunder, in exchange for 24,601,467 Exchangeable Shares of TerrAscend at a notional price of $3.74 (C$5.10) per Exchangeable Share. Additionally, in accordance with ASC 815 *Derivatives and Hedging*, the 22,474,130 original warrants to acquire Common Shares of TerrAscend were modified at a weighted average exercise price of $4.45 (C$6.07) per Common Share. The Exchangeable Shares and Modified Canopy Warrants were considered in the calculation for extinguishment of the debt obligations, including all principal and interest on the amounts outstanding thereafter (refer to Note 9 included in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for further details). As a result of these transactions, TerrAscend recorded a gain on extinguishment of debt of $4,153 for the year ended December 31, 2022.

(Gain) loss on fair value of warrants and purchase option derivative asset

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
(Gain) loss on fair value of warrants and purchase option derivative asset	$ (58,523)	$ (57,904)	$ 110,518
$ change	$ (619)	$ (168,422)	
% change	1 %	-152 %	

The warrant liability has been remeasured to fair value at December 31, 2022 using the Black Scholes Option Pricing Model ("Black Scholes Model"). TerrAscend recognized a gain during the twelve months ended December 31, 2022 as a result of the reduction of TerrAscend's share price from December 31, 2021 as compared to December 31, 2022, as well as from warrants exercised during the twelve months ended December 31, 2022. The combined impact resulted in a gain on fair value of warrants of $59,341 for the twelve months ended December 31, 2022.

During the year ended December 31, 2022, the purchase option derivative asset was remeasured to fair value using the Monte Carlo simulation model resulting in a loss of $818.

The warrant liability has been remeasured to fair value at December 31, 2021 using the Black Scholes Model. TerrAscend recognized a gain during the twelve months ended December 31, 2021 as a result of the reduction of TerrAscend's share price from December 31, 2020 as compared to December 31, 2021, as well as from warrants exercised during the twelve months ended December 31, 2021. The combined impact resulted in a gain on fair value of warrants of $58,158 for the twelve months ended December 31, 2021.

For the year ended December 31, 2021, the purchase option derivative asset was remeasured to fair value using the Monte Carlo simulation model resulting in a loss of $254.

During the twelve months ended December 31, 2020, TerrAscend recognized a loss on fair value of warrants of $110,518 as a result of the increase in TerrAscend's share price from the valuation date.

Finance and other expenses

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Finance and other expenses	$ 35,893	$ 27,849	$ 7,427
$ change	$ 8,044	$ 20,422	
% change	29 %	275 %	

The increase in finance and other expenses for the year ended December 31, 2022 as compared to December 31, 2021 was primarily due to an increase of $14,070 in interest expense recognized primarily related to the loans acquired as part of the Gage Acquisition, as well as fees to modify its term loan acquired through the Gage Acquisition and amendment fees related to the Ilera term loan, both which did not meet the criteria to be capitalized, totaling $2,507. This increase in finance and other expense was offset by other income of $9,440 related to employee retention credits ("ERC") received as a result of the Coronavirus Aid, Relief and Economic Securities Act ("CARES Act") which provides for a refundable tax credit for businesses that continued to pay employees while shut down due to the COVID-19 pandemic or had significant declines in gross receipts from March 13, 2020 to December 31, 2021.

The increase in finance and other expenses for the year ended December 31, 2021 as compared to December 31, 2020 is primarily due to a full year of interest expense of $18,213 related to the Ilera term loan and Canopy Growth Arise loan issued in December 2020, as compared to $674 during the year ended December 31, 2020. In addition, during the year ended December 31, 2021, TerrAscend recorded a reduction to the indemnification asset related to the Apothecarium's tax audit settlement and statute expirations for tax years ended September 30, 2014 and September 30, 2015 in the amount of $4,504 included in finance and other expenses, with an offset recorded to reduce TerrAscend's income tax provision (refer to "Provision for income taxes" below). During the current period, finance and other expenses is partially offset by $1,414 of other income related to the forgiveness of TerrAscend's Paycheck Protection Program ("PPP") loans received by TerrAscend's Arise business.

The finance expense during the year ended December 31, 2020 was primarily related to borrowings on the $75,000 credit facility with JW Asset Management LLC, as well as the Canopy Growth loan (formerly RIV Capital loan) entered into in the latter half of 2019, and the Canopy Growth Inc. financing received in the first quarter of 2020.

Transaction and restructuring costs

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Transaction and restructuring costs	$ 1,445	$ 3,111	$ 1,129
$ change	$ (1,666)	$ 1,982	
% change	-54 %	176 %	

The transaction and restructuring costs for the year ended December 31, 2022 were primarily related to fees related to the Gage and Pinnacle Acquisitions.

The increase in transaction and restructuring costs for the year ended December 31, 2021 as compared to December 31, 2020 was primarily due to higher legal costs related to the acquisitions of KCR and HMS and the pending acquisition of Gage. The transaction and restructuring costs during the year ended December 31, 2020 are related to acquisition costs for State Flower and Preferred Share issuance costs.

Loss on lease termination

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Loss on lease termination	$ -	$ 3,278	$ -
$ change	$ (3,278)	$ 3,278	
% change	-100 %	100 %	

TerrAscend entered into a lease termination agreement (“Lease Termination”) during the year ended December 31, 2021, with the landlord at its 22,000 square foot facility in Frederick, Maryland to enable TerrAscend to terminate the lease prior to the end of the lease term. As a result of the Lease Termination, TerrAscend recorded a loss on lease termination of $3,278.

Unrealized and realized foreign exchange loss

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Unrealized and realized foreign exchange loss	$ 712	$ 4,654	$ 159
$ change	$ (3,942)	$ 4,495	
% change	-85 %	2827 %	

The decrease in unrealized foreign exchange loss for the year ended December 31, 2022 as compared to December 31, 2021 was a result of the remeasurement of U.S. dollar denominated liabilities recorded in Canadian dollar functional currency at TerrAscend's Canadian operations.

The increase in unrealized and realized foreign exchange loss for the year ended December 31, 2021 as compared to December 31, 2020 is a result of the remeasurement of U.S. denominated cash and other assets recorded in Canadian dollar functional currency at TerrAscend’s Canadian operations.

Unrealized and realized gain on investments

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Unrealized and realized gain on investments	$ (43)	$ (6,192)	$ (533)
$ change	$ 6,149	$ (5,659)	
% change	-99 %	1062 %	

The gain on investment during the year ended December 31, 2022 was related to the revaluation of the investments acquired through the Gage Acquisition.

The increase in the unrealized gain in the year ended December 31, 2021 relates to the acquisition of the remaining 90% of investment in KCR during the first half of 2021.

The unrealized gain for the year ended December 31, 2020 relates to the equity income pick-up from TerrAscend’s 10% investment in KCR.

Provision for income taxes

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Provision for income taxes	$ (10,783)	$ 28,877	$ 10,769
$ change	$ (39,660)	$ 18,108	
% change	-137 %	168 %	

The decrease in tax expense for the year ended December 31, 2022 as compared to December 31, 2021 is primarily related to the pre-tax book loss due to the impairment of goodwill taken during the year ended December 31, 2022. The Company's effective tax rate was 3.5% for the year ended December 31, 2022, as compared to 64.8% for the year ended December 31, 2021. The Company's effective tax rate for the year ended December 31, 2022 was lower than the federal statutory tax rate of 21% primarily driven by the impairment of goodwill and the increase in the valuation allowance.

TerrAscend's effective tax rate can vary each reporting period depending on, among other factors, the geographic and business mix of TerrAscend's earnings, changes to the valuation allowance, and permanently non-deductible expenses. Certain of these

and other factors, including TerrAscend's history and projections of pre-tax earnings, are considered in assessing TerrAscend's ability to realize any deferred tax assets including net operating losses.

The increase in income tax expense for the year ended December 31, 2021 as compared to December 31, 2020 is related to operational scale up.

Liquidity and Capital Resources

	December 31, 2022	December 31, 2021
	$	$
Cash and cash equivalents	26,158	79,642
Current assets	121,993	172,489
Non-current assets	579,594	409,446
Current liabilities	137,905	66,187
Non-current liabilities	242,511	286,794
Working capital	(15,912)	106,302
Total shareholders' equity	321,171	228,954

The calculation of working capital provides additional information and is not defined under GAAP. TerrAscend defines working capital as current assets less current liabilities. This measure should not be considered in isolation or as a substitute for any standardized measure under GAAP.

Liquidity and going concern

At December 31, 2022, TerrAscend had an accumulated deficit of $618.3 million. During the year ended December 31, 2022, TerrAscend incurred a net loss from continuing operations of $299.4 million, which primarily related to impairment of goodwill and intangible assets in its Michigan business of $311.1 million and generated negative cash flow from operations for the twelve months ended December 31, 2022 of $26.1 million. Cash and cash equivalents totaled $26.2 million at December 31, 2022. TerrAscend expects that it will need additional capital to continue to fund its operations.

TerrAscend's cash flow and net losses for the twelve months ended December 31, 2022 are indicators that raise substantial doubt about TerrAscend's ability to continue as a going concern for at least one year from the issuance of these financial statements. TerrAscend believes this concern is mitigated by steps to improve its operations and cash position, including (i) identifying access to future capital, (ii) continued sales growth from TerrAscend's consolidated operations, and (iii) various actions that were implemented during the twelve months ended December 31, 2022 leading to general and administrative expense reductions and other cost and efficiency improvements.

Since its inception, TerrAscend's primary sources of capital have been through the issuance of equity securities or debt facilities, and TerrAscend has received aggregate net proceeds from such transactions totaling $608,315 as of December 31, 2022.

TerrAscend expects to fund any additional future requirements through the following sources of capital:

•cash from ongoing operations.

•market offerings.

•additional debt from additional creditors.

•sale of real property.

•sale leaseback transactions.

•exercise of options and warrants.

Capital requirements

TerrAscend has $205,320 in principal amounts of loans payable at December 31, 2022. Of this amount, $54,232 are due in the next twelve months.

TerrAscend has entered into leases for certain premises and offices for which it owes monthly lease payments. TerrAscend has $75,812 in lease obligations. Of this amount, $6,139 are due in the next twelve months. Additionally, TerrAscend makes

monthly payments on financing obligations on six of its real estate properties with $15,632 payable, $1,915 of which is due in the next twelve months.

Through the acquisition of AMMD, TerrAscend has capital commitments at December 31, 2022 of $10,000 to purchase all the outstanding equity, which is due in the next twelve months. In addition, TerrAscend's undiscounted contingent consideration payable is $5,184 at December 31, 2022. The contingent consideration payable relates to TerrAscend's business acquisitions of the Apothecarium, State Flower and Pinnacle and is due in the next twelve months. Contingent Consideration is based upon the potential earnout of the underlying business unit and is measured at fair value using a projection model for the business and the formulaic structure for determining the consideration under the agreement. The contingent consideration is revalued at the end of each reporting period.

During the year ended December 31, 2020, TerrAscend expensed $7,500 related to amounts payable to an entity controlled by the minority shareholders of TerrAscend NJ pursuant to services surrounding the granting of certain licenses. The final payment of $3,750 is due on or before March 31, 2023.

At December 31, 2022, the Company had accounts payable and accrued liabilities of $44,286 and corporate income taxes payable of $23,077.

TerrAscend does not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on TerrAscend's results of operations or financial condition, including and without limitation, such consideration as liquidity and capital resources.

TerrAscend intends to meet its capital commitments through any or all of the sources of capital noted above. TerrAscend's objective with respect to its capital management is to ensure it has sufficient cash resources to maintain its ongoing operations and finance future obligations.

Debt facilities

Canopy USA loans

Canopy Growth (formerly RIV Capital loan)

On February 5, 2020, TerrAscend and RIV Capital Inc. (“RIV Capital”), formerly Canopy Rivers Inc., agreed to amend the terms of their previously issued convertible debentures with a face value of $10,000. Pursuant to the amended terms, the first tranche of the convertible debentures was converted into a $10,000 loan payable bearing interest at a rate of 6% per annum, payable annually, with a balance due date of October 2, 2024. The effective interest rate on the loan is 15.99%. TerrAscend also issued RIV Capital 2,225,714 common share purchase warrants, exercisable at $4.48 (C$5.95) upon the occurrence of certain triggering events. The warrants were issued such that they can be exercised upon maturity of the loan payable in a cashless exercise by offsetting the principal value of the loan payable. The amendment was treated as a modification of the convertible debenture and as a result, no gains or losses were recorded for the transaction. The fair value of the debt was calculated using the effective interest rate method and allocated the proceeds of the issuance to the debenture and the warrants based on their relative fair values as determined at issuance.

During the year ended December 31, 2021, Canopy Growth acquired the common share purchase warrants previously issued to RIV Capital as well as the loan payable outstanding balance.

On December 9, 2022, the Company entered into a debt settlement agreement (the "Canopy Debt Settlement Agreement") with Canopy USA, LLC, Canopy USA I Limited Partnership and Canopy USA III Limited Partnership (collectively, the "Canopy USA Entities"), pursuant to which agreement certain obligations under all of the outstanding loans, plus accrued interest, with the Canopy USA Entities were extinguished in exchange for 24,601,467 exchangeable shares of the Company ("Exchangeable Shares") at a notional price of $3.74 (C$5.10) per Exchangeable Share. Additionally, in accordance with ASC 815 *Derivatives and Hedging*, the 22,474,130 original warrants to acquire common shares of the Company (the "Common Shares") were modified (the "Modified Canopy Warrants") at a weighted average exercise price of $4.45 (C$6.07). The Exchangeable Shares and Modified Canopy Warrants were considered in the calculation for extinguishment of the debt obligations, including all principal and interest on the amounts outstanding thereunder.

The Exchangeable Shares and Modified Canopy Warrants can be converted to Common Shares at Canopy USA's option, subject to the federal legalization of marijuana in the United States and compliance with applicable exchange listing rules.

Canopy 2020 Debenture

On March 10, 2020, TerrAscend Canada Inc. entered into a secured debenture with Canopy USA III Limited Partnership ("Canopy USA III LP"), as successor to Canopy Growth Corporation, whereby it promised to pay to Canopy USA III LP in the amount of $58,645 ("Canopy 2020 Debenture").

The secured debenture bears interest at a rate of 6.10% per annum, with an effective interest rate of 14.15% and matures on the earlier of (i) March 10, 2030, (ii) the later of (A) March 10, 2025, and (B) the date that is twenty-four months following the date that the federal laws of the United States are mended to permit the general cultivation, distribution and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States, and (iii) the date all amounts become due and payable in accordance with the Canopy 2020 Debenture. The debenture is secured by the assets of TerrAscend Canada, is not convertible and is not guaranteed by TerrAscend. In connection with the funding of the loan, TerrAscend issued 17,808,975 common share purchase warrants to Canopy Growth. The warrants are comprised of 15,656,242 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $3.59 (C$5.14) per share, expiring on March 10, 2030, and 2,152,733 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $2.72 (C$3.74) per share, expiring on March 10, 2031 (refer to Note 11).

On November 11, 2022, TerrAscend Canada Inc. and Canopy USA III LP entered into an agreement, whereby Canopy USA III Limited Partnership agreed to a waiver of TerrAscend Canada Inc.'s obligation to maintain the minimum current assets set forth in the Canopy 2020 Debenture for the period commencing August 31, 2022 to (and including) November 30, 2022, subject to certain conditions.

As stated above, on December 9, 2022, TerrAscend entered into an arrangement with Canopy USA, LLC in which the outstanding loan balance of the Canopy 2020 Debenture was converted into Exchangeable Shares and Modified Canopy Warrants.

Canopy Arise Debenture

On December 10, 2020, TerrAscend, through a wholly owned subsidiary Arise Bioscience Inc. (“Arise”) entered into a loan financing agreement with Canopy Growth in the amount of $20,000 pursuant to a secured debenture ("Canopy Arise Debenture"). In connection with the funding of the loan, TerrAscend has issued 2,105,718 common share purchase warrants to Canopy Growth.

The secured debenture bears interest at a rate of 6.10% per annum commencing four years from the effective date, with an effective interest rate of 15.61%, and matures on December 9, 2030. The debenture is secured by the assets of Arise, is not convertible, and is not guaranteed by TerrAscend. The warrants are comprised of 1,926,983 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $12.00 (C$15.28) per share, expiring on December 9, 2030, and 178,735 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $13.50 (C$17.19) per share, expiring on December 9, 2030 (refer to Note 11). The fair value of the debt was calculated using the effective interest rate method and allocated the proceeds of the issuance to the debenture and the warrants based on their relative fair values as determined at issuance.

As stated above, on December 9, 2022, TerrAscend entered into an arrangement with Canopy USA, LLC in which the outstanding loan balance of the Canopy Arise Debenture was converted into Exchangeable Shares and Modified Canopy Warrants.

Other Loans

Manufacturing facility loan

On June 19, 2020, TerrAscend completed a $5,336 loan financing secured by its manufacturing facility in Mississauga, bearing interest of 8.25% and a balance due date of June 30, 2023. The mortgage payable was recorded at its fair value at inception and subsequently carried at amortized cost. This loan was included in current liabilities from discontinued operations on TerrAscend's Consolidated Balance Sheets at December 31, 2022 and December 31, 2021, respectively, as this loan is secured by assets held for sale as a result of discontinued operations in TerrAscend Canada (refer to Note 6 included in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K for further details).

Ilera Term Loan

On December 18, 2020, WDB Holding PA, a subsidiary of TerrAscend, entered into a senior secured term loan with a syndicate of lenders in the amount of $120,000 ("Ilera Term Loan"). The term loan bears interest at 12.875% per annum and matures on

December 17, 2024. TerrAscend has the ability to increase the facility by up to $30,000. WDB Holding PA's obligation under the Ilera Term Loan and related transaction documents are guaranteed by TerrAscend, TerrAscend USA, Inc., and certain subsidiaries of WDB Holding PA, and secured by TerrAscend USA Inc.'s equity interest in WDB Holding PA and substantially all of the assets of WDB Holding PA and the subsidiary guarantors party thereto. The loan can be refinanced at the option of the borrower after 18 months from the closing date subject to a premium payment due. Of the total proceeds received, $105,767 was used to satisfy the remaining Ilera earn-out payments.

On April 28, 2022, the Ilera Term Loan was amended to provide WDB Holding PA with greater flexibility by resetting the minimum consolidated interest coverage ratio levels that must be satisfied at the end of each measurement period and extending the date in which WDB Holding PA is required to deliver its budget for the fiscal year ending December 31, 2021. In addition, the no-call period was extended from 18 months to 30 months, subject to a premium payment. This modification was not considered extinguishments of debt under ASC 470 *Debt*.

On November 11, 2022, WDB Holding PA, TerrAscend, TerrAscend USA Inc. and the subsidiary guarantors party to the Ilera Term Loan and the PA Agent (on behalf of the required lenders) entered into an amendment to the PA Credit Agreement, pursuant to which PA Agent and the required lenders agreed that WDB Holding PA's obligation to maintain the consolidated interest coverage ratio as set forth in the PA Credit Agreement for the period ended September 30, 2022, shall not apply, subject to certain conditions, including (but not limited to) an obligation to enter into a subsequent amendment agreement on or before December 15, 2022, documenting certain enhancements and amendments to the PA Credit Agreement to be agreed. In addition, WDB Holding PA offered a prepayment of $5,000 pro rata to all lenders holding outstanding loans thereunder at a price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest.

On December 21, 2022, WDB Holding PA completed an amendment to reduce TerrAscend's principal debt by $35,000 and annual interest expense by $5,000. TerrAscend agreed to make a $35,000 payment at the original prepayment price of 103.22% to par, and agreed to use commercially reasonable efforts to add certain collateral to Ilera Term Loan, collectively by March 15, 2023. The amendment further provided that should WDB Holding PA not maintain the prescribed interest coverage ratio, the Company shall be required to deposit funds, as outlined in the amendment, into a restricted account, and no event of default shall occur. This amendment was not considered extinguishments of debt under ASC 470 *Debt*. There is $115,000 of principal amounts outstanding at December 31, 2022.

On March 15, 2023, WDB Holding PA, in exchange for a fee in the amount of 1% of the then outstanding principal loan balance, agreed to an amendment among other things, to (i) extend the obligation date to prepay TerrAscend's debt from March 15, 2023 to June 30, 2023 in which WDB Holding PA must use commercially reasonable efforts to add additional collateral to the Ilera Term Loan, (ii) increase the amount of debt to be reduced by up to $37,000, subject to certain reductions in amount based on meeting certain time based milestones, at a prepayment price of 103.22% to par, and (iii) extend the next test date in respect of the interest coverage ratio until June 30, 2023.

HMS loan

The acquisition of HMS included a $2,500 note payable which bears a 5.0% annual interest, due October 2022. The note was recorded at its fair value at inception of $2,089 and subsequently carried at amortized cost. TerrAscend made payments of principal and interest of $2,351, reducing the balance to $nil at December 31, 2022 and the note is no longer outstanding.

KCR Loan

The acquisition of KCR included a $6,750 note payable which bears interest at 10.00% per annum and matures on April 30, 2022. The note was recorded at its fair value at inception and subsequently carried at amortized cost. TerrAscend made payments of principal and interest of $2,324 and $4,878 for the years ended December 31, 2022 and December 31, 2021, respectively. At December 31, 2022, the note is no longer outstanding.

Gage Loans

The Gage Acquisition included a senior secured term loan (the "Original Gage Term Loan") with an acquisition date fair value of $53,857. The credit agreement bears interest at a rate equal to the greater of (i) the Prime Rate plus 7% or (ii) 10.25%. The term loan is payable monthly and matures on November 30, 2022. The term loan is secured by a first lien on all Gage assets.

On August 10, 2022, the Original Gage Term Loan was amended as a result of the corporate restructure in conjunction with the Gage Acquisition. The amendment to the Original Gage Term Loan includes the addition of a borrower and guarantor under

the term loan and a right of first offer in favor of the administrative agent for a refinancing of the term loan. This amendment was not considered extinguishments of debt under ASC 470 *Debt*.

On November 29, 2022, TerrAscend repaid $30,000 outstanding principal amount on the Original Gage Term Loan. On November 30, 2022, the remaining loan principal amount of $25,000 on the Original Gage Term Loan was amended (the "Amended Gage Term Loan"). The Amended Gage Term Loan bears interest on $25,000 at a per annum rate equal to the greater of (i) the U.S. "prime rate" plus 6.00%, and (ii) 13.0% and matures on November 1, 2024. Commencing on May 31, 2023, TerrAscend will make monthly principal repayments of 0.40% of the aggregate principal amount outstanding. Additionally, the unpaid principal amount of the loan shall bear paid in kind interest at a rate of 1.50% per annum. No prepayment fees are owed if TerrAscend voluntarily prepays the loan after 18 months. If such prepayment occurs prior to 18 months, a prepayment fee equal to all of the interest on the loans that would be due after the date of such prepayment, is owed. Under the Amended Gage Term Loan, TerrAscend has the ability to borrow incremental term loans of $30,000 at the option of TerrAscend and subject to consents from the required lenders. The additional $30,000 incremental term loans available under the amendment have not been drawn as of December 31, 2022. This loan represents a loan syndication, and therefore TerrAscend assessed each of the lenders separately under ASC 470 *Debt* to determine if this represents a modification, or an extinguishment of debt. For three of the four remaining lenders, it was determined that this was a modification. For the remaining lender, it was determined that this represented an extinguishment of debt and therefore the fees paid to the lenders on modification were expensed. As a result of this transaction, TerrAscend expensed $1,907 of fees paid to the lenders and third parties as they did not meet the criteria for capitalization under ASC 470 *Debt*.

Additionally, the Gage Acquisition included a loan payable to a former owner of a licensed entity with an acquisition date fair value of $2,683, and a promissory note with an acquisition date fair value of $4,065. The loan payable to the former owner bears interest at a rate of 0.2%. The promissory note bears interest at a rate of 6%. There is $5,152 of principal amounts outstanding at December 31, 2022 on the loan payable and promissory note.

Pinnacle Loans

The Pinnacle Acquisition purchase price included two promissory notes in an aggregate amount of $10,000 to pay down all Pinnacle liabilities and encumbrances. The promissory note matures on June 30, 2023 and bears interest rates of 6%. There is $9,333 of principal amounts outstanding at December 31, 2022 on the two promissory notes.

Pelorus Term Loan

On October 11, 2022, subsidiaries of TerrAscend, among others, entered into a loan agreement with Pelorus Fund REIT, LLC ("Pelorus") for a single-draw senior secured term loan ("Pelorus Term Loan") in an aggregate principal amount of $45,478. The Pelorus Term Loan bears interest at a variable rate tied to the one month secured overnight financing rate (SOFR), subject to a base rate, plus 9.5%, with interest-only payments for the first 36 months. The base rate is defined as, on any day, the greatest of (i) 2.5%, (b) the effective federal funds rate in effect on such day plus 0.5%, and (c) one month SOFR in effect on such day. The obligations of the borrowers under the Pelorus Term Loan are guaranteed by TerrAscend, TerrAscend USA Inc. and certain other subsidiaries of TerrAscend and secured by substantially all of the assets of TerrAscend's Maryland and New Jersey businesses, including certain real estate in Maryland and New Jersey. The Pelorus Term Loan matures on October 11, 2027. There is $45,478 of principal amounts outstanding at December 31, 2022.

Cash Flows

Cash flows used in operating activities

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Net cash used in operating activities	$ (26,123)	$ (31,815)	$ (36,971)

The decrease in cash used in operating activities for the year ended December 31, 2022 as compared to December 31, 2021 is primarily due to a decrease in income taxes paid from $37,060 during the year ended December 31, 2021 to $9,917 for the year ended December 31, 2022, as well as a decrease in contingent consideration payments made related to TerrAscend's acquisitions in excess of the fair value of the liability recognized at the date of acquisition from $11,394 during the year ended December 31, 2021 to $410 during the year ended December 31, 2022. Excluding these amounts, TerrAscend had net cash

used in operating activities of $15,795 for the year ended December 31, 2022 as compared to net cash provided by operating activities of $16,639 for the year ended December 31, 2021. Additionally the increase in net cash used in operating activities for the year ended December 31, 2022 as compared to December 31, 2021 is due to an increase in loss from operations, excluding non-cash impairment on intangible assets and goodwill, of $56,381 from a profit of $31,550 in the prior year period to a loss of $24,831 in the current year. The decrease in cash used in operating activities is offset by an increase in interest payments made on loans from $21,171 for the year ended December 31, 2021 to $26,840 for the year ended December 31, 2022, primarily due to the loans acquired through the Gage Acquisition and the Pinnacle Acquisition.

The decrease in cash used in operating activities for the year ended December 31, 2021 as compared to December 31, 2020, is primarily due to payments made in excess of the amount of fair value of the contingent consideration payable at the date of the Ilera acquisition on September 16, 2019 of $11,394 for the year ended December 31, 2021 as compared to payments of $56,527 during the year ended December 31, 2020. Excluding these amounts, TerrAscend had net cash used in operating activities of $20,421 and cash provided by operating activities of $19,556 for the years ended December 31, 2021 and December 31, 2020, respectively. The increase in cash used in operating activities during the year ended December 31, 2021 is mainly the result of income tax payments of $37,060 during the year ended December 31, 2021, as compared to $11,204 during the year ended December 31, 2020, and interest payments of $21,171 during the year ended December 31, 2021, as compared to $1,955 during the year ended December 31, 2020. The increase in interest payments is primarily due to the Ilera term loan in which TerrAscend received proceeds during December 2020. Excluding these payments, TerrAscend saw an increase in cash provided by operating activities during the year ended December 31, 2021, which is primarily due to increased sales.

Cash flows used in investing activities

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Net cash used in investing activities	$ (27,579)	$ (132,421)	$ (45,890)

The net cash used in investing activities for the year ended December 31, 2022 primarily relates to investment in property and equipment of $39,631, primarily related to the buildout of a cultivation site in Maryland, continuing renovations at TerrAscend's Pennsylvania cultivation site, cash expenditures at its grow, production and packaging facilities in Michigan, and the continued buildout of TerrAscend's Lodi alternative treatment center in New Jersey. Additionally, TerrAscend had investments in intangible assets of $2,261, primarily related to adult use licenses in New Jersey, as well as the acquisition of a retail license in Michigan. The cash used in investing activities is offset by cash inflows of $24,716 related to cash and restricted cash acquired through the Gage Acquisition, offset by net cash paid for consideration for the Pinnacle Acquisition of $8,489.

The net cash used in investing activities for the year ended December 31, 2021 primarily relates to cash consideration paid for the acquisitions of KCR and HMS totaling $42,736. During the year ended December 31, 2021, TerrAscend made payments of $50,000 related to the purchase of the additional 12.5% of the issued and outstanding equity of TerrAscend NJ from BWH NJ, LLC and Blue Marble Ventures, LLC. Additionally, TerrAscend had investments in property and equipment of $37,858 primarily related to the buildout of the New Jersey operations and expansions in Pennsylvania cultivation and $1,977 related to deposits paid for the expansion of the cultivation premises in Pennsylvania.

In comparison, the net cash used in investing activities for the year ended December 31, 2020 was primarily due to investments in property and equipment of $43,784 primarily relating to the buildout of the New Jersey operations and expansions in Pennsylvania and California cultivation.

Cash flows from financing activities

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Net cash provided by financing activities	$ 3,719	$ 182,201	$ 133,251

Net cash provided by financing activities for the year ended December 31, 2022 was primarily due to loan proceeds in the amount of $43,419 and proceeds from exercises of Common Share warrants and stock options of $24,342. The cash provided by financing activities was offset by principal payments on loans and loan modification fees of $42,221 and $4,977, respectively, payments made to non-controlling interests of $7,550, and payments of contingent consideration related to the acquisition of State Flower of $6,630.

Net cash provided by financing activities for the twelve months ended December 31, 2021, was mainly a result of the private placement on January 28, 2021, in which TerrAscend issued 18,115,656 Common Shares at a price of $9.64 (C$12.35) per

Common Share for total proceeds of $173,477, net of share issuance costs of $1,643. Additionally, during the twelve months ended December 31, 2021, 8,755,339 Common Share warrants were exercised for total proceeds of $21,735 and 1,376,496 stock options were exercised at $0.67-$6.93 (C$0.85-$8.52) per unit for total gross proceeds of $5,462. In addition, 1,968 Preferred Share warrants were exercised at $3,000 per unit for total gross proceeds of $3,588. The cash provided by financing activities was offset by payments of contingent consideration related to the acquisition of Ilera of $18,274 and by payments of loan principal of $4,500 related to the KCR loan.

Net cash provided by financing activities during the year ended December 31, 2020, was primarily due to loan proceeds in the amount of $196,348 and proceeds from private placements net of share issuance costs of $71,023. Additionally, 829,050 Common Share warrants were exercised for total gross proceeds of $2,075 and 1,816,496 stock options were exercised at $0.43-$6.52 per unit for total gross proceeds of $4,462. In addition, 625 Preferred Share warrants were exercised at $3,000 per unit for total gross proceeds of $750. The cash provided by financing activities was partially offset by payments of contingent consideration of $90,657 to the sellers of Ilera, as well as payments of principal on TerrAscend's outstanding loans of $48,893 to pay off the remaining balance of the JW Asset Management credit facility, a financing loan in Canada, and the loans from management of Ilera.

Reconciliation of Non-GAAP Measures

In addition to reporting the financial results in accordance with GAAP, TerrAscend reports certain financial results that differ from what is reported under GAAP. Non-GAAP measures used by management do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. TerrAscend believes that certain investors and analysts use these measures to measure a company's ability to meet other payment obligations or as a common measurement to value companies in the cannabis industry, and TerrAscend calculates (i) Adjusted gross profit as gross profit adjusted for certain material non-cash items, and (ii) Adjusted EBITDA as EBITDA adjusted for certain material non-cash items and certain other adjustments which management believes are not reflective of the ongoing operations and performance. Such information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

TerrAscend believes Adjusted EBITDA from continuing operations is a useful performance measure to assess the performance of TerrAscend as it provides more meaningful ongoing operating results by excluding the effects of expenses that are not reflective of TerrAscend's underlying business performance and other one-time or non-recurring expenses. The table below reconciles net loss to EBITDA from continuing operations and Adjusted EBITDA from continuing operations for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

		For the years ended		
	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Net (loss) income		$ (325,351)	$ 6,135	$ (142,256)
Add (deduct) the impact of:				
Loss (income) from discontinued operations		25,949	9,518	14,635
Provision for income taxes		(10,783)	28,877	10,769
Finance expenses		39,059	24,121	8,006
Amortization and depreciation		22,624	12,789	8,337
EBITDA from continuing operations	(a)	**(248,502)**	**81,440**	**(100,509)**
Add (deduct) the impact of:				
Relief of fair value upon acquisition	(b)	2,770	3,465	(230)
Non-cash write downs of inventory	(c)	5,894	449	—
Vape recall	(d)	2,965	—	—
Share-based compensation	(e)	12,162	14,941	10,475
Impairment of goodwill and intangible assets	(f)	311,084	8,640	343
Impairment of property and equipment and loss on disposal of fixed assets	(g)	1,089	312	6
Loss on lease termination and derecognition of ROU asset	(h)	1,162	3,278	—
(Gain) loss from revaluation of contingent consideration	(i)	(1,061)	3,584	18,709
Restructuring costs and executive severance	(j)	472	816	556
Legal settlements	(k)	623	1,590	—
Fees for services related to NJ licenses	(l)	—	—	7,500
Other one-time items	(m)	5,207	6,070	584
Bad debt expense write offs in Michigan	(n)	9,941	—	—
Loan modification fees	(o)	2,507	—	—
Employee Retention Credits	(p)	(9,440)	—	—
Gain on extinguishment of debt	(q)	(4,153)	—	—
Gain on fair value of warrants and purchase option derivative asset	(r)	(58,523)	(57,904)	110,518
Indemnification asset release	(s)	3,973	4,504	—
Unrealized and realized gain on investments	(t)	(43)	(6,192)	(533)
Unrealized and realized foreign exchange loss	(u)	712	4,654	159
Adjusted EBITDA from continuing operations		**$ 38,839**	**$ 69,647**	**$ 47,578**

TerrAscend calculates adjusted gross profit by adjusting gross profit for the one-time relief of fair value of inventory upon acquisition, non-cash write downs of inventory, vape recall, and other one time adjustments to gross profit as TerrAscend does not believe that these impacts are reflective of ongoing operations. The table below reconciles gross profit to adjusted gross profit for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

		For the years ended		
	Notes	December 31, 2022	December 31, 2021	December 31, 2020
Gross profit		$ 101,504	$ 112,502	$ 85,691
Add (deduct) the impact of:				
Relief of fair value upon acquisition	(b)	2,770	3,465	(230)
Non-cash write downs of inventory	(c)	5,894	449	-
Vape recall	(d)	2,965	—	—
Other one time adjustments to gross profit	(v)	798	—	—
Adjusted gross profit from continuing operations		**$ 113,931**	**$ 116,416**	**$ 85,461**

a)EBITDA is a non-GAAP measure and is calculated as earnings before interest, tax, depreciation and amortization.

b)In connection with TerrAscend's acquisitions, inventory was acquired at fair value, which included a markup or markdown for profit. Recording inventory at fair value in purchase accounting has the effect of increasing or

decreasing inventory and thereby increasing or decreasing cost of sales as compared to the amounts TerrAscend would have recognized if the inventory was sold through at cost. The write-up or down of acquired inventory represents the incremental cost of sales that were recorded during purchase accounting.

c)Represents inventory write downs outside of the normal course of operations. These inventory write-downs were related to the write down of aged inventory to lower of cost or market which was related to TerrAscend's operational reconfiguration of its cultivation facility in Pennsylvania.

d)On February 4, 2022, more than 500 vape products were recalled by the Pennsylvania's Department of Health, including several of the TerrAscend's SKUs. As a result of the recall TerrAscend recorded sales returns of $1,040 and write-downs of inventory of $1,925 for the twelve months ended December 31, 2022.

e)Represents non-cash share-based compensation expense.

f)Represents impairment charges taken on TerrAscend's intangible assets and goodwill.

g)Represents impairment charges taken on TerrAscend's property and equipment, as well as write-downs of property and equipment.

h)Represents loss taken as a result of TerrAscend's early termination payment on its Frederick, Maryland lease as well as loss taken on the derecognition of right of use assets.

i)Represents the revaluation of TerrAscend’s contingent consideration liabilities.

j)Represents costs associated with executive severance and restructuring of business units.

k)Represents one-time legal settlement charges.

l)Represents amounts payable to an entity controlled by the minority shareholders of TerrAscend NJ due upon NJ being granted an alternative treatment center license in the state of New Jersey and NJ making its first sale of medical cannabis to a patient in compliance with the New Jersey Compassionate Use Marijuana Act.

m)Includes one-time fees incurred in connection with TerrAscend’s acquisitions, such as expenses related to professional fees, consulting, legal and accounting, that would otherwise not have been incurred. In addition, includes one-time charges for Sarbanes Oxley Act of 2022 implementation, as well as work completed in preparation of becoming a U.S. filer. These fees are not indicative of TerrAscend’s ongoing costs.

n)Represents one-time write off of accounts receivable related to one customer that were deemed uncollectible.

o)Represents loan modification fees related to the modification of the Gage senior secured term loan and the Ilera Term Loan. These fees do not meet the criteria for capitalization under ASC 470 *Debt*.

p)Represents income recorded from ERC as a result of the CARES Act.

q)Represents the gain on extinguishment of debt recorded as a result of the extinguishment of the loans held with Canopy USA.

r)Represents the (gain) loss on fair value of warrants, including effects of the foreign exchange of the U.S. denominated preferred share warrants, as well as the revaluation of the fair value of the purchase option derivative asset.

s)Represents the reduction to the indemnification asset related to the Apothecarium tax audit settlement and statute expirations for tax years ended September 30, 2014 and September 30, 2015.

t)Represents unrealized and realized gain on fair value changes on strategic investments.

u)Represents the remeasurement of USD denominated cash and other assets recorded in C$ functional currency.

v)Represents other one time adjustments to gross profit including facility transfer costs taken in Maryland, as well as accelerated depreciation taken due to the move of the cultivation facility from Frederick to Hagerstown, as well as other one time items that are not indicative of ongoing costs.

The decrease in Adjusted EBITDA from continuing operations for the year ended December 31, 2022 as compared to December 31, 2021 was primarily due to lower volume and resulting gross margin compression mainly related to challenging market dynamics in Pennsylvania.

The increase in Adjusted EBITDA from continuing operations for year ended December 31, 2021 as compared to December 31, 2020 was primarily due to operational scale up, as well as TerrAscend's acquisitions of KCR and HMS. TerrAscend continued to expand in the United States organically through an increase in production and wholesale capacity in Pennsylvania, store expansions in Pennsylvania, New Jersey, and California, and operations in New Jersey and Maryland.

Changes in or Adoption of Accounting Principles

New standards, amendments and interpretations adopted:

TerrAscend adopted certain accounting and reporting standards during the year ended December 31, 2022. Information regarding TerrAscend's adoption of new accounting and reporting standards is discussed in Note 2 to the accompanying consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on Form 10-K.

Critical Accounting Policies and Estimates

The preparation of TerrAscend's consolidated financial statements requires management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

While TerrAscend's significant accounting policies are described in more detail in Note 2 to the accompanying consolidated financial statements included in Item 8, "Financial Statements and Supplementary Data" in this Annual Report on the Form 10-K, the accounting estimates and assumptions discussed in this section are those that TerrAscend considers to be the most critical in the preparation of the consolidated financial statements. An accounting estimate or assumption is considered critical if both (a) the nature of the estimate or assumption is material due to the levels of subjectivity and judgement involved, and (b) the impact within a reasonable range of outcomes of the estimate and assumption is material to the financial condition.

A quantitative sensitivity analysis is provided where information is available to reasonably estimate the impact and provides material information to investors.

Inventory

The net realizable value of inventory represents the estimated selling price in the ordinary course of business less the reasonably predictable costs of completion, disposal and transportation. TerrAscend estimates the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price TerrAscend expects to realize by selling the inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact TerrAscend's inventory valuation and gross profit.

Revenue recognition

Revenues consist of wholesale and retail sales, which are recognized when control of the goods has transferred to the purchaser and the collectability is reasonably assured.

From time to time, TerrAscend partakes in sales agreements with suppliers in which it also purchases inventory. As part of the five-step revenue model, TerrAscend assesses whether instances of bulk sales made to suppliers of goods have commercial substance and should be recognized as revenue under ASC 606 *Revenue Recognition*, or whether the transaction should be assessed under ASC 845 *Nonmonetary Transactions.* The determination of whether the sale has commercial substance requires management's judgment.

Share-based compensation

In calculating share-based compensation, key estimates are used such as, the rate of forfeiture of options granted, the expected life of the option, the volatility of TerrAscend's stock price, the vesting period of the option and the risk-free interest rate. The fair value of each option grant is estimated using the Black-Scholes option-pricing model. While assumptions used to calculate and account for share-based compensation awards represent management's best estimates, these estimates involve inherent uncertainties and the application of management's judgment. As a result, if revisions are made to the underlying assumptions and estimates, share based compensation expense could vary significantly from period to period. TerrAscend recognized share-based compensation expense of $12,162, $14,942, and $10,475 for the years ended December 31, 2022, 2021, and 2020, respectively.

Warrant Liability

TerrAscend uses the Black-Scholes model to calculate the fair value of the warrants issued, which includes various unobservable inputs such as the volatility of TerrAscend's stock price and the risk-free interest rate. TerrAscend uses judgment to select methods used and in performing the fair value calculations at the initial measurement at issuance, as well as for subsequent measurement on a recurring basis. The assumptions could have a material impact on the valuation of the warrant liability. The warrant liability was remeasured to fair value at $711 and $54,986 at December 31, 2022 and 2021, respectively. An increase of 50 basis points to the discount rate and volatility would not have a material impact.

Income taxes

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of TerrAscend generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. TerrAscend reviews the adequacy of these provisions at the end of the reporting period. It is possible, however, that at some future date, an additional liability could result from audits by taxing authorities. If the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Impairment of long-lived assets

TerrAscend evaluates the recoverability of long-lived assets, including property and equipment, right of use ("ROU") assets, and definite lived intangible assets, whether events or changes in circumstances indicate that the carrying value of the asset, or asset group, may not be recoverable.

When TerrAscend determines that the carrying value of the long-lived asset may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimate of future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value. Management judgement is required in the determination of indicators of impairment, as well as the estimation of future undiscounted cash flows, and as necessary, the fair value of those assets or asset groups in which indicators of impairment have been identified.

During the year ended December 31, 2022, TerrAscend determined that changes in market expectations of cash flows in its Michigan business, as well as increased competition and supply in the state, were indicators that an impairment test was appropriate for the Michigan reporting unit. TerrAscend determines the fair value of the asset group and allocates the impairment to the assets, being the (i) cultivation and processing licenses, and (ii) retail licenses, acquired through the Gage Acquisition. TerrAscend compared the carrying value of the assets to its fair value and determined that the carrying value exceeded the fair value for both the retail and the cultivation and processing licenses. As such, TerrAscend recorded impairment charges of $79,462 and $42,065 for the cultivation and processing licenses and retail licenses, respectively, reducing both the carrying values to $nil.

TerrAscend recorded impairment of $423 of intellectual property in Canada during the year ended December 31, 2020 related to packaging designs that were written down to its recoverable value. Additionally, during the year ended December 31, 2020, TerrAscend recorded impairment of $342 related to its customer relationships at Arise as a result of its termination of an agreement with one of its wholesale distributors.

TerrAscend recorded impairment of property and equipment of $1,089, $312, and $6 for the years ended December 31, 2022, 2021, and 2020, respectively.

Impairment of goodwill and indefinite lived intangible assets

Goodwill and indefinite lived intangible assets are reviewed for impairment annually and whenever there are events or changes in circumstances that indicate the carrying amount has been impaired. Definite lived intangible assets are tested for impairment when there are indications that an asset may be impaired. If it is determined that it is more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed which compares the carrying value of the reporting unit to its estimated fair value.

TerrAscend uses an income-based approach as necessary to assess the fair values of intangible assets and its reporting units for goodwill testing purposes. Under the income approach, fair value is based on the present value of estimated cash flows. An impaired asset is written down to its estimated fair value based on the most recent information available.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Determining the value in use requires TerrAscend to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. A number of factors, including historical results, business plans, forecasts, and market data are used to determine the fair value of the reporting unit and intangible assets.

TerrAscend's impairment loss calculation contains uncertainties because it requires management to make assumptions and apply judgement to qualitative factors as well as estimate future cash flows and asset fair values, including forecasting projected financial information and selecting the discount rate that reflects the risk inherent in future cash flows. If actual results are not consistent with TerrAscend's estimates and assumptions, TerrAscend may be exposed to non-cash impairment losses that could be material.

2022

During the year ended December 31, 2022, TerrAscend determined that the existence of impairment on certain long-lived assets, together with changes in market expectations of cash flows in Michigan, as well as increased competition and supply in the state since TerrAscend acquired the indefinite lived assets, indicate that the fair value of the Gage brand intangible assets are more likely than not lower than the carrying value. As such, TerrAscend performed an impairment analysis and determined the fair value of its brand intangible assets using the relief of royalty method. As a result of the quantitative analysis performed, TerrAscend recognized impairment of $19,200, reducing the carrying value of the brand intangibles to $57,985.

Based on the indicators of impairment noted previously, TerrAscend determined that there were indicators that the fair value of its reporting units are more likely than not lower than its carrying value. As such, a quantitative impairment test was performed over its Michigan reporting unit, which includes goodwill acquired through the Gage Acquisition and the Pinnacle Acquisition, its Pennsylvania reporting unit, and its California wholesale reporting unit. As a result of the impairment analysis performed over its Michigan reporting unit, TerrAscend recorded impairment of goodwill of $170,357 during the year ended December 31, 2022, reducing the carrying value of the goodwill acquired through the Gage Acquisition and Pinnacle Acquisition to $nil.

TerrAscend determined that the challenging market dynamics in Pennsylvania, including increased competition, were indicators of impairment for the Pennsylvania reporting unit and therefore TerrAscend performed a quantitative impairment analysis. As a result of the impairment analysis performed over the Pennsylvania reporting unit, TerrAscend determined that the fair value of the Pennsylvania reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the Pennsylvania reporting unit was $76,761 at December 31, 2022.

TerrAscend determined that increased competition and a reduction in forecasted sales, were indicators of impairment for the California wholesale reporting unit and therefore TerrAscend performed a quantitative impairment analysis. As a result of the impairment analysis performed over TerrAscend's California wholesale reporting unit, it was determined that the fair value of the California reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the California wholesale reporting unit was $4,689 at December 31, 2022.

2021

During the year ended December 31, 2021, TerrAscend made a decision to undertake a strategic review process to explore, review, and evaluate potential alternatives for its Arise business. TerrAscend also determined that the estimated future cash

flows for the business did not support the carrying value of the intangible assets and goodwill, and therefore, the intangible assets and goodwill were written down to $nil. TerrAscend recorded impairment of intangible assets of $3,633 and impairment of goodwill of $5,007.

During the fourth quarter of 2021, TerrAscend performed qualitative analyses over its goodwill and indefinite lived intangible assets for each of its reporting units. TerrAscend determined that it was more likely than not that the fair value of its California and Maryland reporting units exceeded their carrying values, and therefore, no quantitative impairment analysis was performed. TerrAscend performed a quantitative analysis over its Pennsylvania reporting unit and determined that the fair value exceeded its carrying value, resulting in no impairment. An increase of the discount rate of 100 basis points would not cause an impairment. There is no goodwill or indefinite lived intangible assets at TerrAscend's Canada reporting unit.

2020

During the year ended December 31, 2020, TerrAscend performed qualitative analyses over its goodwill and indefinite lived intangible assets for each of its reporting units and determined that it was more likely than not that the fair value of its California and Pennsylvania reporting units exceeded their carrying values, and therefore, no quantitative analyses was performed. TerrAscend performed a quantitative analysis over its Florida reporting unit and determined that the fair value exceeded its carrying value, resulting in no impairment. An increase in the discount rate of 100 basis points would not cause an impairment.

Business combinations

Classification of an acquisition as a business combination or an asset acquisition depends on whether the asset acquire constitutes a business, which can be a complex judgement. TerrAscend has determined that its acquisitions in Note 4 are business combinations under ASC 805 *Business Combinations*.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, TerrAscend may utilize an independent external valuation expert to develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied.

The estimates are based upon assumptions that TerrAscend believes are reasonable, but which are inherently uncertain and unpredictable. These valuations require the use of management's assumptions, which do not reflect unanticipated events and circumstances that may occur.

Contingent Consideration

Contingent consideration payable as the result of a business combination is recorded at the date of acquisition at fair value. The fair value of contingent consideration is subject to significant judgement and estimates, such as projected future revenue. Subsequent changes to the fair value of contingent consideration are measured at each reporting date, with changes recognized through profit or loss. Refer to Note 21 included in Item 8, *"Financial Statements and Supplementary Data"* in this Annual Report on Form 10-K for the sensitivity analysis performed over the contingent consideration liability.

ERC

The CARES Act provides for an employee retention credit ("ERC") which is a refundable tax credit for businesses that continued to pay employees while shut down due to the COVID-19 pandemic, or had significant declines in gross receipts from March 13, 2020 to December 31, 2021. Eligible employers can claim the ERC on an original or adjusted employment tax return for a period within those dates. TerrAscend has elected to account for the credit as a government grant. There is limited grant accounting guidance within U.S. GAAP that is applicable to for-profit entities, therefore, TerrAscend has elected to follow the grant accounting model in International Accounting Standard ("IAS") 20, *Accounting for Government Grants and Disclosure of Government Assistance.* Accordingly, TerrAscend recognizes government grants for which there is a reasonable assurance of compliance with grant conditions and receipt of credits and has therefore recognized a receivable for the total credit amount on the consolidated balance sheets as of December 31, 2022. The determination of the collectability of the ERC requires significant judgement, including assessment of TerrAscend's eligibility based on the facts and circumstances. While TerrAscend believes that collection of the ERC is probable, there is some uncertainty around collection due to the nature of TerrAscend's industry.

During the year ended December 31, 2022, TerrAscend has an ERC for qualified wages of $14,903 which was included in accounts receivable, net in the consolidated balance sheets at December 31, 2022. TerrAscend recognized other income of $9,440 as a result of this transaction which was recorded as other income and included in finance and other expenses on the consolidated statements of operations. Additionally, TerrAscend recorded accounts receivable in its opening balance sheet related to the acquisition of Gage of $5,463 related to ERC.

Incremental borrowing rates

Lease payments are discounted using the rate implicit in the lease if that rate is readily available. If that rate cannot be easily determined, the lessee is required to use its incremental borrowing rate. The incremental borrowing rate is the rate of interest that TerrAscend estimates it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. TerrAscend calculates its incremental borrowing rate as the interest rate TerrAscend would pay to borrow funds necessary to obtain an asset of similar value over similar terms taking into consideration the economic factors and the credit risk rating at the commencement date of the lease.

In addition, TerrAscend utilizes a discount rate to determine the appropriate fair value of convertible debentures and loans issued with warrants attached. The discount rate applied reflects the interest rate that TerrAscend would have to pay to borrow a similar amount at a similar term and with a similar security.

Control, joint control or level of influence

When determining the appropriate basis of accounting for TerrAscend's interests in affiliates, TerrAscend makes judgments about the degree of influence that it exerts directly or through an arrangement over the investees' relevant activities.

Emerging Growth Company Status

TerrAscend is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. TerrAscend has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that TerrAscend (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, TerrAscend's consolidated financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

TerrAscend will remain an emerging growth company until the earlier to occur of: (i) (a) December 31, 2027, (b) the last day of the fiscal year in which TerrAscend has total annual gross revenue of $1.235 billion or more, or (c) the last day of the fiscal year in which TerrAscend is deemed to be a large accelerated filer, which means the market value of TerrAscend's voting and non-voting common equity that is held by non-affiliates exceeds $700.0 million as of the prior June 30th; and (ii) the date on which TerrAscend has issued more than $1.0 billion in non-convertible debt during the prior three-year period.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Market risk represents the risk of loss that may impact TerrAscend's financial position due to adverse changes in financial market prices and rates. TerrAscend's market risk exposure is primarily a result of exposure due to potential changes in inflation and interest rates. TerrAscend does not hold financial instruments for trading purposes.

Financial Instruments and Risk Management

Financial instruments recorded at fair value are estimated by applying a fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy is summarized as follows:

Level 1- quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2- inputs other than quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3- inputs for assets and liabilities not based upon observable market data

Risk Management

TerrAscend's risk exposure and the impact on TerrAscend's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of financial loss to TerrAscend if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject TerrAscend to significant concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, net and notes receivable. TerrAscend assesses the credit risk of trade receivables by evaluating the aging of trade receivables based on the invoice date. The carrying amounts of trade receivables is reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statements of operations and comprehensive loss. When a trade receivable balance is considered uncollectible, it is written off against the allowance for expected credit losses.

Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated statements of operations. TerrAscend regularly monitors credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss. TerrAscend has no customers whose balance is greater than 10% of total trade receivables as of December 31, 2022.

(b) Liquidity risk

TerrAscend is exposed to liquidity risk, or the risk that TerrAscend will not be able to meet its financial obligations as they become due. TerrAscend manages liquidity risk through ongoing review of its capital requirements. TerrAscend's objective with respect to its capital management is to ensure it has sufficient cash resources to maintain its ongoing operations.

(c) Market Risk

The significant market risk exposures to which TerrAscend is exposed are foreign currency risk and interest rate risk.

i) Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and U.S. dollar and other foreign currencies will affect TerrAscend's operations and financial results.

TerrAscend and its subsidiaries hold cash and cash equivalents and other assets and liabilities in currencies other than their functional currency. TerrAscend does not currently engage in currency hedging activities to limit the risks of currency fluctuations. Consequently, fluctuations in foreign currencies could have a negative impact on the profitability of TerrAscend's operations. A 10% change in the value of the U.S. dollar compared to the Canadian dollar would result in a change of $2,389 to the unrealized foreign exchange loss (gain).

ii) Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. In respect of financial assets, TerrAscend's policy is to invest excess cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return. Fluctuations in interest rates impact the value of cash equivalents. TerrAscend's investments in guaranteed investment certificates bear a fixed rate and are cashable at any time prior to maturity date.

TerrAscend does not have significant cash equivalents at year. The Amended Gage Term Loan and the Pelorus Term Loan have variable interest rates that are tied to the U.S. "prime rate" and SOFR. At December 31, 2022, a 10% change to each of the interest rates would result in a change to interest expense of $1,295. The remainder of TerrAscend's loans payable have fixed interest rates from 6% to 12.875% per annum. All other financial liabilities are non-interest-bearing instruments.

Item 8. Financial Statements and Supplementary Data

All information required by this item may be found on pages F-1 through F-59 of this Form 10-K.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Internal control over financial reporting is defined in Rule 13a-15(f) promulgated under the Exchange Act, as a process designed by, or under the supervision of, TerrAscend's principal executive officer and principal financial officer and effected by TerrAscend's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. TerrAscend's management, with the participation of its President and Chief Financial Officer, has evaluated the effectiveness of TerrAscend's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this Annual Report on Form 10-K. Based upon that evaluation, management, including the President and Chief Financial Officer, determined that TerrAscend's disclosure controls and procedures were effective at the reasonable assurance level as of December 31, 2022.

Management has excluded Michigan from its assessment of internal control over financial reporting as of December 31, 2022 because Gage and Pinnacle were acquired by the Company on March 10, 2022 and August 23, 2022, respectively. Michigan's total assets and total revenues represent 15% and 25%, respectively, of the related consolidated financial statement amounts as of and for the year ended December 31, 2022.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating TerrAscend's disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Management's Annual Report on Internal Controls Over Financial Reporting

TerrAscend's management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. TerrAscend's management, under the supervision and with the participation of its President and Chief Financial Officer, conducted an assessment of the effectiveness of TerrAscend's internal control over financial reporting as of December 31, 2022 based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) (2013 framework). This evaluation included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on the results of its assessment, TerrAscend's management concluded that its internal control over financial reporting was effective as of December 31, 2022.

This Annual Report does not include an attestation report of TerrAscend's independent registered public accounting firm regarding the effectiveness of its internal control over financial reporting due to its exemption as an emerging growth company. Management's report was not subject to audit by TerrAscend's registered public accounting firm pursuant to rules of the Securities and Exchange Commission that permit TerrAscend to provide only management's report in this Annual Report.

Changes in Internal Control Over Financial Reporting

There have been no changes to TerrAscend's internal controls over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the year ended December 31, 2022, that materially affected, or were reasonably likely to materially affect, TerrAscend's internal controls over financial reporting.

Item 9B. Other Information

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Information required by Item 10 of Part III will be included in TerrAscend's Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is incorporated herein by reference.

Information regarding TerrAscend's Code of Business Conduct and Ethics (the "Code of Conduct") required by this item will be contained in the Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is hereby incorporated by reference. If TerrAscend makes any substantive amendments to the Code of Conduct or grant any waiver from a provision of the Code of Conduct to any executive officer or director, it will promptly disclose the nature of the amendment or waiver on its website. The full text of the Code of Conduct is available at the Investor Relations section of TerrAscend's website at https://ir.terrascend.com/. The reference to TerrAscend's website address does not constitute incorporation by reference of the information contained at or available through the website, and you should not consider it to be a part of this Annual Report on Form 10-K.

Item 11. Executive Compensation

Information required by Item 11 of Part III will be included in TerrAscend's Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by Item 12 of Part III will be included in TerrAscend's Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by Item 13 of Part III will be included in TerrAscend's Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is incorporated herein by reference.

Item 14. Principal Accounting Fees and Services

Information required by Item 14 of Part III will be included in TerrAscend's Proxy Statement relating to TerrAscend's 2023 Annual Meeting of Shareholders and is incorporated herein by reference.

PART IV

Item 15. Exhibits, Financial Statement Schedules

(a)The following documents are filed as part of this Form 10-K:

1.*Financial Statements*

The accompanying Index to Consolidated Financial Statements on page F-1 of this Form 10-K is provided in response to this item and is incorporated into this item by reference.

2.*List of Financial Statement Schedules.*

All schedules are omitted because the required information is either not present, not present in material amounts or presented within the consolidated financial statements.

(b)The exhibits listed in the following "Exhibit Index" are filed, furnished or incorporated by reference as part of this Form 10-K.

Exhibit Index

Exhibit Number	Exhibit Title	Incorporated By Reference				Filed or Furnished Herewith
		Form	File No.	Exhibit	Filing Date	
2.1*	Arrangement Agreement, dated October 8, 2018, by and among TerrAscend Corp., Canopy Growth Corporation, Canopy Rivers Corporation, JW Opportunities Master Fund, Ltd., JW Partners, LP and Pharmaceutical Opportunities Fund, LP.	10-12G	000-56363	2.1	11/2/2021	
2.2*	Securities Purchase Agreement, dated February 10, 2019, by and among BTHHM Berkeley, LLC, PNB Noriega, LLC, V Products, LLC, certain limited liability company interest holders of each of the forgoing entities, Michael Thomsen and TerrAscend Corp. and WDB Holding CA, Inc.	10-12G	000-56363	2.2	11/2/2021	
2.3*	Securities Purchase Agreement, dated February 10, 2019, by and among RHMT, LLC, Deep Thought, LLC, Howard Street Partners, LLC, certain limited liability company interest holders of each of the forgoing entities, Michael Thomsen, and TerrAscend Corp. and WDB Holding CA, Inc.	10-12G	000-56363	2.3	11/2/2021	
2.4*	Securities Purchase and Exchange Agreement, dated August 1, 2019, by and among Ilera Holdings LLC, Mera I LLC, Mera II LLC, TerrAscend Corp., WDB Holding PA, Inc. and Osagie Imasogie.	10-12G	000-56363	2.4	11/2/2021	
2.5*	Membership Interest Purchase Agreement, dated August 31, 2021, by and between WDB Holdings MI, Inc. and 3 State Park, LLC, AEY Holdings, LLC, AEY Capital, LLC, AEY Thrive, LLC and Seller.	10-12G	000-56363	2.7	11/2/2021	
2.6	First Amendment to Membership Interest Purchase Agreement, dated November 9, 2021, by and between WDB Holdings MI, Inc. and 3 State Park, LLC, AEY Holdings, LLC, AEY Capital, LLC, AEY Thrive, LLC and Seller.	10-12G/A	000-56363	2.8	12/22/2021	
2.7†	Second Amendment to Membership Interest Purchase Agreement, dated March 8, 2022, by and between WDB Holdings MI, Inc. and 3 State Park, LLC, AEY Holdings, LLC, AEY Capital, LLC, AEY Thrive, LLC, Seller and Gage Growth Corp.	8-K	000-56363	10.1	3/14/2022	
2.8*	Arrangement Agreement, dated August 31, 2021, by and between TerrAscend Corp. and Gage Growth Corp.	10-12G	EX-4.1 000-56363	2.6	11/2/2021	
2.9	Amending Agreement, dated October 4, 2021, by and between TerrAscend Corp. and Gage Growth Corp.	10-12G	000-56363	2.8	11/2/2021	
2.10	Second Amending Agreement, dated March 8, 2022, by and between TerrAscend Corp. and Gage Growth Corp.	8-K	000-56363	10.2	3/14/2022	

3.1	Articles of TerrAscend Corp., dated March 7, 2017.	10-12G	000-56363	3.1	11/2/2021	
3.2	Articles of Amendment to the Articles of TerrAscend Corp., dated November 30, 2018.	10-12G/A	000-56363	3.2	12/22/2021	
3.3	Articles of Amendment to the Articles of TerrAscend Corp., dated May 22, 2020.	10-12G/A	000-56363	3.3	12/22/2021	
3.4	By-laws of TerrAscend Corp., dated March 7, 2017.	10-12G	000-56363	3.4	11/2/2021	
4.1	Description of Securities.					X
4.2	Form of Warrant Certificate dated June, 2018					X
4.3	Form of Warrant Certificate dated November, 2019					X
4.4	Form of Warrant Certificate dated May, 2020					X
4.5	Form of Affiliate Gage Growth Corp. Replacement Warrants dated March, 2022					X
4.6	Form of Non-Affiliate Gage Growth Corp. Replacement Warrants dated March, 2022					X
4.7	Form of Warrant Certificate dated December, 2022					X
10.1	Form of Voting Support Agreement.	10-12G	000-56363	10.1	11/2/2021	
10.2	Credit Agreement, dated December 18, 2020, by and among WDB Holding PA, Inc., the lenders party thereto and Acquiom Agency Services LLC, as Administrative Agent.	10-12G	000-56363	10.3	11/2/2021	
10.3	First Amendment to Credit Agreement, dated April 28, 2022, by and among WDB Holding PA, Inc., the lenders party thereto and Acquiom Agency Services LLC, as Administrative Agent.	10-Q	000-56363	10.7	8/11/2022	
10.4	Second Amendment to Credit Agreement, dated November 11, 2022, by and among WDB Holding PA, Inc., the lenders party thereto and Acquiom Agency Services LLC, as Administrative Agent.					X
10.5	Third Amendment to Credit Agreement, dated December 15, 2022, by and among WDB Holding PA, Inc., the lenders party thereto and Acquiom Agency Services LLC, as Administrative Agent					X
10.6	Fourth Amendment to Credit Agreement, dated March 15, 2023, by and among WDB Holding PA, Inc., the lenders party thereto and Acquiom Agency Services LLC, as Administrative Agent					X
10.7	Credit Agreement, dated November 2, 2021, by and among Gage Growth Corp. and its subsidiaries, as Borrowers, and Chicago Atlantic Admin, LLC, as Administrative Agent and Collateral Agent.	10-K	000-56363	10.21	3/17/2022	

10.8*	Joinder, First Amendment to Credit Agreement and Security Agreements and Consent, dated as of August 10, 2022, among WDB Holding MI, Inc., Gage Growth Corp., Gage Innovations Corp., Cookies Retail Canada Corp., other borrower and lender parties thereto, and Chicago Atlantic Admin, LLC, as administrative agent for the lenders and Chicago Atlantic, as collateral agent for the secured parties thereto.	10-Q	000-56363	10.8	11/14/2022	
10.9	Joinder and Second Amendment to Credit Agreement and Security Agreements and Consent, dated November 29, 2022, by and among WDB Holding MI, Inc., Gage Growth Corp., Gage Innovations Corp., Cookies Retail Canada Corp., the borrowers and lenders party thereto, and Chicago Atlantic Admin, LLC, as administrative agent for the lenders and as collateral agent for the secured parties thereto.					X
10.10	Loan Agreement, dated October 11, 2022, by and among subsidiaries of TerrAscend Corp., TerrAscend NJ LLC, HMS Processing LLC, HMS Hagerstown, LLC, HMS Health, LLC, as Borrowers, and Pelorus Fund REIT, LLC, as Lender.					X
10.11	Promissory Note, dated October 11, 2022, by and among TerrAscend Corp., TerrAscend NJ LLC, BWH NJ LLC and Blue Marble Ventures LLC.					X
10.12	Debt Settlement Agreement, dated December 9, 2022, by and among TerrAscend Corp., Arise Bioscience, Inc., Canopy USA, LLC, Canopy USA I Limited Partnership and Canopy USA III Limited Partnership.					X
10.13#	Employment Agreement, dated April 22, 2020, by and between TerrAscend Corp. and Keith Stauffer.	10-12G	000-56363	10.10	11/2/2021	
10.14#	Employment Agreement, dated January 5, 2022, by and between TerrAscend USA, Inc. and Ziad Ghanem.	10-12G/A	000-56363	10.15	1/19/2022	
10.15#	Employment Agreement, dated May 23, 2022, by and between TerrAscend Corp. and Lynn Gefen	10-12G	000-56363	10.6	8/11/2022	
10.16#	Form of Indemnity Agreement.	10-12G	000-56363	10.15	11/2/2021	
10.17#	TerrAscend Corp. Stock Option Plan.	10-12G/A	000-56363	2.8	12/22/2021	
10.18#	Form of Option Agreement.	10-12G/A	000-56363	10.15	1/19/2022	
10.19#	TerrAscend Corp. Share Unit Plan.	10-12G/A	000-56363	2.8	12/22/2021	
10.20#	Form of Share Unit Agreement.	10-12G/A	000-56363	10.15	1/19/2022	

21.1	List of Subsidiaries of TerrAscend Corp.	X
23.1	Consent of MNP LLP	X
24.1	Power of Attorney (contained in the signature page to this Annual report on Form 10-K).	X
31.1	Certification of Principal Executive Officer required by Rule 13a-14(a) or 15d-14(a).	X
31.2	Certification of Principal Financial Officer required by Rule 13a-14(a) or 15d-14(a).	X
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 1350.	X
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	

Indicates management contract or compensatory plan

* Certain confidential information has been excluded from this exhibit because it is both (i) not material and (ii) is the type of information of the Company treats as private or confidential.

† Certain schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the Securities and Exchange Commission upon request.

**Furnished herewith and not deemed to be “filed” for purposes of Section 18 of the Exchange Act and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

The agreements and other documents filed as exhibits to this Annual Report on Form 10-K are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

Item 16. Form 10-K Summary

Not Applicable.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TerrAscend Corp.

Date: March 16, 2023

By: /s/ Ziad Ghanem
Ziad Ghanem
President and Chief Operating Officer
(Principal Executive Officer)

POWER OF ATTORNEY

Know all persons by these presents, that each person whose signature appears below constitutes and appoints Ziad Ghanem, Keith Stauffer and Lynn Gefen, jointly and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place, and stead, in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming that all said attorneys-in-fact and agents, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this Form 10-K has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ziad Ghanem Ziad Ghanem	President and Chief Operating Officer (*Principal Executive Officer*)	March 16, 2023
/s/ Keith Stauffer Keith Stauffer	Chief Financial Officer (*Principal Financial Officer and Principal Accounting Officer*)	March 16, 2023
/s/ Jason Wild Jason Wild	Director	March 16, 2023
/s/ Ira Duarte Ira Duarte	Director	March 16, 2023
/s/ Craig Collard Craig Collard	Director	March 16, 2023
/s/ Ed Schutter Ed Schutter	Director	March 16, 2023
/s/ Lisa Swartzman Lisa Swartzman	Director	March 16, 2023
/s/ Kara DioGuardi Kara DioGuardi	Director	March 16, 2023

TerrAscend Corp.
Index to the Consolidated Financial Statements

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of TerrAscend Corp.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of TerrAscend Corp. (the Company) as of December 31, 2022 and 2021, and the related consolidated statements of operations and comprehensive income (loss), changes in shareholders' equity (deficit), and cash flows, for each of the three years in the period ended December 31, 2022, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

Material Uncertainty Related to Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2 to the consolidated financial statements, the Company has suffered losses from operations, reoccurring net cash used in operating activities and has a net capital deficiency that raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ **MNP LLP**

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
March 16, 2023

We have served as the Company's auditor since 2017.

Consolidated Balance Sheets

(Amounts expressed in thousands of United States dollars, except for per share amounts)

		At December 31, 2022		At December 31, 2021
Assets				
Current Assets				
Cash and cash equivalents	$	26,158	$	79,642
Restricted cash		605		—
Accounts receivable, net		22,443		12,495
Investments		3,595		—
Inventory		46,335		36,093
Assets held for sale		17,349		29,052
Prepaid Expenses and other current assets		4,937		5,029
Current assets from discontinued operations		571		10,178
		121,993		172,489
Non-Current Assets				
Property and equipment, net		215,812		112,053
Deposits		837		1,977
Operating lease right of use assets		29,451		29,561
Intangible assets, net		239,704		168,425
Goodwill		90,328		90,326
Indemnification asset		—		3,969
Other non-current assets		3,462		3,135
		579,594		409,446
Total Assets	**$**	**701,587**	**$**	**581,935**
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	$	44,286		27,923
Deferred revenue		2,935		1,071
Loans payable, current		48,335		8,325
Contingent consideration payable, current		5,184		9,982
Operating lease liability, current		1,857		1,171
Lease obligations under finance leases, current		521		22
Corporate income tax payable		23,077		9,621
Other current liabilities		2,599		—
Current liabilities from discontinued operations		9,111		8,072
		137,905		66,187
Non-Current Liabilities				
Loans payable, non-current		145,852		171,163
Contingent consideration payable, non-current		-		2,553
Operating lease liability, non-current		31,545		30,573
Lease obligations under finance leases, non-current		6,713		181
Warrant liability		711		54,986
Deferred income tax liability		30,700		14,269
Financing obligations		11,198		—
Other long term liabilities		15,792		13,069
		242,511		286,794
Total Liabilities		380,416		352,981
Commitments and Contingencies				
Shareholders' Equity				
Share Capital				
Series A, convertible preferred stock, no par value, unlimited shares authorized; 12,608 and 13,708 shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Series B, convertible preferred stock, no par value, unlimited shares authorized; 600 and 610 shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Series C, convertible preferred stock, no par value, unlimited shares authorized; nil and 36 shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Series D, convertible preferred stock, no par value, unlimited shares authorized; nil and nil shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Proportionate voting shares, no par value, unlimited shares authorized; nil and nil shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Exchangeable shares, no par value, unlimited shares authorized; 76,996,538 and 38,890,571 shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Common stock, no par value, unlimited shares authorized; 259,624,531 and 190,930,800 shares outstanding as of December 31, 2022 and December 31, 2021, respectively		—		—
Additional paid in capital		934,972		535,418
Accumulated other comprehensive income (loss)		2,085		2,823
Accumulated deficit		(618,260)		(314,654)
Non-controlling interest		2,374		5,367
Total Shareholders' Equity		321,171		228,954
Total Liabilities and Shareholders' Equity	**$**	**701,587**	**$**	**581,935**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Operations and Comprehensive Income (Loss)

(Amounts expressed in thousands of United States dollars, except for per share amounts)

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Revenue	$ 249,258	$ 201,076	$ 139,118
Excise and cultivation tax	(1,429)	(6,866)	(6,966)
Revenue, net	**247,829**	**194,210**	**132,152**
Cost of Sales	146,325	81,708	46,461
Gross profit	**101,504**	**112,502**	**85,691**
Operating expenses:			
General and administrative	115,588	75,107	60,763
Amortization and depreciation	9,658	5,533	3,886
Impairment of intangible assets	140,727	3,633	343
Impairment of goodwill	170,357	5,007	—
Impairment of property and equipment	1,089	312	6
Research and development	—	—	136
Total operating expenses	437,419	89,592	65,134
(Loss) income from operations	(335,915)	22,910	20,557
Other (income) expense			
(Gain) loss from revaluation of contingent consideration	(1,061)	3,584	18,709
Gain on extinguishment of debt	(4,153)	—	—
(Gain) loss on fair value of warrants and purchase option derivative asset	(58,523)	(57,904)	110,518
Finance and other expenses	35,893	27,849	7,427
Transaction and restructuring costs	1,445	3,111	1,129
Loss on lease termination	—	3,278	—
Unrealized and realized foreign exchange loss	712	4,654	159
Unrealized and realized gain on investments	(43)	(6,192)	(533)
(Loss) income from continuing operations before provision from income taxes	(310,185)	44,530	(116,852)
Provision for income taxes	(10,783)	28,877	10,769
Net (loss) income from continuing operations	$ (299,402)	$ 15,653	$ (127,621)
Discontinued operations:			
Loss from discontinued operations, net of tax	(25,949)	$ (9,518)	$ (14,635)
Net (loss) income	**$ (325,351)**	**$ 6,135**	**$ (142,256)**
Foreign currency translation	738	(6,485)	2,875
Comprehensive (loss) income	$ (326,089)	$ 12,620	$ (145,131)
Net (loss) income from continuing operations attributable to:			
Common and proportionate Shareholders of the Company	$ (303,959)	$ 12,629	$ (139,204)
Non-controlling interests	$ 4,557	$ 3,024	$ (3,052)
Comprehensive (loss) income from continuing operations attributable to:			
Common and proportionate Shareholders of the Company	$ (330,646)	$ 9,596	$ (142,079)
Non-controlling interests	$ 4,557	$ 3,024	$ (3,052)
Net (loss) income per share			
Net (loss) income per share - basic:			
Continuing operations	$ (1.24)	$ 0.07	$ (0.93)
Discontinued operations	(0.11)	(0.05)	(0.10)
Net (loss) income per share - basic	$ (1.35)	$ 0.02	$ (1.03)
Weighted average number of outstanding common and proportionate voting shares	244,351,028	181,056,654	149,740,210
Net (loss) income per share - diluted:			
Continuing operations	$ (1.24)	$ 0.06	$ (0.93)
Discontinued operations	(0.11)	(0.05)	(0.10)
Net (loss) income per share - diluted	$ (1.35)	$ 0.01	$ (1.03)
Weighted average number of outstanding common and proportionate voting shares, assuming dilution	244,351,028	208,708,664	149,740,210

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Shareholders' Equity (Deficit)

(Amounts expressed in thousands of United States dollars, except for per share amounts)

	Number of Shares													
				Convertible Preferred Stock										
	Common Stock	Exchangeable Shares	Proportionate Voting Shares	Series A	Series B	Series C	Series D	Common Shares Equivalent	Additional paid in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Non-controlling interest	Total
Balance at December 31,2019	**66,563,322**	**38,890,571**	**75,417**	**—**	**—**	**—**	**—**	**180,870,422**	**$ 231,637**	**$ (787)**	**$ (182,561)**	**$ 6,461**	**$ 54,750**
Shares issued - stock options, warrant and RSU exercises	3,203,470	—	—	—	—	—	—	3,203,470	8,448	—	—	—	**8,448**
Shares issued - compensation for services	1,625,701	—	—	—	—	—	—	1,625,701	3,750	—	—	—	**3,750**
Private placement net of share issuance costs	5,313,786	—	—	15,239	3,440	—	—	23,992,786	23,977	—	—	—	**23,977**
Shares issued - conversion	2,820,506	—	890	(981)	(2,730)	—	—	—	—	—	—	—	**—**
Issuance of warrants	—	—	—	—	—	—	—	—	27,177	—	—	—	**27,177**
Share-based compensation expense	—	—	—	—	—	—	—	—	10,475	—	—	—	**10,475**
Options and warrants expired/forfeited	—	—	—	—	—	—	—	—	(3,171)	—	3,171	—	**—**
Modification of warrants associated with RIV Capital debt	—	—	—	—	—	—	—	—	2,845	—	—	—	**2,845**
Capital contributions	—	—	—	—	—	—	—	—	—	—	—	393	**393**
Net loss for the year	—	—	—	—	—	—	—	—	—	—	(139,204)	(3,052)	**(142,256)**
Foreign currency translation	—	—	—	—	—	—	—	—	—	(2,875)	—	—	**(2,875)**
Balance at December 31, 2020	**79,526,785**	**38,890,571**	**76,307**	**14,258**	**710**	**—**	**—**	**209,692,379**	**$ 305,138**	**$ (3,662)**	**$ (318,594)**	**$ 3,802**	**$ (13,316)**
Shares issued - stock options, warrant and RSU exercises	10,172,500	—	—	—	—	123	—	10,295,500	50,000	—	—	—	**50,000**
Shares issued - acquisitions	3,464,870	—	—	—	—	—	—	3,464,870	34,427	—	—	—	**34,427**
Shares issued - liability settlement	8,000	—	—	—	—	—	—	8,000	80	—	—	—	**80**
Private placement net of share issuance costs	18,115,656	—	—	—	—	—	—	18,115,656	173,477	—	—	—	**173,477**
Shares issued - conversion	78,358,768	—	(76,307)	(550)	(100)	(87)	—	1,314,768	—	—	—	—	**—**
Share-based compensation expense	—	—	—	—	—	—	—	—	14,941	—	—	—	**14,941**
Options and warrants expired/forfeited	—	—	—	—	—	—	—	—	(829)	—	829	—	**—**
Conversion of convertible debt	1,284,221	—	—	—	—	—	—	1,284,221	5,656	—	—	—	**5,656**
Investment in NJ Partnership	—	—	—	—	—	—	—	—	(47,472)	—	—	(1,406)	**(48,878)**
Capital distributions	—	—	—	—	—	—	—	—	—	—	—	(53)	**(53)**
Net income for the year	—	—	—	—	—	—	—	—	—	—	3,111	3,024	**6,135**
Foreign currency translation	—	—	—	—	—	—	—	—	—	6,485	—	—	**6,485**
Balance at December 31, 2021	**190,930,800**	**38,890,571**	**—**	**13,708**	**610**	**36**	**—**	**244,175,394**	**$ 535,418**	**$ 2,823**	**$ (314,654)**	**$ 5,367**	**$ 228,954**
Shares issued - stock options, warrant and RSU exercises	10,633,857	—	—	—	—	—	—	10,633,857	25,927	—	—	—	**25,927**
Shares, options and warrants issued - acquisitions	56,812,852	13,504,500	—	—	—	—	—	70,317,352	331,983	—	—	—	**331,983**
Shares issued - liability settlement	101,203	—	—	—	—	—	—	101,203	264	—	—	—	**264**
Shares issued - conversion	1,145,819	—	—	(1,100)	(10)	(36)	—	—	—	—	—	—	**—**
Shares issued- Canopy USA arrangement	—	24,601,467	—	—	—	—	—	24,601,467	55,520	—	—	—	**55,520**
Share-based compensation expense	—	—	—	—	—	—	—	—	12,162	—	—	—	**12,162**
Options and warrants expired/forfeited	—	—	—	—	—	—	—	—	(26,302)	—	26,302	—	**—**
Capital distributions	—	—	—	—	—	—	—	—	—	—	—	(7,550)	**(7,550)**
Net loss for the year	—	—	—	—	—	—	—	—	—	—	(329,908)	4,557	**(325,351)**
Foreign currency translation	—	—	—	—	—	—	—	—	—	(738)	—	—	**(738)**
Balance at December 31, 2022	**259,624,531**	**76,996,538**	**—**	**12,608**	**600**	**—**	**—**	**349,829,273**	**$ 934,972**	**$ 2,085**	**$ (618,260)**	**$ 2,374**	**$ 321,171**

The accompanying notes are an integral part of these consolidated financial statements.

	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Operating activities			
Net (loss) income from continuing operations	$ (299,402)	$ 15,653	$ (127,621)
Adjustments to reconcile net (loss) income to net cash used in operating activities			
Non-cash write downs of inventory	9,082	4,941	—
Accretion expense	9,740	4,273	5,232
Depreciation of property and equipment and amortization of intangible assets	22,624	12,789	8,337
Amortization of operating right-of-use assets	1,980	1,074	4,184
Share-based compensation	12,162	14,941	10,475
Deferred income tax expense	(35,299)	(1,245)	(11,970)
(Gain) loss on fair value of warrants and purchase option derivative	(58,523)	(57,904)	110,518
Revaluation of contingent consideration	(1,061)	3,584	18,709
Impairment of goodwill and intangible assets	311,084	8,640	343
Impairment of property and equipment	1,089	312	6
Loss on derecognition of right of use assets and lease termination	1,163	3,278	—
Release of indemnification asset	3,973	4,504	—
Forgiveness of loan principal and interest	—	(1,414)	—
Fees for services related to NJ licenses	—	—	7,500
Gain on extinguishment of debt	(4,153)	—	—
Bad debt expense	9,941	—	—
Employee Retention Credits recorded in other income	(9,440)	—	—
Debt modification fees expensed	2,507	—	—
Unrealized and realized foreign exchange loss	712	4,654	159
Unrealized and realized (gain) loss on investments	(43)	(6,192)	(533)
Changes in operating assets and liabilities			
Receivables	2,862	(3,209)	(4,039)
Inventory	676	(18,508)	(8,091)
Prepaid expense and other current assets	856	(1,649)	(5)
Deposits	3,666	—	—
Other assets	711	(726)	(442)
Accounts payable and accrued liabilities and other payables	(12,103)	2,820	7,631
Operating lease liability	(1,314)	(663)	(2,972)
Other liability	(9,941)	3,750	—
Contingent consideration payable	(410)	(11,394)	(56,527)
Corporate income tax payable	14,598	(6,938)	11,358
Deferred revenue	428	467	(196)
Net cash used in operating activities- continuing operations	(21,835)	(24,162)	(27,944)
Net cash used in operating activities- discontinued operations	(4,288)	(7,653)	(9,027)
Net cash used in operating activities	(26,123)	(31,815)	(36,971)
Investing activities			
Investment in property and equipment	(39,631)	(39,835)	(43,784)
Investment in intangible assets	(2,261)	(376)	(842)
Principal payments received on lease receivable	515	677	118
Distributions of earnings from associates	—	469	153
Investment in NJ partnership	—	(50,000)	—
Deposits for business acquisition	(1,065)	—	(1,389)
Payments made for land contracts	(1,271)	—	—
Cash portion of consideration paid in acquisitions, net of cash acquired	16,227	(42,736)	739
Net cash used in investing activities- continuing operations	(27,486)	(131,801)	(45,005)
Net cash used in investing activities- discontinued operations	(93)	(620)	(885)
Net cash used in investing activities	(27,579)	(132,421)	(45,890)
Financing activities			
Proceeds from options and warrants exercised	24,342	30,785	7,287
Loan principal paid	(42,221)	(4,500)	(48,893)
Loan modification fees paid	(4,977)	—	(2,250)
Proceeds from loans payable, net of transaction costs	43,419	766	196,348
Tax distributions to NJ partners	(1,539)	—	—
Capital contributions (paid) received (to) from non-controlling interests	(7,550)	(53)	393
Payments of contingent consideration	(6,630)	(18,274)	(90,657)
Payments made for financing obligations	(1,125)	—	—
Proceeds from private placement, net of share issuance costs	—	173,477	71,023
Net cash provided by financing activities- continuing operations	3,719	182,201	133,251
Net cash provided by financing activities- discontinued operations	—	—	155
Net cash provided by financing activities	3,719	182,201	133,406

Net (decrease) increase in cash and cash equivalents and restricted cash during the year	(49,983)	17,965	50,545
Net effects of foreign exchange	(2,896)	2,451	(481)
Cash and cash equivalents and restricted cash, beginning of year	79,642	59,226	9,162
Cash and cash equivalents and restricted cash, end of year	$ 26,763	$ 79,642	$ 59,226
Supplemental disclosure with respect to cash flows			
Income taxes paid	$ 9,917	$ 37,060	$ 11,204
Interest paid	$ 26,840	$ 21,171	$ 1,955
Lease termination fee paid	$ 3,300	$ -	$ -
Non-cash transactions			
Shares issued- Canopy USA arrangement	$ 55,520	$ -	$ -
Equity and warrant liability issued as consideration for acquisition	$ 338,739	$ 34,427	$ -
Notes receivable settled for business acquisition	$ -	$ -	$ 3,032
Promissory note issued as consideration for acquisitions	$ 10,000	$ 8,839	$ -
Shares issued for liability settlement	$ 264	$ -	$ -
Shares issued for compensation of services	$ -	$ -	$ 3,750
Accrued capital purchases	$ 2,187	$ 450	$ 4,544

The accompanying notes are an integral part of these consolidated financial statements.

1.Nature of operations

TerrAscend Corp. (“TerrAscend” or the “Company”) was incorporated under the Ontario Business Corporations Act on March 7, 2017. TerrAscend provides cannabis products, brands, and services to the United States (“U.S.”) and Canadian cannabinoid markets where cannabis production or consumption has been legalized for therapeutic or adult use. TerrAscend operates a number of synergistic businesses, including Gage Growth ("Gage"), a cultivator, processor and retailer in Michigan; KISA Enterprises MI, LLC and KISA Holdings LLC (collectively "Pinnacle"); The Apothecarium (“The Apothecarium”), a cannabis dispensary with several retail locations in California, Pennsylvania and New Jersey; TerrAscend NJ, LLC ("TerrAscend NJ"), a cultivator, processor and retailer with operations in New Jersey; Ilera Healthcare (“Ilera”), Pennsylvania’s medical cannabis cultivator, processor and dispenser; HMS Health, LLC and HMS Processing, LLC (collectively “HMS”), a medical cannabis cultivator and processor based in Maryland; Valhalla Confections, a manufacturer of cannabis-infused edibles; State Flower, a California-based cannabis producer operating a licensed cultivation facility in San Francisco; and Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products. Notwithstanding various states in the U.S. which have implemented medical marijuana laws, or which have otherwise legalized the use of cannabis, the use of cannabis remains illegal under U.S. federal law for any purpose, by way of the Controlled Substances Act of 1970.

The Company has been listed on the Canadian Securities Exchange ("CSE") since May 3, 2017, having the ticker symbol "TER" and effective October 22, 2018, the Company began trading on OTCQX under the ticker symbol "TRSSF". The Company’s registered office is located at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2.

2. Summary of significant accounting policies

(a) Basis of presentation and measurement and going concern

These consolidated financial statements as of and for the years ended December 31, 2022, December 31, 2021, and December 31, 2020 (the “Consolidated Financial Statements”) of the Company and its subsidiaries were prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”).

The accompanying Consolidated Financial Statements have been prepared on the going concern basis, under the historical cost convention, except for certain financial instruments that are measured at fair value as described herein. As of December 31, 2022, the Company had an accumulated deficit of $618,260 and cash and cash equivalents of $26,158. During the year ended December 31, 2022, the Company incurred a net loss from continuing operations of $299,402, which primarily related to impairment of goodwill and intangible assets in its Michigan business of $311,084 (refer to Note 8) and generated negative cash flow from operations of $26,123. The Company's cash flow and net losses for the twelve months ended December 31, 2022 are indicators that raise substantial doubt about the Company's ability to continue as a going concern for at least one year from the issuance of these financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amounts of and classification of liabilities that may result should the Company be unable to continue as a going concern. The Company plans to address its liquidity needs by taking steps to improve its operations and cash position, including (i) identifying access to future capital, (ii) continued sales growth from the Company's consolidated operations, and (iii) various actions that were implemented during the twelve months ended December 31, 2022 leading to general and administrative expense reductions and other cost and efficiency improvements.

(b) Functional and presentation currency

The functional currency of the Company and its Canadian subsidiaries is Canadian dollars (“C$”). The functional currency of the Company’s US subsidiaries is the U.S. dollar (“USD”). The Company’s presentation currency is in USD. All amounts are presented in USD unless otherwise specified. References to C$ are to Canadian dollars.

(c) Basis of consolidation

These consolidated financial statements include the financial information of the Company and its subsidiaries. The Company consolidates legal entities in which it holds a controlling financial interest. The Company has a two-tier consolidation model: one focused on voting rights (the voting interest model) and the second focused on a qualitative analysis of power over significant activities and exposure to potentially significant losses or benefits (the variable interest model). All entities are first evaluated to determine whether they are variable interest entities (“VIE”). If an entity is determined not to be a VIE, it is

assessed on the basis of voting and other decision-making rights under the voting interest model. The accounts of the subsidiaries are prepared for the same reporting period using consistent accounting policies.

All intercompany balances and transactions were eliminated on consolidation.

(d) Cash and cash equivalents

Cash and cash equivalents include cash on hand at retail locations, demand deposits with financial institutions and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of change in value. Cash held in money market investments are carried at fair value, cash held in financial institution and cash held at retail locations have carrying values that approximate fair value.

(e) Inventory

Inventories of harvested and purchased finished goods and packaging materials are valued at the lower of cost or net realizable value. Net realizable value is determined as the estimated selling price in the ordinary course of business less the reasonably predictable costs of completion, disposal and transportation. The direct and indirect costs of inventory include materials, labor and depreciation expense on equipment involved in packaging, labeling and inspection. Amortization of acquired cannabis production licenses are also considered to be indirect costs of inventory. All direct and indirect costs related to inventory are capitalized as they are incurred and they are subsequently recorded within cost of sales on the consolidated statements of operations at the time cannabis is sold.

Products for resale and supplies and consumables are valued at the lower of cost or net realizable value. The Company reviews inventory for obsolete, redundant, and slow-moving goods, and any such inventories are written down to net realizable value.

(f) Property and equipment and long-lived assets held for sale

Property and equipment is measured at cost, including capitalized borrowing costs, less accumulated depreciation and impairment losses. Ordinary repairs and maintenance are expensed as incurred. Depreciation is calculated on a straight-line basis over the estimated useful life of the asset using the following terms:

Buildings and improvements	Lesser of useful life or 30 years
Land	Not depreciated
Machinery & equipment	5-15 years
Office furniture & production equipment	3-5 years
Right of use assets	Lease term
Assets in process	Not depreciated

Assets in process are transferred to the appropriate asset type when available for use and depreciation of the assets commences at that point.

The Company classified assets and liabilities (the "disposal group") as held for sale in the period when all of the relevant criteria to be classified as held for sale are met. Long-lived assets held for sale are recorded at their estimated fair value less costs to sell. Any loss resulting from the measurement is recognized in the period the held for sale criteria is met. The Company discontinues depreciation on these assets.

An asset’s residual value, useful life and depreciation method are reviewed annually, or when events or circumstances indicate that the current estimate or depreciation method are no longer applicable. Changes are adjusted prospectively if appropriate. Gains and losses on disposal of an asset are determined by comparing the proceeds from disposal with the carrying amount of the items and are recognized in the consolidated statements of operations. If a loss on disposal is expected, such losses are recognized when the assets are reclassified as assets held for sale or when impaired as part of an asset group’s impairment.

The Company evaluates the recoverability of property and equipment and long-lived assets held for sale, whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. See – *Impairment of long-lived assets* information within this note for detailed information on the Company’s impairment assessment of its property and equipment.

The Company capitalizes interest and borrowing costs on significant qualifying capital construction projects. Upon the asset becoming available for use, capitalization of borrowing costs ceases, and depreciation commences on a straight-line basis over the estimated useful life of the related asset.

(g) Leases

Leases are classified as operating or finance leases based on the terms of the lease agreement and certain characteristics of the identified assets. The majority of the Company's leases are operating leases used primarily for corporate offices, retail dispensaries, and cultivation and manufacturing facilities. The operating lease periods range from 1 to 28 years. Additionally, the Company has three finance leases at December 31, 2022 and one finance lease at December 31, 2021. The lease periods for finance leases range from 18 months to 10 years.

The Company's leases include fixed payments, as well as in some cases, scheduled base rent increases over the term of the lease. Certain leases require variable payments of common area maintenance, operating expenses, and real estate taxes applicable to the property. Variable payments are excluded from the measurements of lease liabilities and are expensed as incurred. Any tenant improvement allowances received from the lessor are recorded as a reduction to rent expense over the term of the lease. None of the Company's lease agreements contained residual value guarantees or material restrictive covenants.

The Company determines if an arrangement is a lease at the inception of the contract. Lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term for those arrangements where there is an identified asset and the contract conveys the right to control its use. The right-of-use ("ROU") asset is measured at the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, and initial direct costs. For operating leases, right-of-use assets are reduced over the lease term by the straight-line expense recognized, less the amount of accretion of the lease liability determined using the effective interest rate method. Finance leases are included in property and equipment in the Consolidated Balance Sheets.

Operating lease expense is recognized on a straight-line basis over the lease term and is included in cost of sales and general and administrative expense in the Company's Consolidated Statements of Operations and Comprehensive Loss. Finance lease cost includes amortization, which is recognized on a straight-line basis over the expected life of the lease asset, and interest expense, which is recognized following an effective interest rate method and is included in finance and other expenses in the Company's Consolidated Statements of Operations.

The Company applies a single discount rate to a portfolio of leases with reasonably similar characteristics. The majority of the Company's leases do not provide an implicit rate that can be easily determined, and therefore uses its incremental borrowing rate and the information available at the commencement date (refer to Note 10).

Certain leases include one or more options to renew or terminate the lease at the Company's discretion. The Company regularly evaluates lease renewal and termination options and, when they are reasonably certain of exercise, includes the renewal or termination option in the lease term.

The Company evaluates its ROU assets for impairment consistent with its impairment of long-lived assets. See – *Impairment of long-lived assets* information within this note for detailed information on the Company's impairment assessment of its right-of-use assets.

In some instances, the Company subleases excess office space to third party tenants. The Company, as sublessor, continues to account for the head lease. If the lease cost for the term of the sublease exceeds the Company's anticipated sublease income for the same period, this indicates that the right-of-use asset associated with the head lease should be assessed for impairment under the long-lived asset impairment provisions. Sublease income is included in Finance (expense) income in the Company's Consolidated Statements of Operations.

The Company accounts for non-lease and lease components to which they relate as a single lease component. Additionally, the Company recognized lease payments under short-term leases with an initial term of twelve months or less, as well as low value assets, as an expense on a straight-line basis over the lease term without recognizing the lease liability and ROU asset.

(h) Goodwill

Goodwill is recorded at the time of acquisition and represents the excess of the aggregate consideration paid for an acquisition over the fair value of the net tangible and intangible assets acquired. Goodwill is not subject to amortization and is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that they might be impaired. See – *Impairment of goodwill and intangible assets* information within this note for detailed information on the Company's impairment assessment of its goodwill and intangible assets.

(i) Intangible assets

Intangible assets are recorded at cost less accumulated amortization and impairment losses, if any. Intangible assets acquired in a business combination are measured at fair value at the acquisition date. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which do not exceed the contractual period, if any. The estimated useful lives, residual values and amortization methods are reviewed annually and any changes in estimates are accounted for prospectively. Amortization is calculated on a straight-line basis over the following terms:

Brand intangibles- indefinite lives	Indefinite useful lives or 3 years
Brand intangibles- definite lives	3 years
Software	5 years
Licenses	5-30 years
Customer relationships	5 years
Non-compete agreements	3 years

Licenses relating to cultivation and dispensaries are amortized using a useful life consistent with the property and equipment to which they relate.

Intangible assets that have indefinite useful lives, which include brand names, are not subject to amortization but the carrying value is tested for impairment on an annual basis or more frequently if events or changes in circumstances indicate that they may be impaired. See – *Impairment of long-lived assets* information within this note for detailed information on the Company's impairment assessment of its goodwill and intangible assets.

(j) Impairment of intangible assets and goodwill

The Company operates as one operating segment. For the purposes of testing goodwill, the Company has identified seven reporting units. The Company analyzed its reporting units by first reviewing the operating statements based on geographic areas in which the Company conducts business (or each market). The Company's reporting units to which goodwill has been assigned include Michigan, Pennsylvania, California- wholesale, California- retail, Florida, Maryland, and Canada.

Goodwill and indefinite lived intangible assets are reviewed for impairment annually and whenever there are events or changes in circumstances that indicate the carrying amount has been impaired. In performing the qualitative assessment, the Company considers many factors in evaluating whether the carrying value of goodwill may not be recoverable. If, based on the results of the qualitative assessment, it is determined that it is more likely than not that the fair value of a reporting unit exceeds its carrying value, additional quantitative impairment testing is performed which compares the carrying value of the reporting unit to its estimated fair value. If the carrying value exceeds the estimated fair value, an impairment is recorded.

Definite lived intangible assets are tested for impairment when there are indications that an asset may be impaired. When indicators of impairment exist, the Company performs a quantitative impairment test which compares the carrying value of the assets for intangibles and reporting unit for goodwill to their estimated fair values. If the carrying value exceeds the estimated fair value, an impairment is recorded.

(k) Impairment of long-lived assets

The Company evaluates the recoverability of long-lived assets, including property and equipment, ROU assets, and definite lived intangible assets, whether events or changes in circumstances indicate that the carrying value of the asset, or asset group, may not be recoverable.

When the Company determines that the carrying value of the long-lived asset may not be recoverable based upon the existence of one or more indicators, the assets are assessed for impairment based on the estimate of future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated

future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its estimated fair value.

(l) Revenue recognition

Revenue is recognized by the Company in accordance with ASU 2014-09 *Revenue from Contracts with Customers* (Topic 606). The standard requires sales to be recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the consideration expected to be received in exchange for transferring those goods or services. This is achieved by applying the following five steps: i) identify the contract with a customer; ii) identify the performance obligations in the contract; iii) determine the transaction price; iv) allocate the transaction price to the performance obligations in the contract; and v) recognize sales when (or as) the entity satisfies a performance obligation.

Revenues consist of wholesale and retail sales, which are recognized when control of the goods has transferred to the purchaser and the collectability is reasonably assured. This is generally when goods have been delivered, which is also when the performance obligations have been fulfilled under the terms of the related sales contract. Revenue from retail sales of cannabis to customers for a fixed price is recognized when the Company transfers control of the goods to the customer at the point of sale and the customer has accepted and paid for the goods. Revenue for wholesale sales for a fixed price is recognized upon delivery to the customer. Sales are recorded net of returns and discounts and incentives, but inclusive of freight. Payment is typically due upon transferring the goods to the customer or within a specified time period permitted under the Company's credit policy. All shipping and handling activities are performed before the customers obtain control of products and are accounted for as cost of sales.

From time to time, the Company partakes in sales agreements with suppliers in which it also purchases inventory. As part of the five-step revenue model, the Company assesses whether instances of bulk sales made to suppliers of goods have commercial substance and should be recognized as revenue, or whether they should be assessed under ASC 845 *Nonmonetary Transactions.*

Local authorities will often impose excise or cultivation taxes on the sale or production of cannabis products. Excise and cultivation taxes are effectively a production tax which become payable when a cannabis product is delivered to the customer and are not directly related to the value of sales. The excise is borne by the Company and is included in revenue. The subtotal "net revenue" on the statements of operations and consolidated loss represents the revenue as defined by ASC 606 *Revenue Recognition*, minus the excise or cultivation taxes.

(m) Business combinations

The Company accounts for business combinations using the acquisition method when control is obtained by the Company (see Note 2(c)). The Company measures the consideration transferred, the assets acquired, and the liabilities assumed in a business combination at their acquisition-date fair values. Acquisition related costs are recognized as expenses in the periods in which the costs are incurred, and the services are received, except for the costs to issue debt or equity securities which are recognized according to specific requirements. The excess of the consideration transferred to obtain control, over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed, is recognized as goodwill as of the acquisition date.

Contingent consideration for a business combination is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as a liability is measured at subsequent reporting dates in accordance with ASC 450 *Contingencies,* as appropriate, with the corresponding gain or loss being recognized in profit or loss.

If the acquiree's former owners contractually indemnify the Company for a particular uncertainty, an indemnification asset is recognized on a basis that matches the indemnified item, subject to the contractual provisions or any collectability considerations.

(n) Investments

The majority of the Company's investments are initially recorded at cost. Management assesses investments for impairment on an annual basis, or when events or changes in circumstances indicate that the carrying value of the investment may not be recoverable.

(o) Non-controlling interests

Non-controlling interests ("NCI") represents equity interests owned by outside parties. NCI may be initially measured at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The Company elected to measure acquired NCI at its fair value as of the acquisition date (refer to Note 2x(viii)).

(p) Income taxes

Income tax expense, consisting of current and deferred tax expense, is recognized in the consolidated statements of operations. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period-end, adjusted for amendments to tax payable with regard to previous years. Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized, or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income (loss) in the period that substantive enactment occurs. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is reduced. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(q) Share capital

Common shares

Common shares are classified as equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded in reserves over the vesting periods are recorded as share capital. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Equity units

Proceeds received on the issuance of equity units comprised of common shares and warrants, such as convertible debentures and convertible preferred stock with detachable warrants, are allocated to common shares and warrants based on the relative fair value method.

(r) Share based compensation

The Company has a stock option plan in place. The Company measures equity settled share-based payments based on their fair value at the grant date and recognizes compensation expense on a straight-line basis over the vesting period. Fair value is measured using the Black-Scholes option pricing model. In estimating fair value, management is required to make certain assumptions and estimates such as the expected life of units, volatility of the Company's future share price, risk free rates, expected forfeiture and future dividend yields at the initial grant date. Changes in assumptions used to estimate fair value could result in materially different results. Expected forfeitures are estimated at the date of grant, based on historical trends of actual option forfeitures, and subsequently adjusted if further information indicates actual forfeitures may vary from the original estimate. Any revisions are recognized in the consolidated statements of operations and comprehensive loss such that the cumulative expense reflects the revised estimate. In addition, the Company is required to estimate the expected forfeiture rate and only recognize expense for those shares expected to vest. If the actual forfeiture rate is materially different from management's estimates, the stock-based compensation expense could be significantly different from what the Company has recorded in the current period.

Upon exercise of stock options and warrants that are classified as equity, any historical fair value in the warrants and share-based compensation reserve is allocated to additional paid in capital. Amounts recorded for expired unexercised stock options and warrants are transferred to deficit in the year of expiration.

The fair value of restricted share units is based on the closing price of the Company's stock as of the grant date. Compensation expense is recognized on a straight-line basis, by amortizing the grant date fair value over the vesting period.

(s) Convertible instruments

The Company evaluates and accounts for conversion options embedded in convertible instruments in accordance with ASC 815 *Derivatives and Hedging Activities*.

Companies are required to bifurcate conversion options from their host instrument and account for them as free-standing derivative financial instruments according to certain criteria. The criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not remeasured at fair value under GAAP with changes in fair value reported in earnings as they occur, and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

The Company accounts for convertible instruments (when it has been determined that the embedded conversion options should not be bifurcated from their host instruments) as follows: the Company records, when necessary, discounts to convertible notes for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

The Company issued convertible debentures with detachable share purchase warrants at various times to raise capital to expand its business and support general corporate needs. The convertible instruments also included embedded derivatives in the form of conversion features and put options. Management evaluated the convertible debentures to determine the proper accounting and whether the embedded derivatives required bifurcation from the host instrument and whether the conversion feature was a beneficial conversion feature (“BCF”). It was concluded that the embedded derivative did not require bifurcation from the host instrument and that the conversion feature was not a BCF.

The Company accounted for the convertible debentures and embedded derivatives as a single unit of account and classified them entirely as non-current liabilities in the Company’s consolidated balance sheets in accordance with Debt with Conversion and Other Options (Subtopic Accounting Standards Codification ("ASC") 470-20). The Company engaged a third-party to determine the fair value of each of the instruments issued and allocated the proceeds received from the issuance and the transaction costs related to the issuance of the convertible debentures and warrants based on their relative fair values as determined at issuance.

(t) Convertible preferred stock and detachable warrants

The Company evaluates convertible preferred stock in accordance with Debt with Conversion and Other Options (Subtopic ASC 470-20-35-7). All of the issued series preferred stock are convertible into shares of the Company’s common stock at a conversion ratio of one preferred share for 1,000 common shares. All series of convertible preferred stock are classified as shareholders’ equity in the Company’s consolidated balance sheets. The fair value of the related preferred stock is based on the closing price of the Company’s common stock on the day of issuance of the preferred stock.

Included in the issuance were detachable warrants to purchase a convertible preferred share. The detachable purchase warrants were evaluated for equity or liability classification and were determined to meet liability classification. The warrants are legally detachable and separately exercisable from the convertible preferred shares.

(u) Warrant liability

The Company may issue common stock warrants with debt, equity or as a standalone financing instrument that is recorded as either liabilities or equity in accordance with the respective accounting guidance. Warrants recorded as equity are recorded at their relative fair value determined at the issuance date and remeasurement is not required. Warrants recorded as liabilities are recorded at their fair value, within warrant liability on the consolidated balance sheets, and remeasured on each reporting date with changes recorded in the Company's consolidated statements of operations and comprehensive loss.

(v) Embedded derivative liabilities

The Company evaluates its financial instruments to determine if those instruments or any embedded components of those instruments qualify as derivatives that need to be separately accounted for in accordance with ASC 815 *Derivatives and Hedging*. Embedded derivatives satisfying certain criteria are recorded at fair value at issuance and marked-to-market at each

balance sheet date with the change in the fair value recorded as income or expense. In addition, upon the occurrence of an event that requires the derivative liability to be reclassified to equity, the derivative liability is revalued to fair value at that date.

(w) (Loss) earnings per share

The Company presents basic and diluted (loss) earnings per share data for its ordinary shares. Basic (loss) earnings per share is calculated using the treasury stock method, by dividing the (loss) income attributable to common and proportionate shareholders of the Company by the weighted average number of common and proportionate voting shares outstanding during the period. Contingently issuable shares (including shares held in escrow) are not considered outstanding common shares and consequently are not included in the (loss) earnings per share calculations. The Company has the following categories of potentially dilutive common share equivalents: RSUs, stock options, warrants, convertible preferred shares, exchangeable shares and convertible debentures.

In order to determine diluted (loss) earnings per share, it is assumed that any proceeds from the exercise of dilutive instruments would be used to repurchase common shares at the average market price during the period. The Company also considers all outstanding convertible securities, such as the convertible preferred shares, convertible debentures, and outstanding exchangeable shares as if the instruments were converted to the Company's common stock.

Diluted (loss) earnings per share is determined by adjusting the (loss) income attributable to common shareholders and the weighted average number of common and proportionate voting shares outstanding, adjusted for the effects of all dilutive potential common and proportionate voting shares. Proportionate voting shares are converted to their common share equivalent of one thousand common shares for every one proportionate voting share for the purposes of calculating basic and diluted (loss) earnings per share. In a period of losses, all of the potentially dilutive common share equivalents are excluded in the determination of dilutive net loss per share because their effect is antidilutive. During the years ended December 31, 2022 and 2020, no potentially dilutive common share equivalents were included in the computation of diluted loss per share because their impact would have been anti-dilutive. During the year ended December 31, 2021, 27,652,010 potentially dilutive common share equivalents were included in the computation of diluted earnings per share.

(x) Discontinued operations

The Company deems it appropriate to classify a part of the business as discontinued operations if the related disposal group meets all of the following criteria: (i) the disposal group is a component of the Company; (ii) the component meets the held-for-sale criteria; and (iii) the disposal of the component represents a strategic shift that has a major effect on the Company's operations and financial results. A disposal group that represents a strategic shift to the Company is reflected as discontinued operations on the Consolidated Statements of Operations and Comprehensive (Loss) Income and prior periods are recast to reflect the earnings or losses as income from discontinued operations.

TerrAscend Canada ("TerrAscend Canada" or "TCI") is a cannabis retailer in Ontario, Canada with a minority-owned dispensary in Toronto, Ontario, Canada ("Cookies Canada"). TerrAscend Canada was previously a Licensed Producer (as such term is defined in the Cannabis Act) of cannabis until the Company commenced an optimization of its operations in Canada, whereby the Company reduced its manufacturing footprint in order to focus on its Cookies Canada retail business, as well as monetize its intellectual property portfolio in Canada. TerrAscend ceased operations at its manufacturing facility during the three months ended December 31, 2022.

Certain prior year amounts have been reclassified for consistency with the current year presentation. Certain assets related to TerrAscend Canada have been classified as held for sale for all periods presented. Additionally, amounts previously presented as part of continuing operations have been reclassified into discontinued operations for all periods presented.

(y) Use of significant estimates and judgments

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Management has applied significant estimates and judgements related to the following:

i)*Inventory*

The net realizable value of inventory represents the estimated selling price in the ordinary course of business less the reasonably predictable costs of completion, disposal and transportation. The Company estimates the net realizable value of inventories, taking into account the most reliable evidence available at each reporting date. The determination of net realizable value requires significant judgment, including consideration of factors such as shrinkage, the aging of and future demand for inventory, expected future selling price the Company expects to realize by selling the inventory, and the contractual arrangements with customers. Reserves for excess and obsolete inventory are based upon quantities on hand, projected volumes from demand forecasts and net realizable value. The future realization of these inventories may be affected by market-driven changes that may reduce future selling prices. A change to these assumptions could impact the Company's inventory valuation and gross profit.

The impact of inventory reserves is reflected in cost of sales.

ii)*Revenue recognition*

From time to time, the Company partakes in sales agreements with suppliers in which it also purchases inventory. As part of the five-step revenue model, the Company assesses whether instances of bulk sales made to suppliers of goods have commercial substance and should be recognized as revenue, or whether they should be assessed under ASC 845 *Nonmonetary Transactions*, which requires management judgment to determine if the transaction has commercial substance.

iii)*Share based payments*

In calculating share-based compensation expense, key estimates are used such as, the rate of forfeiture of options granted, the expected life of the option, the volatility of the Company's stock price, and the risk-free interest rate.

iv)*Warrant Liability*

In calculating the fair value of warrants issued, the Company includes key estimates such as the volatility of the Company's stock price and the risk-free interest rate. The Company uses judgment to select methods used and in performing the fair value calculations at the initial measurement at issuance, as well as for subsequent measurement on a recurring basis.

v)*Income taxes*

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company generating future taxable income against which the deferred tax assets can be utilized. In addition, significant judgment is required in classifying transactions and assessing probable outcomes of tax positions taken, and in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. It is possible, however, that at some future date, an additional liability could result from audits by taxing authorities. If the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

vi)*Impairment of goodwill and intangible assets*

Goodwill and indefinite lived intangible assets are reviewed for impairment annually and whenever there are events or changes in circumstances that indicate the carrying amount has been impaired. Definite lived intangible assets are tested for impairment when there are indications that an asset may be impaired. If it is determined that it is more likely than not that the fair value of a reporting unit are less than its carrying value, additional quantitative impairment testing is performed which compares the carrying value of the reporting unit to its estimated fair value.

The Company uses an income-based approach as necessary to assess the fair values of intangible assets and its reporting units for goodwill testing purposes. Under the income approach, fair value is based on the present value of estimated cash flows. An impaired asset is written down to its estimated fair value based on the most recent information available.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. A number of factors, including historical results, business plans, forecasts, and market data are used to determine the fair value of the reporting unit and intangible assets.

vii)*Impairment of long-lived assets*

The Company evaluates the recoverability of long-lived assets, including property and equipment, ROU assets, and definite lived intangible assets, whether events or changes in circumstances indicate that the carrying value of the asset, or asset group, may not be recoverable.

When the Company determines that the carrying value of the long-lived asset may not be recoverable based upon the existence of one or more of the indicators, the assets are assessed for impairment based on the estimate of future undiscounted cash flows expected to result from the use of the asset and its eventual disposition. If the carrying value of an asset exceeds its estimated future undiscounted cash flows, an impairment loss is recorded for the excess of the asset's carrying value over its fair value.

viii)*Business combinations*

Classification of an acquisition as a business combination or an asset acquisition depends on whether the asset acquired constitutes a business, which can be a complex judgement. The Company has determined that its acquisitions in Note 4 are business combinations under ASC 805 *Business Combinations*.

In a business combination, substantially all identifiable assets, liabilities and contingent liabilities acquired are recorded at the date of acquisition at their respective fair values. One of the most significant areas of judgment and estimation relates to the determination of the fair value of these assets and liabilities, including the fair value of contingent consideration, if applicable. If any intangible assets are identified, depending on the type of intangible asset and the complexity of determining its fair value, the Company may utilize an independent external valuation expert to develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. These valuations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. The Company elected to measure each NCI at its fair value as of the acquisition date based on an appraisal of the real estate acquired using the market approach, specifically the direct comparison approach of comparable properties.

ix)*Contingent Consideration*

Contingent consideration payable as the result of a business combination is recorded at the date of acquisition at fair value. The fair value of contingent consideration is subject to significant judgement and estimates, such as projected future revenue. Subsequent changes to the fair value of contingent consideration are measured at each reporting date, with changes recognized through profit or loss.

x)*Incremental borrowing rates*

Lease payments are discounted using the rate implicit in the lease if that rate is readily available. If that rate cannot be easily determined, the lessee is required to use its incremental borrowing rate. The incremental borrowing rate is the rate of interest that the Company estimates it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms. The Company calculates its incremental borrowing rate as the interest rate the Company would pay to borrow funds necessary to obtain an asset of similar value over similar terms taking into consideration the economic factors and the credit risk rating at the commencement date of the lease.

In addition, the Company utilizes a discount rate to determine the appropriate fair value of convertible debentures and loans issued with warrants attached. The discount rate applied reflects the interest rate that the Company would have to pay to borrow a similar amount at a similar term and with a similar security.

xi)*Control, joint control or level of influence*

When determining the appropriate basis of accounting for the Company's interests in affiliates, the Company makes judgments about the degree of influence that it exerts directly or through an arrangement over the investees' relevant activities.

xii)*ERC*

The Coronavirus Aid, Relief and Economic Securities Act ("CARES Act") provides for an employee retention credit ("ERC") which is a refundable tax credit for businesses that continued to pay employees while shut down due to the COVID-19 pandemic, or had significant declines in gross receipts from March 13, 2020 to December 31, 2021. Eligible employers can claim the ERC on an original or adjusted employment tax return for a period within those dates. The Company has elected to account for the credit as a government grant. There is limited grant accounting guidance within U.S. GAAP that is applicable to for-profit entities, therefore, the Company has elected to follow the grant accounting model in International Accounting Standard ("IAS") 20, *Accounting for Government Grants and Disclosure of Government Assistance.* Accordingly, the Company recognizes government grants for which there is a reasonable assurance of compliance with grant conditions and receipt of credits and has therefore recognized a receivable for the total credit amount on the consolidated balance sheets as of December 31, 2022 (refer to Note 3). The determination of the collectability of the ERC requires significant judgement, including assessment of the Company's eligibility based on the facts and circumstances. While the Company believes that collection of the ERC is probable, there is some uncertainty around collection due to the nature of the Company's industry.

(z) New standards, amendments and interpretations adopted

(i)In May 2021, the FASB issued ASU 2021-04, Earnings Per Share (topic 260), Debt — Modifications and Extinguishments (Subtopic 470-50), Compensation – Stock Compensation (Topic 718) and Derivatives and Hedging – Contracts in an Entity's Own Equity (Subtopic 815-40) –Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options, which provides guidance of a modification or an exchange of a freestanding equity-classified written call option that remains equity classified after modification or exchange as (i) an adjustment to equity and, if so, the related earnings per share (EPS) effects, if any, or (ii) an expense and, if so, the manner and pattern of recognition. The Company adopted this standard January 1, 2022.

(ii)In October 2021, the FASB issued ASC No. 2021-08, *Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* (Topic 805). This ASU requires an acquirer to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with Topic 606. At the acquisition date, an acquirer should account for the related revenue contracts in accordance with Topic 606 as if it had originated the contracts. The ASU is effective for annual periods beginning after December 15, 2022, including interim periods within those fiscal years. Adoption of the ASU should be applied prospectively. The Company adopted this standard January 1, 2022 and notes that it did not have a material impact on the Company's consolidated financial statements.

(iii)In November 2021, the FASB issued ASU 2021-10, Government Assistance (Topic 832), Disclosures by Business Entities about Government Assistance, which provides guidance on disclosure requirements to entities other than not-for-profit entities about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy. ASU 2021-10 requires an entity to make annual disclosures related to (i) the nature of the transactions and the related accounting policy used to account for the government transactions, (ii) quantification and disclosure of amounts related to the government transactions included in the balance sheets and statements of operations financial statement line items, and (iii) significant terms and conditions of the government transactions, including commitments and contingencies. The Company adopted this standard on January 1, 2022.

(In thousands, except per share/unit amounts)

(iv)In June 2022, the Financial Accounting Standards Board ("FASB") issued ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which is intended to clarify that contractual sales restrictions are not considered in measuring equity securities at fair value. The ASU differentiates between (i) a restriction that is characteristic of a security (for which the effect of the restriction is included in the equity security's fair value because it is a security-specific characteristic) and (2) a contractual sale restriction (for which the effect of the restriction is not included in the equity security's fair value because it is an entity-specific characteristic). The effective date for adoption is for fiscal years beginning after December 15, 2023 for public business entities, with early adoption permitted for both interim and annual financial statements. The Company early adopted this beginning in the interim period ending June 30, 2022 in order to increase the comparability of reported financial information (refer to Note 4).

3. Accounts receivable, net

	December 31, 2022	December 31, 2021
Trade receivables	$ 14,786	$ 12,134
Sales tax receivable	277	326
Other receivables	17,936	370
Expected credit losses	(10,556)	(335)
Total receivables, net	**$ 22,443**	**$ 12,495**

During the year ended December 31, 2022, the Company has an ERC for qualified wages of $14,903 which was included in other receivables in the table above at December 31, 2022. The Company recognized other income of $9,440 as a result of this transaction which was recorded as other income and included in finance and other expenses on the consolidated statements of operations (refer to Note 18). Additionally, the Company recorded accounts receivable in its opening balance sheet related to the acquisition of Gage of $5,463 related to ERC (refer to Note 4).

	December 31, 2022	December 31, 2021
Trade receivables	$ 14,786	$ 12,134
Less: provision for sales returns and expected credit losses	(10,556)	(335)
Total trade receivables, net	**$ 4,230**	**$ 11,799**
Of which		
Current	4,045	10,913
31-90 days	614	569
Over 90 days	10,127	652
Less: provision for sales returns and expected credit losses	(10,556)	(335)
Total trade receivables, net	**4,230**	**11,799**

The over 90 days aged balance relates mainly to one customer which was deemed uncollectible. As a result, the Company recorded $9,941 of bad debt expense which was included in office and general expenses in general and administrative expenses in the Company's Consolidated Statements of Operations (refer to Note 16).

The following is a roll-forward of the provision for sales returns and allowances related to trade accounts receivable:

	December 31, 2022	December 31, 2021
Beginning of period	$ 335	1,782
Provision for sales returns	324	968
Expected credit losses	10,556	357
Write-offs charged against provision	(659)	(2,772)
Total provision for sales returns and allowances	**$ 10,556**	**335**

(In thousands, except per share/unit amounts)

4. Acquisitions

2022 Acquisitions

AMMD

On April 8, 2022, the Company entered into a definitive agreement to acquire Allegany Medical Marijuana Dispensary ("AMMD"), a medical dispensary in Maryland from Moose Curve Holdings, LLC. Under the terms of the agreement, the Company will acquire 100% equity interest in AMMD for total consideration of $10,000 in cash, in addition to acquiring related real estate for $1,700. The transaction is subject to customary closing conditions and regulatory approvals. The Company intends to rebrand the 8,000 square foot dispensary as The Apothecarium. This transaction closed on January 27, 2023 (refer to Note 23).

Pinnacle

On August 23, 2022, in order to expand its retail footprint in Michigan, the Company acquired all of the outstanding equity interests in KISA Enterprises MI, LLC and KISA Holdings, LLC (collectively, "Pinnacle"), a dispensary operator in Michigan, and related real estate, for total consideration of $31,003, which included consideration paid in cash of $12,327, two promissory notes in an aggregate amount of $10,000, and 4,803,184 common shares of the Company, no par value ("Common Shares"), valued at $7,926. Subject to compliance with securities laws, the Common Shares are subject to a contractual lock-up with one-third of the securities vesting on each of the thirty, sixty and ninety days from the closing date of the transaction. The cash consideration paid included repayments of indebtedness and transaction expenses on behalf of Pinnacle of $3,913 and $619, respectively. The transaction includes six retail dispensary licenses, five of which are currently operational and located in the cities of Addison, Buchanan, Camden, Edmore, and Morenci, Michigan. The Company intends to rebrand each of the dispensaries under either the Gage or Cookies retail brand.

The terms of the agreement included earn-out consideration to Pinnacle equal to the greater of (i) two times net revenue of Pinnacle over the period commencing April 1, 2022 and continuing through and ending on September 30, 2022, or (ii) eight times EBITDA of Pinnacle over the same period, minus $28,500 for either case. If gross margin of Pinnacle is determined to be 90% or less of the gross margin for the six month period ended July 31, 2022, then the payment is calculated based solely on eight times EBITDA. The final amount of this earn-out consideration is $750.

The following table presents the fair value of assets acquired and liabilities assumed as of the August 23, 2022 acquisition date and allocation of the consideration to net assets acquired:

	$
Cash and cash equivalents	3,838
Inventory	790
Prepaid expenses and other current assets	93
Property and equipment	5,321
Operating right of use asset	404
Intangible assets	18,300
Goodwill	8,945
Accounts payable and accrued liabilities	(1,170)
Corporate income taxes payable	(479)
Operating lease liability	(403)
Deferred revenue	(249)
Deferred tax liability	(4,387)
Net assets acquired	**31,003**
Consideration paid in cash	12,953
Promissory note payable	10,000
Contingent consideration payable	750
Common shares of TerrAscend	7,926
Working capital adjustment	(626)
Total consideration	**31,003**

The acquired intangible assets include retail licenses, which are treated as definite-lived intangible assets and amortized over a 15 year period.

The consideration paid reflected the synergies, economies of scale, and workforce. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to this transaction were $117, including legal, due diligence, and other transaction-related expenses, and were included in transaction and restructuring costs in the consolidated statement of operations and comprehensive income (loss).

On a standalone basis, had the Company acquired the business on January 1, 2022, sales estimates would have been $19,000 for the year ended December 31, 2022 and net loss estimates would have been $6,549. Actual sales and net income for the year ended December 31, 2022 since the date of acquisition are $9,024 and $983, respectively.

Gage

On March 10, 2022, in order to expand its footprint in key markets, the Company acquired all of the issued and outstanding subordinate voting shares (or equivalent) of Gage, a cultivator, processor, and retailer with operations in the Michigan market. Pursuant to the terms of the arrangement agreement, for each Gage subordinate voting shares and other equity instruments, including outstanding stock options and warrants, each holder received a 0.3001 equivalent replacement award of the Company's respective security at the time of closing based on the closing price of the Common Shares on the CSE on March 10, 2022. On the acquisition date there was consideration in the form of 51,349,978 Common Shares valued at $242,884, 13,504,500 exchangeable units valued at $66,591, 4,940,364 replacement stock options with a fair value of $13,147, and 282,023 replacement warrants with a fair value of $435. Each of the directors, officers and 10% shareholders of Gage entered into contractual lock-up agreements, which included a total of 23,988,758 Common Shares and 13,504,500 exchangeable share units ("Exchangeable Share Units"). Of these Common Shares and Exchangeable Share Units, 2,496,137 were not subject to contractual lock-up restrictions; 3,117,608 were subject to 3 months contractual lock-up restrictions; 11,828,458 were subject to 6 month contractual lock-up restrictions; 7,519,165 were subject to 12 month contractual lock-up restrictions; 5,012,776 were subject to 18 month contractual lock-up restrictions; 5,012,776 were subject to 24 month contractual lock-up restrictions; and 2,506,338 were subject to 30 month contractual lock-up restrictions. Of these Common Shares and Exchangeable Share Units, 10,467,229 Common Shares were subject to a 6 month legal restriction in which the restriction is a characteristic of the security, and therefore considered in the fair value of share consideration. As such, a restriction discount has been placed over the shares subject to lock-up of $10,323. The fair value of the replacement options and warrants was calculated using the Black Scholes Option Pricing Model ("Black- Scholes model") combined with the percentage of the vesting period that was completed prior to the acquisition. Additionally, total consideration included warrant liabilities convertible into equity with a fair value of $6,756.

The following table presents the fair value of assets acquired and liabilities assumed as of the March 10, 2022 acquisition date and allocation of the consideration to net assets acquired:

(In thousands, except per share/unit amounts)

	$
Cash and cash equivalents	23,366
Restricted cash	1,350
Accounts receivable	12,382
Inventory	19,364
Prepaid expenses and other assets	3,154
Property and equipment	61,987
Operating right of use asset	1,948
Deposits	1,147
Intangible assets	203,048
Goodwill	161,414
Investments	3,596
Accounts payable and accrued liabilities	(29,164)
Corporate income taxes payable	(3,822)
Operating lease liability	(1,948)
Finance lease liability	(763)
Deferred revenue	(1,187)
Loans payable	(60,605)
Deferred tax liability	(46,743)
Financing obligations	(12,614)
Other liabilities	(6,097)
Net assets acquired	**329,813**
Common Shares of TerrAscend	309,475
Fair value of other equity instruments	13,582
Fair value of warrants classified as liabilities	6,756
Total consideration	**329,813**

The acquired intangible assets include cultivation and processing licenses, as well as retail licenses, which are treated as definite-lived intangible assets and are amortized over a 15 year period. The fair value of the cultivation and processing and the retail licenses are $81,862 and $44,001, respectively. In addition, the intangible assets include brand intangible assets which are treated as indefinite lived intangible assets. The fair value of the brand intangible assets is $77,185.

The consideration paid reflected the synergies, economies of scale, and workforce. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to this transaction were $3,680, including legal, accounting, due diligence, and other transaction- related expenses. Of the total amount of transaction costs, $1,040 were recorded during the year ended December 31, 2022, and were included in transaction and restructuring costs in the consolidated statement of operations and comprehensive income.

On a standalone basis, had the Company acquired the business on January 1, 2022, sales estimates would have been $66,776 for the year ended December 31, 2022, and net loss estimates would have been $328,239. Actual sales and net loss for the year ended December 31, 2022 since the date of acquisition are $54,260 and $319,028, respectively.

2021 Acquisitions

New Jersey Partnership

On August 20, 2021, the Company purchased an additional 12.5%, with an option to purchase an additional 6.25% ownership, of the issued and outstanding equity of TerrAscend NJ from BWH NJ, LLC and Blue Marble Ventures, LLC for a total consideration of $50,000, which was paid during the year ended December 31, 2021. Upon closing of the agreement, the Company now owns 87.5% of the issued and outstanding equity of TerrAscend NJ.

The Company has the option to purchase an additional 6.25% ownership, for a total of 93.75%, at a predetermined valuation during the period commencing April 1, 2023 through June 15, 2023. The purchase option derivative asset was measured at fair

value at the date of transaction using the Monte Carlo simulation model, and subsequently remeasured and has been classified as Level 3 in the fair value hierarchy. Refer to Note 21 for discussion regarding changes in fair value of the purchase option derivative asset, as well as the key inputs and assumptions used in the model. The purchase option derivative is included in other non-current assets in the Company's consolidated balance sheets.

This transaction was accounted for as an equity transaction. The carrying amount of the non-controlling interest was adjusted by $1,406 to reflect the change in the net book value ownership interest in TerrAscend. The difference from the consideration paid of $47,472 is recognized in additional paid in capital and attributed to the parent's equity holders.

(In thousands, except per share/unit amounts)

Acquisition of HMS

On May 3, 2021, the Company acquired HMS Health, LLC ("HMS Health") and HMS Processing, LLC ("HMS Processing" and together with HMS Health "HMS"), a cultivator and processor of medical cannabis products in the state of Maryland. TerrAscend acquired 100% of the equity of HMS Health and the rights to acquire 100% of the equity of HMS Processing post-closing following receipt of certain regulatory approvals, for total consideration of $24,488, comprised of $22,399 in cash and a $2,089 note, which bears 5.0% annual interest, due April 2022. 100% of HMS' economics is retained by the Company through full ownership of HMS Health and a master services agreement with HMS Processing. The acquisition has been accounted for as a business combination.

On a standalone basis, had the Company acquired the business on January 1, 2021, sales estimates would have been $10,209 for the twelve months ended December 31, 2021 and net loss estimates would have been $4,915. Actual sales and net loss for the twelve months ended December 31, 2021 since the date of acquisition are $6,797 and $3,272, respectively.

The following table presents the fair value of assets acquired and liabilities assumed as of the May 3, 2021 acquisition date and an allocation of the consideration to net assets acquired:

	$
Receivables	758
Inventory	4,725
Prepaid expenses and other current assets	68
Operating right-of-use asset	1,660
Property and equipment	756
Intangible assets	19,750
Goodwill	8,877
Accounts payable and accrued liabilities	(1,098)
Operating lease liability	(1,660)
Corporate income taxes payable	(1,195)
Deferred tax liability	(8,153)
Net assets acquired	**24,488**
Consideration paid in cash	22,399
Promissory note payable	2,089
Total consideration	**24,488**
Cash and cash equivalents acquired, net cash inflow	**22,399**

The consideration paid reflected the benefit of expected sales growth, future market conditions, and product development. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to this transaction were $69, including legal, accounting, due diligence, and other transaction-related expenses, and were included in transaction and restructuring costs in the consolidated statements of operations and comprehensive loss.

(In thousands, except per share/unit amounts)

Acquisition of KCR

Upon the acquisition of Ilera on September 16, 2019, the Company acquired a $1,000 investment in GuadCo LLC and KCR Holdings LLC (collectively "KCR"). KCR holds a permit from the Pennsylvania Department of Health which grants the right to operate three dispensaries in the state of Pennsylvania. The Company's investment represented a 10% equity share in KCR. The Company had significant influence over KCR as the Company's Ilera business supplies a significant portion of inventory, and therefore, the investment in KCR was accounted for using the equity method and was included in investment in associate on the Company's Consolidated Balance Sheets. The acquisition was adjusted for earnings and cash distributions. On April 30, 2021, the investment had a carrying value of $1,223. The fair value of the investment on April 30, 2021 was estimated to be $7,101, which was implied based on the overall purchase price. An unrealized gain of $5,878 was recorded and included in the unrealized and realized gain on investments and notes receivable in the statement of operations.

On April 30, 2021, the Company acquired the remaining 90% of equity of KCR for total consideration of $69,847, comprised of $34,427 in common shares, $20,506 in cash, $7,101 related to the fair value of previously owned shares, and a $6,750 note which bears 10.0% annual interest, due April 2022. The transaction added three retail dispensaries located in Bethlehem, Allentown and Stroudsburg, Pennsylvania to complement the Company's existing retail footprint in Southeastern Pennsylvania. The acquisition has been accounted for as a business combination.

The Company will pay up to $6,300 in shares if (i) within two years of the closing date, legislation is enacted into law by the General Assembly of the Commonwealth of Pennsylvania, which permits the cultivation, processing and/or sale of adult use cannabis; and (ii) the legislation provides that any Pennsylvania medical marijuana dispensary permit holder existing on the date of enactment of the legislation may be issued an additional adult-use dispensing organization permit (or similar permit) to operate at least three locations to serve adult use purchasers in Pennsylvania; and (iii) if as a result of the legislation, within three years of the date the legislation is enacted and effective, the Company commences retail sales at an additional two dispensaries under, through or on account of the GuadCo license or any other Pennsylvania license acquired from a third-party after the closing date. The fair value of the contingent consideration was $1,063 at acquisition.

On a standalone basis, had the Company acquired the business on January 1, 2021, sales estimates would have been $30,547 for the twelve months ended December 31, 2021 and net income estimates would have been $5,171. Actual sales and net income for the twelve months ended December 31, 2021 since the date of acquisition are $20,588 and $3,485, respectively.

The following table presents the fair value of assets acquired and liabilities assumed as of the April 30, 2021 acquisition date and an allocation of the consideration to net assets acquired:

	$
Cash and cash equivalents	169
Inventory	2,461
Prepaid expenses and other current assets	559
Operating right-of-use asset	2,176
Property and equipment	4,237
Intangible assets	49,228
Goodwill	13,660
Accounts payable and accrued liabilities	(479)
Operating lease liability	(2,164)
Net assets acquired	**69,847**
Consideration paid in cash	20,506
Consideration paid in shares	34,427
Promissory note payable	6,750
Contingent consideration payable	1,063
Fair value of previously owned shares	7,101
Total consideration	**69,847**
Cash and cash equivalents acquired, net cash inflow	**20,337**

The consideration paid reflected the benefit of expected sales growth, future market and product development, synergies and workforce. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

Costs related to this transaction were $237, including legal, accounting, due diligence, and other transaction-related expenses, and were included in transaction and restructuring costs in the consolidated statements of operations and comprehensive loss.

(In thousands, except per share/unit amounts)

Contingent consideration

Contingent consideration recorded relates to the Company's business acquisitions. Contingent consideration is based upon the potential earnout of the underlying business unit and is measured at fair value using a projection model for the business and the formulaic structure for determining the consideration under the terms of the agreement. The determination of the fair value of the contingent consideration payable is primarily based on the Company's expectations of the amount of revenue to be achieved by the underlying business units within a specified time period based on the agreement. Refer to Note 21 for further discussion surrounding the fair value of the contingent consideration.

The balance of contingent consideration is as follows:

	State Flower	Ilera	Apothecarium	KCR	Pinnacle	Total
Carrying amount, December 31, 2020	**$ 6,590**	**$ 27,938**	**$ 3,028**	**$ -**	**$ -**	**$ 37,556**
Amount recognized on acquisition	—	—	—	1,063	—	1,063
Payments of contingent consideration	—	(29,668)	—	—	—	(29,668)
Loss on revaluation of contingent consideration	1,770	1,730	—	84	-	3,584
Carrying amount, December 31, 2021	**$ 8,360**	**$ -**	**$ 3,028**	**$ 1,147**	**$ -**	**$ 12,535**
Amount recognized on acquisition	—	—	—	—	750	750
Payments of contingent consideration	(7,040)	—	—	—	—	(7,040)
Loss (gain) on revaluation of contingent consideration	86	—	—	(1,147)	—	(1,061)
Carrying amount, December 31, 2022	**$ 1,406**	**$ -**	**$ 3,028**	**$ -**	**$ 750**	**$ 5,184**
Less: current portion	(1,406)	**-**	**(3,028)**	—	(750)	**(5,184)**
Non-current contingent consideration	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

The contingent consideration for State Flower was calculated based on fiscal year 2021 revenue and the final earnout has been calculated as of December 31, 2021. During the twelve months ended December 31, 2022, the Company made payments of $7,040 to the sellers of its previously acquired State Flower business. The remaining amount will be paid to the sellers of State Flower upon the Company's acquisition of the remaining 50.1% of State Flower, which is subject to regulatory approval.

During the year ended December 31, 2022, the fair value of the contingent consideration related to the KCR acquisition was reduced to $nil, as it was determined that it was more likely than not that the earnout criteria would not be met.

5. Inventory

The Company's inventory of dry cannabis and oil includes both purchased and internally produced inventory. The Company's inventory is comprised of the following items:

	December 31, 2022	December 31, 2021
Raw materials	$ 1,181	$ 269
Finished goods	15,280	6,760
Work in process	26,406	26,777
Accessories, supplies and consumables	3,468	2,287
	$ 46,335	$ 36,093

On February 4, 2022, more than 500 vape products were recalled by the Pennsylvania's Department of Health, including several of the Company's SKUs. As a result of the recall, the Company wrote off $1,925 of inventory during the year ended December 31, 2022.

In addition, during the year ended December 31, 2022, the Company wrote down its inventory by $7,157 primarily related to the write down of inventory to lower of cost or market which was related to the Company's operational reconfiguration of its cultivation facility in Pennsylvania.

During the year ended December 31, 2021, the Company recorded impairment of $2,243 primarily related to inventory that did not meet quality standards at its Pennsylvania operations.

(In thousands, except per share/unit amounts)

6. Discontinued operations

The Company determined to make available for sale the asset groups related to TerrAscend Canada's Licensed Producer business. As a result, the results of operations have been reclassified as discontinued operations on a retrospective basis for all periods presented.

As of December 31, 2022 and December 31, 2021, the major classes of assets and liabilities from discontinued operations included the following:

	December 31, 2022	December 31, 2021
Land	$ 734	$ 784
Buildings & improvements	16,529	25,912
Machinery & equipment	—	2,127
Office furniture & equipment	86	229
Total assets held for sale	$ 17,349	$ 29,052
Accounts receivable	$ -	$ 2,425
Inventory	—	6,230
Prepaid expenses and other current assets	571	964
Intangible assets, net	—	559
Current assets from discontinued operations	$ 571	$ 10,178
Accounts payable and accrued liabilities	$ 3,747	$ 2,417
Loans payable	5,364	5,655
Current liabilities from discontinued operations	$ 9,111	$ 8,072

The results of operations for the discontinued operations includes revenues and expenses directly attributable to the operations disposed. Corporate and administrative expenses, including interest expense, not directly attributable to the operations were not allocated to TerrAscend Canada's Licensed Producer business. The results of discontinued operations were as follows:

(In thousands, except per share/unit amounts)

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Revenue	$ 3,825	$ 20,991	$ 18,788
Excise and cultivation tax	(1,147)	(4,782)	(3,107)
Revenue, net	**2,678**	**16,209**	**15,681**
Cost of Sales	12,029	16,607	20,352
Gross profit	**(9,351)**	**(398)**	**(4,671)**
Operating expenses:			
General and administrative	5,141	5,866	4,771
Amortization and depreciation	1,623	2,123	1,676
Impairment of intangible assets	—	—	423
Impairment of property and equipment	8,103	470	823
Research and development	—	—	181
Total operating expenses	14,867	8,459	7,874
(Loss) income from operations	(24,218)	(8,857)	(12,545)
Other (income) expense			
Finance and other (income) expenses	644	1,068	760
Transaction and restructuring costs	1,064	-	964
Unrealized and realized foreign exchange loss	23	156	19
Unrealized and realized gain on investments	—	—	347
(Loss) income from continuing operations before provision from income taxes	(25,949)	(10,081)	(14,635)
Provision for income taxes	—	(563)	—
Net (loss) income from continuing operations	$ (25,949)	$ (9,518)	$ (14,635)

Asset Specific Impairment

The Company evaluates the recoverability of property and equipment and long-lived assets held for sale, whenever events or changes in circumstances indicate that the carrying value of the asset or asset group may not be recoverable. See – *Impairment of long-lived assets* information within this note for detailed information on the Company's impairment assessment of its property and equipment. The impairment losses discussed below were included in (loss) income from discontinued operations on the Company's Consolidated Statements of Operations.

Certain assets of TerrAscend Canada were determined to be held for sale as of December 31, 2022 as they met the criteria under ASC 360 *Property, Plant and Equipment*. TerrAscend Canada operated out of a 67,300 square foot facility located in Mississauga, Ontario. Assets held for sale are reported at the lower of its carrying value or fair value less cost to sell. The Company determined the fair market value of the building based on the listing price and related commission and determined that the fair value was lower than its carrying value and therefore recorded impairment of $6,998. The fair value less cost to sell was included in assets held for sale in the Consolidated Balance Sheets at December 31, 2022.

Additionally, the Company recorded impairment of $1,105 related to machinery and equipment at TerrAscend Canada that could not be transferred or sold.

During the year ended December 31, 2021, the Company determined that equipment purchased for the purpose of extracting CBD and THC oils to support the medical cannabis business in Canada needed to be assessed for impairment as the equipment was never put into use and the Company has since exited the medical cannabis business in Canada. The Company evaluated the recoverability of the asset to determine whether it would be recoverable, and it was determined that the carrying value of the asset exceeded its estimated future undiscounted cash flows and therefore, recorded an impairment loss of $470. The Company determined that the assets meet the criteria to be classified as held for sale and the remaining net book value of $343 was included in other current assets on the Company's Consolidated Balance Sheets.

(In thousands, except per share/unit amounts)

During the year ended December 31, 2020, the Company made a strategic decision to cease the growing and cultivation of cannabis in Canada. As a result of this decision, the Company wrote down the net book value of the lighting and irrigation assets previously used in the Canadian cultivation business to $nil and recognized asset specific impairment of $823. Additionally, the Company recorded impairment of $423 of intellectual property in Canada during the year ended December 31, 2020 related to packaging designs that were written down to its recoverable value.

7. Property and equipment, net

Property and equipment consisted of:

	December 31, 2022	December 31, 2021
Land	$ 6,512	$ 3,399
Assets in process	28,416	6,858
Buildings & improvements	154,742	89,699
Machinery & equipment	30,973	19,855
Office furniture & equipment	7,576	2,065
Assets under finance leases	7,277	239
Total cost	235,496	122,115
Less: accumulated depreciation	(19,684)	(10,062)
Property and equipment, net	$ 215,812	$ 112,053

Assets in process represent construction in progress related to both cultivation and dispensary facilities not yet completed, or otherwise not placed in service.

During the years ended December 31, 2022 and December 31, 2021, borrowing costs were not capitalized because the assets in process did not meet the criteria of a qualifying asset.

Depreciation expense was $10,043 for the year ended December 31, 2022 ($7,611 included in cost of sales), $6,137 for the year ended December 31, 2021 ($5,204 included in cost of sales), and $2,930 for the year ended December 31, 2020 ($2,250 included in cost of sales).

8. Intangible assets, net and goodwill

Intangible assets consisted of the following:

At December 31, 2022	**Gross Carrying Amount**	**Accumulated Amortization**	**Net Carrying Amount**
Finite lived intangible assets			
Software	$ 1,169	$ (569)	$ 600
Licenses	178,929	(22,590)	156,339
Brand intangibles	1,144	(1,144)	-
Non-compete agreements	280	(272)	8
Total finite lived intangible assets	181,522	(24,575)	156,947
Indefinite lived intangible assets			
Brand intangibles	82,757	—	82,757
Total indefinite lived intangible assets	82,757	—	82,757
Intangible assets, net	**$ 264,279**	**$ (24,575)**	**$ 239,704**

(In thousands, except per share/unit amounts)

At December 31, 2021	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Finite lived intangible assets			
Software	$ 1,018	$ (304)	$ 714
Licenses	153,300	(11,311)	141,989
Brand intangibles	1,144	(254)	890
Non-compete agreements	280	(221)	59
Total finite lived intangible assets	155,742	(12,090)	143,652
Indefinite lived intangible assets			
Brand intangibles	24,773	—	24,773
Total indefinite lived intangible assets	24,773	—	24,773
Intangible assets, net	**$ 180,515**	**$ (12,090)**	**$ 168,425**

Amortization expense was $12,581 ($5,355 included in cost of sales) for the year ended December 31, 2022, $6,652 for the year ended December 31, 2021 ($2,052 included in cost of sales), and $5,407 for the year ended December 31, 2020 ($2,201 included in cost of sales).

Estimated future amortization expense for finite lived intangible assets for the next five years is as follows:

2023	$ 7,745
2024	$ 7,548
2025	$ 7,282
2026	$ 7,267
2027	$ 7,185

The Company's goodwill is allocated to one reportable segment. The following table summarizes the activity in the Company's goodwill balance:

Balance at December 31, 2020	$ 72,796
Acquisitions (see Note 4)	22,537
Impairment of goodwill	(5,007)
Balance at December 31, 2021	$ 90,326
Acquisitions (see Note 4)	170,359
Impairment of goodwill	(170,357)
Balance at December 31, 2022	$ 90,328

Impairment of Intangible Assets

The Company recorded the following impairment losses by category of intangible assets:

	December 31, 2022	December 31, 2021	December 31, 2020
Finite lived intangible assets			
Software	$ -	$ 9	$ 1
Licenses	121,527	—	—
Customer Relationships	—	2,000	342
Non-compete agreements	—	224	—
Total impairment of finite lived intangible assets	121,527	2,233	343
Indefinite lived intangible assets			
Brand intangibles	19,200	1,400	—
Total impairment of indefinite lived intangible assets	19,200	1,400	—
Total impairment of intangible assets	**$ 140,727**	**$ 3,633**	**$ 343**

The Company evaluates the recoverability of long-lived assets, including definite lived intangible assets, whether events or changes in circumstances indicate that the carrying value of the asset may not be recoverable.

During the year ended December 31, 2022, the Company determined that changes in market expectations of cash flows in its Michigan, Pennsylvania and California businesses, as well as increased competition and supply in the states, were indicators that an impairment test was appropriate for each of these reporting units.

Long-lived assets

The impairment test for long-lived assets is a two-step test, whereby management first determines the recoverable amount by calculating the undiscounted cash flows of each asset group. If the recoverable amount is lower than the carrying value of the asset group, then impairment is indicated.

For the Michigan reporting unit, the Company determined the fair value of the asset groups and allocates the impairment to the assets, being the (i) cultivation and processing licenses, and (ii) retail licenses, acquired through the Gage Acquisition. The Company compared the carrying value of the assets to its fair value and determined that the carrying value exceeded the fair value for both the retail and the cultivation and processing licenses. As such, the Company recorded impairment charges of $79,462 and $42,065 for the cultivation and processing licenses and retail licenses, respectively, reducing both the carrying values to $nil.

The fair value of each asset group was determined using cash flows expected to be generated by market participants, discounted at weighted average cost of capital. The fair value of the specific assets that were impaired was determined using the multi period excess earnings method based on the following key assumptions:

- Cash flows: estimated cash flows were projected based on actual operating results from internal sources, as well as industry and market trends. The forecasts were extended through the estimated useful lives of the assets;

- Post-tax discount rate: the post-tax discount rate is reflective of the weighted average cost of capital ("WACC"). The WACC was estimated based on the risk-free rate, equity risk premium, beta premium, and after-tax cost of debt based on corporate bond yields; and

- Tax rate: the tax rates used in determining future cash flows were those substantively enacted at the respective valuation date.

During the year ended December 31, 2020, the Company recorded impairment of $343 related to its customer relationships at Arise as a result of its termination of an agreement with one of its wholesale distributors.

Indefinite lived assets

Indefinite lived intangible assets are reviewed for impairment annually and whether there are events or changes in circumstances that indicate that the carrying amount has been impaired.

The impairment indicators previously noted for Michigan indicate that the fair value of the Gage brand intangible assets are more likely than not lower than the carrying value. As such, the Company performed an impairment analysis and determined the fair value of its brand intangible assets using the relief of royalty method. As a result of the quantitative analysis performed, the Company recognized impairment of $19,200, reducing the carrying value of the brand intangibles to $57,985.

During the year ended December 31, 2021, the Company made the decision to undertake a strategic review process to explore, review, and evaluate potential alternatives for its Arise business. The Company also determined that the estimated future cash flows for the business did not support the carrying value of the intangible assets, and therefore recorded impairment of intangible assets of $3,633 for the year ended December 31, 2021, reducing the carrying value to $nil.

Impairment of Goodwill

Goodwill is reviewed for impairment annually and whenever there are events or changes in circumstances that indicate the carrying value has been impaired.

During the year ended December 31, 2022, based on the indicators of impairment noted previously, the Company determined that there were indicators that the fair value of its reporting units are more likely than not lower than its carrying value at some of its reporting units. As such, a quantitative impairment test was performed over its Michigan reporting unit, which includes goodwill acquired through the Gage Acquisition and the Pinnacle Acquisition, its Pennsylvania reporting unit, and its California reporting unit.

The following significant assumptions were applied in the determination of the fair value of the reporting units using a discounted cash flow model:

- Cash flows: estimated cash flows were projected based on actual operating results from internal sources, as well as industry and market trends. The forecasts were extended to a total of five years (with a terminal value thereafter);

- Terminal value growth rate: The terminal growth rate was based on historical and projected consumer price inflation, historical and projected economic indicators and projected industry growth;

- Post-tax discount rate: the post-tax discount rate is reflective of the WACC. The WACC was estimated based on the risk-free rate, equity risk premium, beta premium, and after-tax cost of debt based on corporate bond yields; and

- Tax rate: the tax rates used in determining future cash flows were those substantively enacted at the respective valuation date.

During the year ended December 31, 2022, the Company recorded impairment of goodwill of $170,357 at its Michigan reporting unit, reducing the carrying value of the goodwill acquired through the Gage Acquisition and Pinnacle Acquisition to $nil.

As a result of the impairment analysis performed over the Company's Pennsylvania reporting unit, the Company determined that the fair value of the Pennsylvania reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the Pennsylvania reporting unit was $76,761 at December 31, 2022.

As a result of the impairment analysis performed over the Company's California wholesale reporting unit, the Company determined that the fair value of the California wholesale reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the California wholesale reporting unit was $4,689 at December 31, 2022.

During the fourth quarter of 2022, the Company performed a qualitative analysis over its Maryland reporting unit and determined that it was more likely than not that the fair value exceeded its carrying value, and therefore, no quantitative analysis was performed. There is no goodwill at the Company's Canada, New Jersey, California retail and Florida reporting units.

As a result of the Company’s decision to undertake a strategic review of its Florida business, Company recorded impairment of goodwill of $5,007 during the year ended December 31, 2021.

During the fourth quarter of 2021, the Company performed qualitative analyses over its goodwill for each of its reporting units. The Company determined that it was more likely than not that the fair value of its California wholesale and Maryland reporting units exceeded their carrying values, and therefore, no quantitative analysis was performed. The Company performed a quantitative analysis over its Pennsylvania reporting unit using the significant assumptions discussed previously to determine the fair value, and determined that the fair value of the Company’s reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the Pennsylvania reporting unit was $76,761 at December 31, 2021. There is no goodwill at the Company’s Canada, California retail and New Jersey reporting units.

During the fourth quarter of 2020, the Company performed qualitative analyses over its goodwill for each of its reporting units. It was determined that it was more likely than not that the fair value of its California wholesale and Pennsylvania reporting units exceed their carrying values, and therefore, no quantitative analysis was performed. The Company performed a quantitative analysis over its Florida reporting unit and determined that the fair value of the Company’s reporting unit exceeded its carrying value, resulting in no impairment. The carrying value of the goodwill attributable to the Florida reporting unit was $5,007 at December 31, 2020.

(In thousands, except per share/unit amounts)

9. Loans payable

	Canopy USA Loans	Other Loans	Ilera Term Loan	KCR Loan	Gage Loans	Pinnacle Loans	Pelorus Term Loan	Total
Balance at December 31, 2020	$ 56,293	$ 766	$ 114,282	$ -	$ -	$ -	$ -	$ 171,341
Loan principal net of transaction costs	—	2,855	—	6,750	—	—	—	9,605
Interest accretion	7,979	172	16,950	378	—	—	—	25,479
Principal and interest paid	(4,721)	(119)	(15,999)	(4,878)	—	—	—	(25,717)
Forgiveness of principal and interest	—	(1,414)	—	—	—	—	—	(1,414)
Effects of movements in foreign exchange	194	—	—	—	—	—	—	194
Balance at December 31, 2021	**59,745**	**2,260**	**115,233**	**2,250**	**—**	**—**	**—**	**179,488**
Loan principal net of transaction costs	—	—	—	—	—	—	43,419	43,419
Addition on acquisition	—	—	—	—	60,605	10,000	—	70,605
Loan amendment fee	—	—	(1,361)	—	(1,109)	—	—	(2,470)
Interest and accretion	7,735	91	17,321	74	8,343	159	1,508	35,231
Principal and interest paid	(4,461)	(2,351)	(20,343)	(2,324)	(37,863)	(826)	(899)	(69,067)
Extinguishment of debt	(59,449)	—	—	—	—	—	—	(59,449)
Effects of movements in foreign exchange	(3,570)	-	—	—	—	—	—	(3,570)
Ending carrying amount at December 31, 2022	**-**	**-**	**110,850**	**—**	**29,976**	**9,333**	**44,028**	**194,187**
Less: current portion	—	-	(35,081)	—	(3,381)	(9,333)	(540)	(48,335)
Non-current loans payable	**$ -**	**$ -**	**$ 75,769**	**$ -**	**$ 26,595**	**$ -**	**$ 43,488**	**$ 145,852**

Total interest paid on all loan payables was $26,840, $21,171, and $1,955, for the years ended December 31, 2022, 2021 and 2020, respectively.

Canopy USA loans

Canopy Growth (formerly RIV Capital loan)

On February 5, 2020, the Company and RIV Capital Inc. (“RIV Capital”), formerly Canopy Rivers Inc., agreed to amend the terms of their previously issued convertible debentures with a face value of $10,000. Pursuant to the amended terms, the first tranche of the convertible debentures was converted into a $10,000 loan payable bearing interest at a rate of 6% per annum, payable annually, with a balance due date of October 2, 2024. The effective interest rate on the loan is 15.99%. The Company also issued RIV Capital 2,225,714 common share purchase warrants (Note 11), exercisable at $4.48 (C$5.95) upon the occurrence of certain triggering events. The warrants were issued such that they can be exercised upon maturity of the loan payable in a cashless exercise by offsetting the principal value of the loan payable. The amendment was treated as a modification of the convertible debenture and as a result, no gains or losses were recorded for the transaction. The fair value of the debt was calculated using the effective interest rate method and allocated the proceeds of the issuance to the debenture and the warrants based on their relative fair values as determined at issuance.

During the year ended December 31, 2021, Canopy Growth acquired the common share purchase warrants previously issued to RIV Capital as well as the loan payable outstanding balance.

On December 9, 2022, the Company entered into a debt settlement agreement (the "Canopy Debt Settlement Agreement") with Canopy USA, LLC, Canopy USA I Limited Partnership and Canopy USA III Limited Partnership (collectively, the "Canopy USA Entities"), pursuant to which agreement certain obligations under all of the outstanding loans, plus accrued interest, with the Canopy USA Entities were extinguished in exchange for 24,601,467 exchangeable shares of the Company ("Exchangeable Shares") at a notional price of $3.74 (C$5.10) per Exchangeable Share. Additionally, in accordance with ASC 815 *Derivatives and Hedging*, the 22,474,130 original warrants to acquire common shares of the Company (the "Common Shares") were modified (the "Modified Canopy Warrants") at a weighted average exercise price of $4.45. The Exchangeable Shares and Modified Canopy Warrants were considered in the calculation for extinguishment of the debt obligations, including all principal and interest on the amounts outstanding thereunder (refer to Note 11 for further details regarding the Modified Canopy Warrants and Exchangeable Shares). As a result of the transaction, the Company recorded a net gain on extinguishment of debt of $773 related to this loan.

Canopy 2020 Debenture

On March 10, 2020, TerrAscend Canada Inc. entered into a secured debenture with Canopy USA III Limited Partnership, as successor to Canopy Growth Corporation, whereby it promised to pay to Canopy USA III Limited Partnership in the amount of $58,645 ("Canopy 2020 Debenture").

The secured debenture bears interest at a rate of 6.10% per annum, with an effective interest rate of 14.15% and matures on the earlier of (i) March 10, 2030, (ii) the later of (A) March 10, 2025, and (B) the date that is twenty-four months following the date that the federal laws of the United States are mended to permit the general cultivation, distribution and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States, and (iii) the date all amounts become due and payable in accordance with the Canopy 2020 Debenture. The debenture is secured by the assets of TerrAscend Canada, is not convertible and is not guaranteed by the Company. In connection with the funding of the loan, the Company had issued 17,808,975 common share purchase warrants to Canopy Growth. The warrants are comprised of 15,656,242 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $3.59 (C$5.14) per share, expiring on March 10, 2030, and 2,152,733 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $2.72 (C$3.74) per share, expiring on March 10, 2031 (refer to Note 11).

Of the total proceeds received from Canopy Growth, $48,243 was used to fully pay off the outstanding principal and interest amounts under the Credit Facility with JW Asset Management.

On November 11, 2022, TerrAscend Canada Inc. and Canopy USA III Limited Partnership entered into an agreement, whereby Canopy USA III Limited Partnership agreed to a waiver of TerrAscend Canada Inc.'s obligation to maintain the minimum current assets set forth in the Canopy 2020 Debenture for the period commencing August 31, 2022 to (and including) November 30, 2022, subject to certain conditions.

As stated above, on December 9, 2022, the Company entered into an arrangement with the Canopy USA Entities in which the outstanding loan balance of the Canopy 2020 Debenture was converted into Exchangeable Shares and Modified Canopy Warrants. As a result of the transaction, the Company recorded a net gain on extinguishment of debt of $4,187 related to this debenture.

Canopy Arise Debenture

On December 10, 2020, the Company, through a wholly owned subsidiary Arise Bioscience Inc. (“Arise”) entered into a loan financing agreement with Canopy Growth in the amount of $20,000 pursuant to a secured debenture ("Canopy Arise Debenture"). In connection with the funding of the loan, the Company has issued 2,105,718 common share purchase warrants to Canopy Growth.

The secured debenture bears interest at a rate of 6.10% per annum commencing four years from the effective date, with an effective interest rate of 15.61%, and matures on December 9, 2030. The debenture is secured by the assets of Arise, is not convertible, and is not guaranteed by the Company. The warrants are comprised of 1,926,983 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $12.00 (C$15.28) per share, expiring on December 9, 2030, and 178,735 common share purchase warrants entitling Canopy Growth to acquire one common share of TerrAscend at an exercise price of $13.50 (C$17.19) per share, expiring on December 9, 2030 (refer to Note 11). The fair value of the debt was calculated using the effective interest rate method and allocated the proceeds of the issuance to the debenture and the warrants based on their relative fair values as determined at issuance.

As stated above, on December 9, 2022, the Company entered into an arrangement with the Canopy USA Entities in which the outstanding loan balance of the Canopy Arise Debenture was converted into Exchangeable Shares and Modified Canopy Warrants. As a result of the transaction, the Company recorded a net loss on extinguishment of debt of $807.

Other Loans

Paycheck Protection Program loan

On March 13, 2021, the Company’s Arise business was granted a loan from Bank of America in the aggregate amount of $766, pursuant to the Paycheck Protection Program (the “PPP”), bearing interest at 1.00% per annum. The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”) provides for loans to qualifying businesses with the proceeds to be used for payroll costs, rent, utilities, and interest on other debt obligations. The loans and accrued interest

are forgivable after eight weeks as long as the funds are used for qualifying expenses as described in the CARES Act. During the year ended December 31, 2021, the principal and interest on the PPP loan was partially forgiven in the amount of $648. The remaining amount was repaid on December 17, 2021, reducing the total outstanding amount to $nil at December 31, 2021.

HMS loan

The acquisition of HMS included a $2,500 note payable which bears a 5.0% annual interest, due October 2022. The note was recorded at its fair value at inception of $2,089 and subsequently carried at amortized cost. The Company made payments of principal and interest of $2,351, reducing the balance to $nil at December 31, 2022.

Ilera Term Loan

On December 18, 2020, WDB Holding PA, a subsidiary of the Company, entered into a senior secured term loan with a syndicate of lenders in the amount of $120,000 ("Ilera Term Loan"). The term loan bears interest at 12.875% per annum and matures on December 17, 2024. The Company has the ability to increase the facility by up to $30,000. WDB Holding PA's obligation under the Ilera Term Loan and related transaction documents are guaranteed by the Company, TerrAscend USA, Inc., and certain subsidiaries of WDB Holding PA, and secured by TerrAscend USA Inc.'s equity interest in WDB Holding PA and substantially all of the assets of WDB Holding PA and the subsidiary guarantors party thereto. The loan can be refinanced at the option of the borrower after 18 months from the closing date subject to a premium payment due. Of the total proceeds received, $105,767 was used to satisfy the remaining Ilera earn-out payments.

On April 28, 2022, the Ilera Term Loan was amended to provide WDB Holding PA with greater flexibility by resetting the minimum consolidated interest coverage ratio levels that must be satisfied at the end of each measurement period and extending the date in which WDB Holding PA is required to deliver its budget for the fiscal year ending December 31, 2021. In addition, the no-call period was extended from 18 months to 30 months, subject to a premium payment. This amendment was not considered extinguishments of debt under ASC 470 *Debt*. As a result of the amendment, the Company paid a loan amendment fee of $1,200 which was capitalized.

On November 11, 2022, WDB Holding PA, the Company, TerrAscend USA Inc. and the subsidiary guarantors party to the Ilera Term Loan and the PA Agent (on behalf of the required lenders) entered into an amendment to the PA Credit Agreement, pursuant to which PA Agent and the required lenders agreed that WDB Holding PA's obligation to maintain the consolidated interest coverage ratio as set forth in the PA Credit Agreement for the period ended September 30, 2022, shall not apply, subject to certain conditions, including (but not limited to) an obligation to enter into a subsequent amendment agreement on or before December 15, 2022, documenting certain enhancements and amendments to the PA Credit Agreement to be agreed. In addition, WDB Holding PA offered a prepayment of $5,000 pro rata to all lenders holding outstanding loans thereunder at a price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest.

On December 21, 2022, WDB Holding PA completed an amendment to reduce the Company's principal debt by $35,000 and annual interest expense by $5,000. The Company agreed to make a $35,000 payment at the original prepayment price of 103.22% to par, and agreed to use commercially reasonable efforts to add certain collateral to Ilera Term Loan, collectively by March 15, 2023. The amendment further provided that should WDB Holding PA not maintain the prescribed interest coverage ratio, the Company shall be required to deposit funds, as outlined in the amendment, into a restricted account, and no event of default shall occur. This amendment was not considered extinguishments of debt under ASC 470 *Debt*.

KCR Loan

The acquisition of KCR included a $6,750 note payable which bears interest at 10.00% per annum and matures on April 30, 2022. The note was recorded at its fair value at inception and subsequently carried at amortized cost. The Company made principal payments on this loan of $4,500 during the year ended December 31, 2021. The remaining principal and interest of $2,234 were fully paid during the year ended December 31, 2022.

Gage Loans

The Gage Acquisition (refer to Note 4) included a senior secured term loan (the "Original Gage Term Loan") with an acquisition date fair value of $53,857. The credit agreement bears interest at a rate equal to the greater of (i) the Prime Rate plus 7% or (ii)

10.25%. The term loan is payable monthly and matures on November 30, 2022. The term loan is secured by a first lien on all Gage assets.

On August 10, 2022, the Original Gage Term Loan was amended as a result of the corporate restructure in conjunction with the Gage Acquisition. The amendment to the Original Gage Term Loan includes the addition of a borrower and guarantor under the term loan and a right of first offer in favor of the administrative agent for a refinancing of the term loan. This amendment was not considered extinguishments of debt under ASC 470 *Debt.* As a result of the amendment, the Company paid a loan amendment fee of $1,109 which was capitalized.

On November 29, 2022, the Company repaid $30,000 outstanding principal amount on the Original Gage Term Loan. On November 30, 2022, the remaining loan principal amount of $25,000 on the Original Gage Term Loan was amended (the "Amended Gage Term Loan"). The Amended Gage Term Loan bears interest on $25,000 at a per annum rate equal to the greater of (i) the U.S. "prime rate" plus 6.00%, and (ii) 13.0% and matures on November 1, 2024. Commencing on May 31, 2023, the Company will make monthly principal repayments of 0.40% of the aggregate principal amount outstanding. Additionally, the unpaid principal amount of the loan shall bear paid in kind interest at a rate of 1.50% per annum. No prepayment fees are owed if the Company voluntarily prepays the loan after 18 months. If such prepayment occurs prior to 18 months, a prepayment fee equal to all of the interest on the loans that would be due after the date of such prepayment, is owed. Under the Amended Gage Term Loan, the Company has the ability to borrow incremental term loans of $30,000 at the option of the Company and subject to consents from the required lenders. The additional $30,000 incremental term loans available under the amendment have not been drawn as of December 31, 2022. This loan represents a loan syndication, and therefore the Company assessed each of the lenders separately under ASC 470 *Debt* to determine if this represents a modification, or an extinguishment of debt. For three of the four remaining lenders, it was determined that this was a modification. For the remaining lender, it was determined that this represented an extinguishment of debt and therefore the fees paid to the lenders on modification were expensed. As a result of this transaction, the Company expensed $1,907 of fees paid to the lenders and third parties as they did not meet the criteria for capitalization under ASC 470 *Debt.*

Additionally, the Gage Acquisition included a loan payable to a former owner of a licensed entity with an acquisition date fair value of $2,683, and a promissory note with an acquisition date fair value of $4,065. The loan payable to the former owner bears interest at a rate of 0.2%. The promissory note bears interest at a rate of 6%.

Pinnacle Loans

The Pinnacle Acquisition purchase price included two promissory notes in an aggregate amount of $10,000 to pay down all Pinnacle liabilities and encumbrances. The promissory notes mature on June 30, 2023 and bear interest rates of 6%.

Pelorus Term Loan

On October 11, 2022, subsidiaries of the Company, among others, entered into a loan agreement with Pelorus Fund REIT, LLC ("Pelorus") for a single-draw senior secured term loan ("Pelorus Term Loan") in an aggregate principal amount of $45,478. The Pelorus Term Loan bears interest at a variable rate tied to the one month secured overnight financing rate (SOFR), subject to a base rate, plus 9.5%, with interest-only payments for the first 36 months. The base rate is defined as, on any day, the greatest of (i) 2.5%, (b) the effective federal funds rate in effect on such day plus 0.5%, and (c) one month SOFR in effect on such day. The obligations of the borrowers under the Pelorus Term Loan are guaranteed by the Company, TerrAscend USA Inc. and certain other subsidiaries of the Company and secured by substantially all of the assets of the Company's Maryland and New Jersey businesses, including certain real estate in Maryland and New Jersey. The Pelorus Term Loan matures on October 11, 2027.

Maturities of loans payable

Stated maturities of loans payable over the next five years are as follows:

(In thousands, except per share/unit amounts)

	December 31, 2022
2023	$ 48,876
2024	105,610
2025	758
2026	2,274
2027	42,446
Thereafter	—
Total principal payments	$ 199,964

10. Leases

Amounts recognized in the consolidated balance sheets were as follows:

	December 31, 2022	December 31, 2021
Operating leases:		
Operating lease right-of-use assets	$ 29,451	$ 29,561
Operating lease liability classified as current	1,857	1,171
Operating lease liability classified as non-current	31,545	30,573
Total operating lease liabilities	**$ 33,402**	**$ 31,744**
Finance leases:		
Property and equipment, net	$ 6,673	$ 168
Lease obligations under finance leases classified as current	521	22
Lease obligations under finance leases classified as non-current	6,713	181
Total finance lease obligations	**$ 7,234**	**$ 203**

The Company recognized operating lease expense of $5,028 ($723 included in cost of sales), $3,986 ($273 included in cost of sales), and $3,066 ($145 included in cost of sales) for the years ended December 31, 2022, 2021 and 2020, respectively.

During the year ended December 31, 2021, the Company entered into a lease termination agreement ("Lease Termination") in the amount of $3,278 with the landlord at its 22,000 square foot facility in Frederick, Maryland to enable the Company to terminate the lease prior to the end of the lease term. The Lease Termination was accounted for as a lease modification that reduces the term of the existing lease and the Company adjusted the value of its right-of-use asset and operating lease liability using an incremental borrowing rate of approximately 10%. The lease termination fee was paid to the landlord on January 27, 2022.

Other information related to operating leases consisted of the following:

	December 31, 2022	December 31, 2021
Weighted-average remaining lease term (years)		
Operating leases	12.8	14.2
Finance leases	6.8	5.5
Weighted-average discount rate		
Operating leases	10.69 %	10.72 %
Finance leases	9.89 %	10.00 %

Supplemental cash flow information related to leases were as follows:

(In thousands, except per share/unit amounts)

	December 31, 2022	December 31, 2021
Cash paid for amounts included in measurement of operating lease liabilities	$ 5,053	$ 3,987
Right-of-use assets obtained in exchange for operating lease obligations	$ 3,097	$ 9,773
Cash paid for amounts included in measurement of finance lease liabilities	$ 220	$ 40
Assets under finance leases obtained in exchange for finance lease obligations	$ 6,913	$ -

Undiscounted lease obligations as of December 31, 2022 are as follows:

	Operating	Finance	Total
2023	$ 5,400	$ 739	$ 6,139
2024	5,403	2,757	8,160
2025	5,387	908	6,295
2026	5,111	928	6,039
2027	4,613	956	5,569
Thereafter	39,742	3,868	43,610
Total lease payments	65,656	10,156	75,812
Less: interest	(32,255)	(2,922)	(35,177)
Total lease liabilities	$ 33,402	$ 7,234	$ 40,635

Under the terms of these operating sublease agreements, future undiscounted rental income from such third-party leases is expected to be as follows:

2023	$ 431
2024	433
2025	447
2026	262
2027	—
Thereafter	—
Total rental payments	$ 1,573

A sale-leaseback transaction occurs when an entity sells an asset it owns and then immediately leases the asset back from the buyer. The seller then becomes the lessee and the buyer becomes to the lessor. Under Financial Accounting Standards Board Accounting Standards Codification 842, both parties must assess whether the buyer-lessor has obtained control of the asset and a sale has occurred. Through the Gage Acquisition (refer to Note 4), the Company entered into leaseback transactions on six properties of owned real estate. The Company has determined that these transactions do not qualify as a sale because control was not transferred to the buyer-lessor. Therefore, the Company has classified the lease portion of the transaction as a finance lease and continues to depreciate the asset. The balance at December 31, 2022 was $12,002. Of this amount, $804 is included in other current liabilities and $11,198 is included in financing obligations in the Consolidate Balance Sheets. The financing obligations had a weighted average term and weighted average discount rate of 7.7 years and 9.53%, respectively, at December 31, 2022.

Undiscounted financing obligations as of December 31, 2022 are as follows:

(In thousands, except per share/unit amounts)

2023	$	1,915
2024		1,940
2025		1,986
2026		2,032
2027		2,079
Thereafter		5,680
Total payments		15,632
Less: interest		(3,630)
Total financing obligations	$	12,002

11. Shareholders' equity

The Company is authorized to issue an unlimited number of common shares, proportionate voting shares, exchangeable shares, and preferred shares. The Company's board of directors have the discretion to determine the rights, preferences, privileges, and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges, and liquidation preferences, of each class of the Company's capital stock.

Unlimited Number of Preferred Shares

The Board of Directors has authorized the Company to issue an unlimited number of preferred shares in Series A, Series B, Series C and Series D convertible preferred shares (the "Convertible Preferred Shares"). The preferred shares of each series will, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntarily or involuntarily, rank on parity with the preferred shares of every other series and be entitled to preference over the Proportionate Voting Shares, Common Shares and Exchange Shares.

Voting Rights

Holders of the Company's Convertible Preferred Shares are not entitled to receive notice of, or to attend or to vote at any meeting of the shareholders of the Company.

Dividends

The holders of the Convertible Preferred Shares are not entitled to receive any dividends, except that if the Company issues a dividend when necessary to comply with contractual provisions in respect of an adjustment to the conversion ratio in connection with any dividend paid on the Common Shares.

Conversion Rights

Holders of the Company's Convertible Preferred Shares are entitled to convert each outstanding share to 1,000 common shares of the Company (or the economic equivalent in proportionate voting shares for U.S. investors) at the option of the holder, subject to customary anti-dilution provisions.

The Convertible Preferred Shares will be automatically converted into proportionate voting shares at the then-effective conversion ratio, instead of being redeemed for cash and other assets, in the event of a change in control.

Redemption Rights

The Company classified the Convertible Preferred Shares as permanent equity in the financial statements given that the terms do not obligate the Company to buy back the shares of preferred stock in exchange for cash or other assets, nor do the shares represent an obligation that must or may be settled with a variable number of shares, which are debt-like features. No other redemption provisions exist within the terms of the instrument.

Liquidation Preference

In the event of liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, or upon any other return of capital or distribution of the assets of the Company among its shareholders, in each case for the purposes of winding up its affairs, each Convertible Preferred Share entitles the holder thereof to receive and to be paid out of the assets of the Company available for distribution, before any distribution or payment may be made to a holder of any Common Shares, Proportionate Voting Shares, Exchangeable Shares or any other shares ranking junior in such liquidation, dissolution, or winding up to the Convertible Preferred Shares, an amount per Convertible Preferred Share equal to the fair market value of the consideration paid for such preferred share upon issuance.

The Company's Series A, Series B, Series C and Series D convertible preferred shares have a liquidation preference that is initially equal to $2,000, $2,000, $3,000 and $3,000, respectively, per share; provided that if the Company makes a distribution to holders of all or substantially all of the respective series of Convertible Preferred Shares, or if the Company effects a share split or share consolidation of the respective series of Convertible Preferred Shares, then the liquidation preference will then be adjusted on the effective date of such event by a rate computed as (i) the number of respective series of Convertible Preferred Shares outstanding immediately before giving effect to such event divided by (ii) the number of respective series of Convertible Preferred Shares outstanding immediately after such event.

After payment to the holders of the Convertible Preferred Shares of the full liquidation preference to which they are entitled in respect of outstanding Convertible Preferred Shares (which, for greater certainty), have not been converted prior to such payment), such Convertible Preferred Shares will have no further right or claim to any of the assets of the Company.

The liquidation preference will be payable to holders of Convertible Preferred Shares in cash; provided, however, that to the extent the Company has, having exercised commercially reasonable efforts to make such payment, insufficient cash available to pay the liquidation preference in full in cash, the portion of the Liquidation Preference with respect to which the Company has insufficient cash may be paid in property or other assets of the Company. The value of any property or assets not consisting of cash that is distributed by the Company in satisfaction of any portion of the liquidation preference will equal the fair market value on the date of distribution. As of December 31, 2022, the Convertible Preferred Series A and B Shares have an aggregate liquidation value of $26,416, or $2,000 per share.

Unlimited Number of Proportionate Voting Shares

Holders of Proportionate Voting Shares are entitled to receive, as and when declared by the Board, dividends in cash or property of the Company. No dividend may be declared on the Proportionate Voting Shares unless the Company simultaneously declares dividends on the Common Shares in an amount equal to the dividend declared per Proportionate Voting Shares divided by 1,000.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Proportionate Voting Shares are entitled to participate pari passu with the holders of Common Shares in an amount equal to the amount of such distribution per Common Share multiplied by 1,000.

Holders of Proportionate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of shares, or bonds, debentures or other securities of the Company.

There may be no subdivision or consolidation of the Proportionate Voting Shares unless, simultaneously, the Common Shares and Exchangeable Shares are subdivided or consolidated using the same divisor or multiplier.

Proportionate Voting Shares carry 1,000 votes per share, are entitled to participate in dividends and in the distribution of proceeds on a wind-up of the Company on a $1,000-to-$1.00 basis relative to the Common Shares. Each Proportionate Voting Share is exchangeable into 1,000 Common Shares.

Unlimited Number of Exchangeable Shares

Voting Rights

The holders of Exchangeable Shares will not be entitled to receive notice of, attend or vote at meetings of the shareholders of the Company; provided that the holders of Exchangeable Shares will, however, be entitled to receive notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Company or the sale of its assets, or a substantial part thereof, but holders of Exchangeable Shares will not be entitled to vote at such meeting of the shareholders of the Company.

Dividends

The holders of the Exchanges Shares will not be entitled to receive any dividends.

Dissolution

In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Exchangeable Shares will not be entitled to receive any amount, property or assets of the Company.

Exchange Rights

Each issued and outstanding Exchangeable Share may at any time following the exchange start date applicable to the holder of such Exchangeable Share, at the option of the holder, be exchanged for on Common Share.

Unlimited Number of Common Shares

Voting Rights

Holders of Common Shares are entitled to receive notice of, and to attend, all meetings of the shareholders of the Company and shall have one vote per each Common Share held at all meetings of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.

Dividend Rights

The holders of the Common Shares are entitled to receive, subject to the rights of the holder of any other class of shares, any dividends declared by the Company. If, as and when dividends are declared by the directors, each Common Share will be entitled to 0.001 times the amount paid or distributed per Proportionate Voting Share (or, if a stock dividend is declared, each Common Share will be entitled to receive the same number of Common Shares per Common Share of Proportionate Voting Shares entitled to be received per Proportionate Voting Share).

Dissolution

In the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will, subject to the rights of any other class of shares, be entitled to receive the remaining property of the Company on the basis that each Common Share will be entitled to 0.001 times the amount distributed per Proportionate Voting Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares.

Conversion Rights

Each issued and outstanding Common Share may at any time, at the option of the holder, be converted into 0.001 of a Proportionate Voting Share.

Description of Transactions:

Common Stock (Private Placements)

On January 28, 2021, the Company completed a private placement and issued 18,115,656 common shares at a price of $9.64 (C$12.35) per common share for total proceeds of $173,477, net of share issuance costs of $1,643.

(In thousands, except per share/unit amounts)

In addition, the Company completed the below non-brokered private placement. Proceeds from the private placement were allocated to share capital and the warrants based on the relative fair value of the proceeds of each tranche of the unit issuances. The Company recorded $25,506 to share capital and $8,600 to the warrants, which is included in additional paid in capital in the Company's consolidated balance sheets. Total transaction costs related to this transaction were $110 related to the warrants, which was expensed, and $327 recorded as reduction to share capital. Total proceeds were allocated to the warrants as follows:

•Tranche 1- On December 30, 2019, the Company issued 12,968,325 units at a price of $1.88 (C$2.45), each comprised of one common share and one common share purchase warrant, for total proceeds of $24,463. The proceeds were collected in January 2020.

•Tranche 2- On January 10, 2020, the Company issued 3,450,127 units at an issue price of $1.88 (C$2.45) per unit, resulting in proceeds of $6,477. Each unit consists of one common share and one common share purchase warrant, exercisable into one common share prior to January 14, 2022 at an exercise price of $2.49 (C$3.25).

•Tranche 3- On January 27, 2020, the Company issued 1,863,659 units at an issue price of $1.86 (C$2.45) per unit, resulting in proceeds of $3,464. Each unit consists of one common share and one common share purchase warrant, exercisable into one common share prior to January 14, 2022 at an exercise price of $2.47 (C$3.25).

Warrants

The following is a summary of the outstanding warrants for Common Shares:

	Number of Common Share Warrants Outstanding	Number of Common Share Warrants Exercisable	Weighted Average Exercise Price $	Weighted Average Remaining Life (years)
Outstanding, December 31, 2019	**13,878,955**	**13,718,955**	**$ 2.62**	**2.18**
Granted	27,454,193		4.11	
Exercised	(829,050)		2.42	
Outstanding, December 31, 2020	**40,504,098**	**18,363,691**	**$ 3.80**	**5.34**
Exercised	(9,508,625)		2.60	
Outstanding, December 31, 2021	**30,995,473**	**8,855,066**	**$ 4.20**	**5.66**
Replacement warrants granted on acquisition of Gage	282,023		6.47	
Exercised	(7,989,436)		2.50	
Expired	(47,730)		3.61	
Outstanding, December 31, 2022	**23,240,330**	**728,715**	**$ 4.49**	**9.72**

Through the Canopy Debt Settlement Agreement (refer to Note 9), the Company modified the original 22,474,130 warrants. The Modified Canopy Warrants are to acquire Common Shares at a weighted average exercise price of $4.45 (C$6.07) per Common Share. All of the Modified Canopy Warrants expire on December 31, 2032. The Modified Canopy Warrants can be converted to Common Shares at Canopy USA's option, subject to the federal legalization of marijuana in the United States and compliance with applicable exchange listing rules.

The fair value of the Modified Canopy Warrants was determined using the Black Scholes model using the following inputs and assumptions:

	December 9, 2022
Volatility	78.98 %
Risk-free interest rate	2.87 %
Expected life (years)	10.06
Dividend yield	0 %

Pursuant to the terms of the Gage Acquisition, each holder of a Gage warrant received a 0.3001 equivalent replacement warrant. Each warrant is exercisable into common share purchase warrants. The warrants range in exercise price from $3.83 to $7.00 and expire at various dates from October 6, 2022 to July 2, 2025. Refer to Note 4 for the determination of fair value of warrants acquired.

(In thousands, except per share/unit amounts)

The Gage Acquisition also included warrant liabilities that are exchangeable into Common Shares. Refer to Note 4 for the determination of the fair value of the warrant liability.

	Number of Common Share Warrants Outstanding	Number of Common Share Warrants Exercisable	Weighted Average Exercise Price $	Weighted Average Remaining Life (years)
Outstanding, December 31, 2021	—	—	**$ -**	**-**
Granted on acquisition of Gage	7,129,517			
Outstanding, December 31, 2022	**7,129,517**	**7,129,517**	**$ 8.66**	**0.99**

The following is a summary of the outstanding warrants for Proportionate Voting Shares. These warrants are exercisable for 0.001 of a Proportionate Voting Share. The Proportionate Voting Shares are exchangeable into Common Shares on a basis of 1,000 Common Shares per Proportionate Voting Share.

	Number of Proportionate Share Warrants Outstanding	Number of Proportionate Share Warrants Exercisable	Weighted Average Exercise Price $	Weighted Average Remaining Life (years)
Outstanding, December 31, 2019	**8,590,908**	**8,590,908**	**$ 5.55**	**2.65**
Granted	—			
Exercised	—			
Outstanding, December 31, 2020	**8,590,908**	**8,590,908**	**$ 5.66**	**1.64**
Granted	—			
Exercised	—			
Outstanding, December 31, 2021	**8,590,908**	**8,590,908**	**$ 5.69**	**0.64**
Expired	(8,590,908)			
Outstanding, December 31, 2022	—	—	**N/A**	**N/A**

The expiration of the warrants for proportionate voting shares resulted in an increase to additional paid in capital and a decrease to the accumulated deficit in the consolidated balance sheets.

The following is a summary of the outstanding warrants for Preferred Shares. Each warrant is exercisable into one preferred share:

	Number of Preferred Share Warrants Outstanding	Number of Preferred Share Warrants Exercisable	Weighted Average Exercise Price $	Weighted Average Remaining Life (years)
Outstanding, December 31, 2019	—	—	$ -	—
Granted	18,679			
Exercised	(655)			
Outstanding, December 31, 2020	**18,024**	**18,024**	**$ 3,000**	**2.39**
Granted	—			
Exercised	(1,968)			
Outstanding, December 31, 2021	**16,056**	**16,056**	**$ 3,000**	**1.39**
Exercised	(950)			
Outstanding, December 31, 2022	**15,106**	**15,106**	**$ 3,000**	**0.39**

12. Share-based compensation plans

Share-based payments expense

Total share-based payments expense was as follows:

(In thousands, except per share/unit amounts)

	For the years ended		
	For the Twelve Months Ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Stock options	$ 9,485	$ 13,988	$ 9,700
Restricted share units	$ 2,677	$ 954	$ 686
Warrants	—	—	89
Total share-based payments	**$ 12,162**	**$ 14,942**	**$ 10,475**

As of December 31, 2022, the total unrecognized compensation cost related to nonvested stock options is $27,976. The weighted-average period over which it is expected to be recognized is 8.21 for options.

Common shares issued for compensation

On March 25, 2020, the Company issued 1,625,701 common shares to an entity controlled by the minority shareholders of NJ, pursuant to services surrounding the granting of certain licenses in the state of New Jersey to NJ.

Stock Options

The Company's Board of Directors approved the Stock Option Plan (the "Plan") effective March 8, 2017. The Plan provides for the granting of stock options to directors, officers, employees and consultants of the Company. Stock options are granted for a term not to exceed ten years at an exercise price, which is the greater of the closing market price of the shares on the CSE on the trading day immediately preceding the date the options are granted and on the same day of the option grant. The options are not transferrable. The Plan is administered by the Board of Directors, which determines individual eligibility under the Plan, number of shares reserved for optioning to each individual (not to exceed 5% of issued and outstanding shares to any one individual) and the vesting period. The maximum number of shares of the Company that are issuable pursuant to the Plan is limited to 10% of the fully diluted shares of the Company at the date of the grant of options.

The stock options outstanding noted below consist of service-based options granted to employees to purchase common stock, the majority of which vest over a one to three-year period and have a five to ten-year contractual term. These awards are subject to the risk of forfeiture until vested by virtue of continued employment or service to the Company.

(In thousands, except per share/unit amounts)

The following table summarizes the stock option activity:

	Number of Stock Options	Weighted average remaining contractual life (in years)	Weighted Average Exercise Price (per share) $	Aggregate intrinsic value	Weighted average fair value of nonvested options (per share) $
Outstanding, December 31, 2019	**10,493,015**	**4.04**	**$ 4.26**	**$ 1,877**	**$ 3.30**
Granted	12,861,050		2.82		
Exercised	(1,816,496)		2.46		
Forfeited (1)	(4,174,221)		4.19		
Outstanding, December 31, 2020	**17,363,348**	**3.96**	**$ 3.49**	**$ 112,675**	**$ 2.58**
Granted	3,905,000		10.11		
Exercised	(1,376,496)		3.97		
Forfeited (1)	(6,838,347)		4.46		
Expired	(198,986)		5.95		
Outstanding, December 31, 2021	**12,854,519**	**4.84**	**$ 4.85**	**$ 27,557**	**$ 4.22**
Granted	7,058,840		3.69		
Replacement options granted on acquisition of Gage	4,940,364		2.99		
Exercised	(778,245)		0.62		
Forfeited (1)	(3,397,022)		5.96		
Expired	(567,211)		7.14		
Outstanding, December 31, 2022	**20,111,246**	**4.86**	**$ 3.63**	**320**	**$ -**
Exercisable, December 31, 2022	**12,447,071**	**2.80**	**$ 3.23**	**320**	**N/A**
Nonvested, December 31, 2022	**7,664,172**	**8.21**	**$ 4.28**	**$ -**	**N/A**

(1) For stock options forfeited, represent one share for each stock option forfeited.

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between Company's closing stock price at the end of the period and the exercise price, multiplied by the number of the in-the-money options) that would have been received by the option holders had all option holders exercised their in-the-money options on December 31, 2022, 2021, and 2020, respectively.

The total pre-tax intrinsic value (the difference between the market price of the Company's common stock on the exercise date and the price paid by the options to exercise the option) related to stock options exercised is presented below:

	For the years ended		
	December 31, 2022	December 31, 2021	December 31, 2020
Exercised	$ 1,355	$ 6,667	$ 10,123

The Gage Acquisition included consideration in the form of 4,940,364 replacement options that had been issued on the acquisition date to employees of Gage. The post-combination options vest over a 1-3 year period. The fair value of the replacement options are estimated using the Black-Scholes Option Pricing Model with the following assumptions:

	March 10, 2022
Volatility	55.0%-80.0%
Risk-free interest rate	1.22%-1.94%
Expected life (years)	1.00-5.00
Dividend yield	0 %

(In thousands, except per share/unit amounts)

The fair value of the various stock options granted were estimated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2022	December 31, 2021	December 31, 2020
Volatility	77.55% - 77.89%	79.05% - 81.51%	82.29% - 87.09%
Risk-free interest rate	1.63% - 3.51%	0.90% - 1.72%	0.35% - 1.60%
Expected life (years)	9.62 - 10.01	4.57 - 10.05	4.76 - 4.95
Dividend yield	0.00 %	0.00 %	0.00 %
Forfeiture rate	26.11 %	23.21%-27.73%	23.21 %

Volatility was estimated by using the historical volatility of the Company. The expected life in years represents the period of time that the options issued are expected to be outstanding. The risk-free rate is based on U.S. treasury bond issues with a remaining term approximately equal to the expected life of the options. Dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay cash dividends in the foreseeable future.

The total estimated fair value of stock options that vested during the years ended December 31, 2022, 2021, and 2020, was $8,352, $14,840, and $9,035, respectively.

Restricted Share Units

Effective November 19, 2019, the Company adopted the Share Unit Plan, which allows for the granting of performance share units (PSUs) and restricted share units (RSUs) to directors, officers, employees, and consultants of the Company and provides them the opportunity to defer certain compensation and equity awards paid or grated for their service in the form of stock units ("Stock Units"). The Stock Units are used solely as a device for determining the amount of cash benefit to eventually be paid to the grantee. Each Stock Unit has the same value as one share of the Company's common stock. The PSUs generally become vested upon attainment of established performance conditions, as well as service conditions. The RSUs generally become vested upon completion of continuous employment over the requisite service period.

The following table summarizes the activities for the RSUs:

	Number of RSUs	Number of RSUs vested	Weighted average remaining contractual life (in years)
Outstanding, December 31, 2019	—	—	**N/A**
Granted	280,099		
Vested	(157,788)		
Outstanding, December 31, 2020	**122,311**	**33,733**	**N/A**
Granted	174,408		
Vested	(40,665)		
Forfeited	(63,883)		
Outstanding, December 31, 2021	**192,171**	**13,294**	**N/A**
Granted	1,176,397		
Vested	(669,478)		
Forfeited	(283,450)		
Outstanding, December 31, 2022	**415,640**	**13,050**	**N/A**

Of the RSU's granted during the year ended December 31, 2022, 106,840 vested on the grant date and the rest will vest over a 6- month to 4-year term. The RSUs granted during the year ended December 31, 2021 will vest over a 3 to 4-year term. Of the RSUs granted during the year ended December 31, 2020, 191,521 vested on the grant date and the remaining will vest over a 4-year term.

As of December 31, 2022, there was $3,368 of total unrecognized compensation cost related to unvested RSUs.

13. Non-controlling interest

(In thousands, except per share/unit amounts)

Non-controlling interest consists mainly of the Company's ownership minority interest in its New Jersey and IHC Real Estate operations and consists of the following amounts:

	December 31, 2022	December 31, 2021
Opening carrying amount	$ 5,367	$ 3,802
Capital distributions	(7,550)	(53)
Investment in NJ partnership	—	(1,406)
Net income attributable to non-controlling interest	4,557	3,024
Ending carrying amount	**$ 2,374**	**$ 5,367**

14. Related parties

The amounts due to/from related parties consisted of:

(a)*Loans payable:* During the year ended December 31, 2020, a small number of related persons, which consisted of key management of the Company, participated in the Ilera term loan (Note 9), which makes up $250 and $3,550 of the total loan principal balance at December 31, 2022 and December 31, 2021, respectively.

(b)*Fixed assets*: On November 12, 2021, the Company completed the acquisition of a property in Hagerstown, Maryland. The property was purchased from GB & J's, LLC, the members of which include Jason Ackerman (former Director, Executive Chairman and CEO of the Company), Greg Rochlin (former CEO of Ilera), and several entities affiliated with Jason Wild (Executive Chairman and Director of TerrAscend) (the "GB & J Sellers") for the purchase price of $2,808. The value of Jason Ackerman's interest in the transaction is $401, the value of Greg Rochlin's interest in the transaction is $401, the value of the interests of funds controlled directly or indirectly by Jason Wild in the transaction is $401.

(c)*Shareholders' Equity:* During the years ended December 31, 2022, 2021, and 2020, the Company had the following transactions related to shareholders' equity:

•Pursuant to the Gage Acquisition, Jason Wild, Chairman of TerrAscend, and his respective affiliates received 10,467,229 of the Company's Common Shares in exchange for their Gage subordinate voting shares that were owned, held, controlled or directed, directly or indirectly, by Mr. Wild and his respective affiliates and 7,129,517 of the Company's warrants in exchange for their Gage warrants that were owned, held, controlled or directed, directly or indirectly, by Mr. Wild and his respective affiliates. The value of the interests of funds controlled directly or indirectly by Mr. Wild in the transaction in respect of the common shares was $51,614, less a restriction discount of $10,323 (refer to Note 4), in addition to the Company warrants issued in replacement of Gage warrants, at the implied consideration of $0.95 per TerrAscend warrant. Richard Mavrinac, a former director of the Company, received 40,213 Common Shares in exchange for his Gage subordinate voting shares that were owned, held, controlled or directed, directly or indirectly, by Mr. Mavrinac and also received 6,683 Common Shares in exchange for his Gage restricted stock units that were owned, held, controlled or directed, directly or indirectly by Mr. Mavrinac. The value of Mr. Mavrinac's interest in the transaction was $234.

•On March 25, 2020, the Company issued 1,625,701 common shares to an entity controlled by minority shareholders of NJ, pursuant to services surrounding the granting of certain licenses (Note 8).

•During the year ended December 31, 2020, the Company paid a total of $136 and granted stock options totaling 500,000 to a current member of the Company's Board of Directors for consulting services performed in the Canadian business on an interim basis. The consulting agreement ended on June 30, 2020.

•Through the private placements during the year ended December 31, 2020 (Note 11), the Company issued 1,159,805 common shares, 1,159,805 common share purchase warrants, 10,000 preferred shares and preferred share warrants to entities controlled by Jason Wild, Chairman of the Board of TerrAscend.

(In thousands, except per share/unit amounts)

15. Income taxes

The domestic and foreign components of (loss) income from continuing operations before provision for income taxes are as follows:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Domestic	(337,019)	15,513	10,270
Foreign	26,834	29,017	(127,122)
Income (loss) before income taxes	**$ (310,185)**	**$ 44,530**	**$ (116,852)**

The provision for income taxes consists of:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Current:			
Federal	21,692	21,522	15,262
State	2,718	8,600	7,476
Foreign	106	—	1
Total Current	$ 24,516	$ 30,122	$ 22,739
Deferred:			
Federal	(29,297)	(1,353)	(4,210)
State	(6,002)	108	(623)
Foreign	—	—	(7,137)
Total Deferred	$ (35,299)	$ (1,245)	$ (11,970)
Total Income Tax Provision	$ (10,783)	$ 28,877	$ 10,769

The following table reconciles the expected statutory federal income tax to the actual income tax provision:

	December 31, 2022		December 31, 2021		December 31, 2020	
	Amount	**Percent**	**Amount**	**Percent**	**Amount**	**Percent**
Net (loss) income before taxes	**$ (310,185)**		**$ 44,530**		**$ (116,852)**	
Expected income benefit at statutory tax rate	(65,139)	21.0 %	9,351	21.0 %	(24,539)	21.0 %
IRC 280E adjustment	28,607	-9.2 %	17,858	40.1 %	9,809	-8.4 %
Return to provision true-up	(7,359)	2.4 %	—	0.0 %	—	0.0 %
Impairment of goodwill and intangible assets	35,775	-11.5 %	—	0.0 %	—	0.0 %
Changes in unrecognized tax benefits	10,662	-3.5 %	(4,274)	-9.6 %	(2,821)	2.4 %
Extinguishment of debt	(8,239)	2.7 %	—	0.0 %	—	0.0 %
Canada income taxes at different statutory rates	(2,511)	0.8 %	(736)	-1.7 %	(465)	0.4 %
Share based compensation	2,554	-0.8 %	3,138	7.0 %	2,028	-1.7 %
Changes in valuation allowance	19,146	-6.2 %	5,992	25.2 %	(6,290)	5.4 %
U.S. state income taxes	(7,067)	2.3 %	9,849	13.5 %	5,193	-4.4 %
Revaluation of equity/warrants	(12,290)	3.9 %	(13,479)	-30.3 %	23,227	-19.9 %
Revaluation of contingent consideration	(223)	0.1 %	753	1.7 %	3,929	-3.4 %
Other	(4,699)	1.5 %	425	1.0 %	698	0.6 %
Actual income tax provision	**$ (10,783)**	**3.5 %**	**$ 28,877**	**$ - 64.8 %**	**$ 10,769**	**-9.2 %**

As the operations of the Company are predominantly U.S. based, the Company has prepared the tax rate table using the U.S. Federal tax rate of 21.0%.

(In thousands, except per share/unit amounts)

The following table presents a reconciliation of unrecognized tax benefits:

	December 31, 2022	December 31, 2021
Balance at beginning of year	**$ 9,318**	**$ 12,008**
Increases based on tax positions related to prior periods	2,872	4,884
Increase (decrease) based on tax positions related to prior periods	8,655	(4,546)
Decreases related to settlements with taxing authorities	(1,962)	(3,028)
Balance at end of year	**$ 18,883**	**$ 9,318**

Interest and penalties related to unrecognized tax benefits are recorded as components of the provision for income taxes. The Company had $2,170 and $1,071 of interest accrued at December 31, 2022 and December 31, 2021, respectively.

The Company's unrecognized tax benefits, inclusive of accruals for income tax related penalties and interest, include $13,223 and $9,318 of tax positions as of December 31, 2022 and December 31, 2021, respectively, that would affect the effective tax rate if recognized. The unrecognized tax benefits are included in other long term liabilities on the consolidated balance sheets. Also included in the balance of unrecognized tax benefits as of December 31, 2022 and December 31, 2021 are $6,758 and $nil, respectively, of tax benefits, that if recognized would result in adjustments to other tax accounts, primarily deferred taxes.

The principal component of deferred taxes are as follows:

	December 31, 2022	December 31, 2021
Deferred tax assets		
Net operating losses	$ 42,022	$ 26,321
Reserves	2,837	—
Share issuance costs	—	700
Property and equipment	4,689	2,038
Intangible assets	3,768	4,101
Other	8,700	1,696
Total deferred tax assets	62,016	34,856
Valuation allowance	(61,274)	(24,097)
Net deferred tax assets	**$ 742**	**$ 10,759**
Deferred tax liabilities		
Convertible debentures	$ -	$ (10,065)
Intangible assets	(31,442)	(14,963)
Other	—	—
Total deferred tax liabilities	**$ (31,442)**	**$ (25,028)**
Net deferred tax liabilities	**$ (30,700)**	**$ (14,269)**

The Company assesses available positive and negative evidence to estimate if it is more likely than not to use certain jurisdiction-based deferred tax assets including net operating loss carryovers. On the basis of this assessment, the Company continues to maintain a valuation allowance on certain deferred tax assets for the year ended December 31, 2022.

As of December 31, 2022, the Company has $125,953 of Canadian net operating loss carryovers that expire at different times, the earliest of which is 2034 for $547. As of December 31, 2022, the Company has $18,295 of domestic federal net operating loss carryovers with no expiration date. As of December 31, 2022, the Company has various state net operating loss carryovers that expire at different times. The statute of limitations with respect to our federal returns remains open for tax years 2019 and forward. Certain acquired subsidiaries were under IRS audit for tax years ended September 30, 2014 and September 30, 2015. This audit was closed during the tax year ended December 31, 2022 and the indemnification asset of $3,973 was released during the year. Over the next twelve months, the Company believes it is reasonably possible that various statutes of limitation will expire which would have the effect of reducing the balance of unrecognized tax benefits by $2,100.

As the Company operates in the cannabis industry, it is subject to the limitations of IRC Section 280E, under which the Company is only allowed to deduct expenses directly related to sales of product. This results in permanent differences between

(In thousands, except per share/unit amounts)

ordinary and necessary business expenses deemed non-deductible under IRC Section 280E. Therefore, the effective tax rate can be highly variable and may not necessarily correlate with pre-tax income or loss.

16. General and administrative expenses

The Company's general and administrative expenses were as follows:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Office and general	$ 26,000	$ 10,091	$ 10,810
Professional fees	12,942	12,041	13,613
Lease expense	5,302	4,523	3,721
Facility and maintenance	4,050	1,396	2,079
Salaries and wages	44,814	30,256	18,792
Share-based compensation	12,162	14,942	10,075
Sales and marketing	10,318	1,858	1,673
Total	**$ 115,588**	**$ 75,107**	**$ 60,763**

During the year ended December 31, 2020, the Company expensed $7,500 related to amounts payable to an entity controlled by the minority shareholders of TerrAscend NJ pursuant to services surrounding the granting of certain licenses, which is included in professional fees in the table above. The first payment of $3,750 was due upon NJ being granted an alternative treatment center license in the state of New Jersey. On March 25, 2020, the first payment was settled in shares at a fair value determined on the date NJ received the license and issued 1,625,701 common shares. The second payment of $3,750 is due on the earlier of (i) March 31, 2023, and (ii) fifteen days after TerrAscend NJ shall have made distributions to one or more of its members totaling at least $15,000 in aggregate.

17. Revenue, net

The Company's disaggregated revenue by source, primarily due to the Company's contracts with its external customers were as follows:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Wholesale	$ 63,810	$ 107,091	$ 87,443
Retail	184,019	87,119	44,709
Total	**$ 247,829**	**$ 194,210**	**$ 132,152**

For the years ended December 31, 2022, 2021, and 2020, the Company did not have any single customer that accounted for 10% or more of the Company's revenue.

As a result of the vape recall in Pennsylvania (refer to Note 5), the Company recorded sales returns of $1,040 during the year ended December 31, 2022.

18. Finance and other expense

Finance and other expenses were as follows:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
Interest and accretion	$ 39,059	$ 24,989	$ 7,034
Indemnification asset release	3,973	4,504	—
Forgiveness of principal and interest on loans	—	(1,414)	—
Employee retention credits	(9,440)	—	—
Debt modification fees	2,507	—	—
Other (income) expense	(206)	(230)	393
Total	**$ 35,893**	**$ 27,849**	**$ 7,427**

(In thousands, except per share/unit amounts)

The indemnification asset release is the reduction of the indemnification asset related to the expiration of the escrow agreement related to the acquisition of The Apothecarium. The debt modification fees relate to amounts paid to modify the Gage Amended Term Loan which did not meet the criteria to capitalize under ASC 470 *Debt*.

19. Segment information

Operating Segment

The Company determines its operating segments according to how the business activities are managed and evaluated by the Company's chief operating decision maker. The Company operates under one operating segment, which is the cultivation, production and sale of cannabis products.

Geography

The Company has subsidiaries located in Canada and the United States.

The Company had the following net revenue by geography of:

	For the years ended		
	December 31, 2022	**December 31, 2021**	**December 31, 2020**
United States	$ 247,829	$ 194,210	$ 132,152
Canada	—	—	—
Total	**$ 247,829**	**$ 194,210**	**$ 132,152**

The Company had non-current assets by geography of:

	December 31, 2022	**December 31, 2021**
United States	$ 577,750	$ 409,150
Canada	1,844	296
Total	**$ 579,594**	**$ 409,446**

20. Capital management

The Company's objective in managing capital is to ensure a sufficient liquidity position to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. In order to achieve this objective, the Company prepares a capital budget to manage its capital structure. The Company defines capital as borrowings, equity comprised of issued share capital, share-based payments, accumulated deficit, as well as funds borrowed from related parties.

Since inception, the Company has primarily financed its liquidity needs through the issuance of share capital and debt. The equity issuances are outlined in Note 11 and debt issuances are outlined in Note 9.

The Company is subject to financial covenants as a result of its loans payable with various lenders. The Company is in compliance with its debt covenants as of December 31, 2022. In the event that, in future periods, the Company's financial results are below levels required to maintain compliance with any of its covenants, the Company will assess and undertake appropriate corrective initiatives with a view to allowing it to continue to comply with its covenants. Other than these items related to loans payable, the Company is not subject to externally imposed capital requirements.

21. Financial instruments and risk management

Assets and liabilities measured at fair value

Financial instruments recorded at fair value are estimated by applying a fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy is summarized as follows:

(In thousands, except per share/unit amounts)

Level 1- quoted prices (unadjusted) in active markets for identical assets and liabilities

Level 2- inputs other than quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data

Level 3- inputs for assets and liabilities not based upon observable market data

Cash and cash equivalents, net accounts receivable, accounts payable and accrued liabilities, loans payable, convertible debentures, and other current receivables and payables represent financial instruments for which the carrying amount approximates fair value due to their short-term maturities.

The following table summarizes the Company's financial instruments measured at fair value:

	At December 31, 2022			At December 31, 2021		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Assets						
Cash and cash equivalents	$ 26,158	$ -	$ -	$ 79,642	$ -	$ -
Restricted cash	605	—	—	—	—	—
Purchase option derivative asset	—	—	50	—	—	868
Total Assets	**$ 26,763**	**$ -**	**$ 50**	**$ 79,642**	**$ -**	**$ 868**
Liabilities						
Contingent consideration payable	$ -	$ -	$ 5,184	$ -	$ -	$ 12,535
Warrant liability	—	711	—	—	54,986	—
Total Liabilities	**$ -**	**$ 711**	**$ 5,184**	**$ -**	**$ 54,986**	**$ 12,535**

There were no transfers between the levels of fair value hierarchy during the years ended December 31, 2022 or December 31, 2021.

The valuation approaches and key inputs for each category of assets or liabilities that are classified within Level 1, Level 2 and Level 3 of the fair value hierarchy are presented below.

Level 1

Cash and cash equivalents and restricted stock represent financial instruments for which the carrying amount approximates fair value due to their short-term maturities.

Level 2

Warrant liability

The following table summarizes the changes in the warrant liability:

Balance at December 31, 2020	**$ 132,257**
Included in loss on fair value of warrants	(58,158)
Exercises	(19,113)
Balance at December 31, 2021	**$ 54,986**
Addition on acquisition	6,756
Included in gain on fair value of warrants	(59,341)
Exercises	(1,690)
Balance at December 31, 2022	**$ 711**

The Company's warrant liability consists of its Series A, B, C, and D convertible preferred stock issued through its 2020 private placements ("private placement warrant liability"), as well as the warrant liability acquired through its Gage Acquisition ("Gage warrant liability") (refer to Note 4).

The warrant liability is remeasured each period using the Black Scholes model. The Company recognized a gain on fair value of warrants of $59,341 and $58,158 for the year ended December 31, 2022 and December 31, 2021, respectively, and a loss of $110,518 for the year ended December 31, 2020.

(In thousands, except per share/unit amounts)

The private placement warrant liability has been remeasured to fair value. Key inputs and assumptions used in the Black Scholes model were as follows:

	December 31, 2022	December 31, 2021
Common Stock Price of TerrAscend Corp.	$ 1.13	$ 6.11
Warrant exercise price	$ 3,000	$ 3,000
Warrant conversion ratio	$ 1,000	$ 1,000
Annual volatility	105.3 %	65.5 %
Annual risk-free rate	4.6 %	0.6 %
Expected term (in years)	0.4	1.4

The Gage warrant liability has been remeasured to fair value. Key inputs and assumptions used in the Black Scholes model were as follows:

	December 31, 2022	March 10, 2022
Common Stock Price of TerrAscend Corp.	$ 1.13	$ 4.92
Warrant exercise price	$ 8.66	$ 8.66
Annual volatility	97.1%-98.4%	65.0 %
Annual risk-free rate	4.8 %	1.7 %
Expected term (in years)	1.0	2.0

Level 3

Purchase option derivative asset

The following table summarizes the changes in the purchase option derivative asset:

Balance at December 31, 2020	**$ -**
Initial measurement of purchase option derivative asset	1,122
Revaluation of purchase option derivative asset	(254)
Balance at December 31, 2021	**$ 868**
Revaluation of purchase option derivative asset	(818)
Balance at December 31, 2022	**$ 50**

The purchase option derivative asset has been measured at fair value at the transaction date using the Monte Carlo simulation model that relies on assumptions around the Company's EBITDA volatility and risk adjusted discount, among others. The Company recognized a loss on fair value of purchase option derivative asset of $818 and $254 for the years ended December 31, 2022 and December 31, 2021, respectively.

Key inputs and assumptions used in the Monte Carlo simulation model are summarized below:

	December 31, 2022	December 31, 2021
Term (in years)	0.5	1.3
Risk-free rate	2.5 %	0.4 %
EBITDA discount rate	15.5 %	15.0 %
EBITDA volatility	37.1 %	44.0 %

Key inputs and assumptions used on the initial measurement date are summarized below:

	August 20, 2021
Term (in years)	1.7
Risk-free rate	0.3 %
EBITDA discount rate	15.0 %
EBITDA volatility	60.0 %

Contingent Consideration Payable

The fair value of contingent consideration was determined using a probability weighted model based on the likelihood of achieving certain revenue and EBITDA scenario outcomes.

The contingent consideration for State Flower was calculated based on fiscal year 2021 revenue and the final earnout has been calculated as of December 31, 2022. During the year ended December 31, 2022, the fair value of the contingent consideration related to the KCR was reduced to $nil, as it was determined it was more likely than not that the earnout criteria would not be met. The combined revaluations resulted in a gain on revaluation of contingent consideration of $1,061 for the year ended December 31, 2022.

A discount rate of 12.2% and 12.3 to 12.9% for the years ended December 31, 2021 and December 31, 2020, respectively, was utilized to determine the present value of the liabilities. As a result of the revaluation, the Company recognized a loss on revaluation of contingent consideration of $3,584 and $18,709 for the years ended December 31, 2021 and December 31, 2020, respectively.

Risk Management

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and cash equivalents, accounts receivable, net and notes receivable. The Company assesses the credit risk of trade receivables by evaluating the aging of trade receivables based on the invoice date. The carrying amounts of trade receivables are reduced through the use of an allowance account and the amount of the loss is recognized in the consolidated statements of operations and comprehensive loss. When a trade receivable balance is considered uncollectible, it is written off against the allowance for expected credit losses.

Subsequent recoveries of amounts previously written off are credited against operating expenses in the consolidated statements of operations. The Company regularly monitors credit risk exposure and takes steps to mitigate the likelihood of these exposures resulting in actual loss. The Company has no customers whose balance is greater than 10% of total trade receivables as of December 31, 2022.

(b) Liquidity risk

The Company is exposed to liquidity risk, or the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk through ongoing review of its capital requirements. The Company's objective with respect to its capital management is to ensure it has sufficient cash resources to maintain its ongoing operations.

(c) Market Risk

The significant market risk exposures to which the Company is exposed are foreign currency risk and interest rate risk.

i)Foreign currency risk:

Foreign currency risk is the risk that a variation in exchange rates between the Canadian dollar and U.S. dollar and other foreign currencies will affect the Company's operations and financial results.

The Company and its subsidiaries hold cash and cash equivalents and other assets and liabilities in currencies other than their functional currency. TerrAscend does not currently engage in currency hedging activities to limit the risks of currency fluctuations. Consequently, fluctuations in foreign currencies could have a negative impact on the profitability of TerrAscend's operations. A 10% change in the value of the U.S. dollar compared to the Canadian dollar would result in a change of $2,389 to the unrealized foreign exchange loss (gain).

ii)Interest rate risk:

Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. In respect of financial assets, the Company's policy is to invest excess cash at floating rates of interest in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return.

Fluctuations in interest rates impact the value of cash equivalents. The Company’s investments in guaranteed investment certificates bear a fixed rate and are cashable at any time prior to maturity date.

TerrAscend does not have significant cash equivalents at year. The Amended Gage Term Loan and the Pelorus Term Loan have variable interest rates that are tied to the U.S. "prime rate" and SOFR. At December 31, 2022, a 10% change to each of the interest rates would result in a change to interest expense of $1,295. The remainder of TerrAscend’s loans payable have fixed interest rates from 6% to 12.875% per annum. All other financial liabilities are non-interest-bearing instruments.

22. Commitments and contingencies

Legal proceedings

In the ordinary course of business, the Company is involved in a number of lawsuits incidental to its business, including litigation related to intellectual property, product liability, employment, and commercial matters. Although it is difficult to predict the ultimate outcome of these cases, management believes that any ultimate liability would not have a material adverse effect on the Company's consolidated balance sheets or results of operations. At December 31, 2022, there were no pending lawsuits that could reasonably be expected to have a material effect on the results of the Company's consolidated financial statements.

23. Subsequent events

During January 2023, the Company received $12,667, pursuant to a financing agreement with a third-party lender. In exchange, the Company assigned to the lender its interests in the $14,903 ERC claim that was submitted during December 2022 (refer to Note 3). If the Company does not receive the ERC claim, in whole or in part, the Company is required to repay the related portion of the funds received plus interest of 10% accrued from the date of the financing agreement through the repayment date. The Company's obligation under the financing agreement will be satisfied upon receipt of the ERC claim or other full repayment.

On January 19, 2023, the Company entered into a multi-year agreement with Wana Brands ("Wana"), the leading edible manufacturer in North America, to introduce Wana's products at The Apothecarium retail stores and additional third-party retailers in New Jersey. The agreement will also transfer to TerrAscend, the manufacturing and sales of Wana's existing portfolio of products in Maryland. Pursuant to the agreement, the Company will serve as the exclusive sole manufacturer, supplier, and commercial partner for Wana's products in New Jersey.

On January 27, 2023, the Company closed on its previously announced acquisition of AMMD. Under the terms of the agreement, the Company acquired 100% equity interest in AMMD for total consideration of $10,000 in cash, in addition to entering into a long-term lease with the option to purchase the real estate. The Company now operates vertically integrated licensed operations in Maryland.

On January 30, 2023, the Company appointed Jeroen De Beijer as Chief People and Culture Officer.

On February 9, 2023, the Company opted to return its TerrAscend Canada standard cultivation license, standard processing license and license for sale for medical purposes under the Cannabis Act.

On February 13, 2023, the Company launched adult-use cannabis sales at its Cookies Detroit retail location.

Effective March 1, 2023, TerrAscend sold substantially all of the assets, including all intellectual property and inventory, at its Arise business to a third party.

On March 15, 2023, WDB Holding PA, in exchange for a fee in the amount of 1% of the then outstanding principal loan balance, agreed to an amendment among other things, to (i) extend the obligation date to prepay the Company's debt from March 15, 2023 to June 30, 2023 in which WDB Holding PA must use commercially reasonable efforts to add additional collateral to the Ilera Term Loan, (ii) increase the amount of debt to be reduced by up to $37,000, subject to certain reductions

in amount based on meeting certain time based milestones, at a prepayment price of 103.22% to par, and (iii) extend the next test date in respect of the interest coverage ratio until June 30, 2023.

EXHIBIT 4.1

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

TerrAscend Corp. ("TerrAscend" or the "Company") only has common shares, no par value ("Common Shares"), registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). In addition, the Company has authorized Series A Convertible Preferred Shares, no par value, Series B Convertible Preferred Shares, no par value, Series C Convertible Preferred Shares, no par value, Series D Convertible Preferred Shares, no par value, Exchangeable Shares, no par value and Proportionate Voting Shares, no par value, which are not registered under Section 12 of the Exchange Act.

The following description sets forth certain material provisions of these securities. The following summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of the Company's articles of incorporation, as amended (the "Articles"), the Company's By-laws, and forms of warrants, each of which is filed as an exhibit to the Company's Annual Report on Form 10-K of which this Exhibit 4.1 is a part. We encourage you to review the terms and provisions set forth therein for additional information.

Description of the Company's Securities

Common Shares

TerrAscend Corp. is authorized to issue an unlimited number of the Company's Common Shares.

Voting Rights, Dividends and Dissolution

The holders of the Common Shares are entitled to one vote per share at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares are entitled to vote separately as a class or series. The holders of the Common Shares are entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company. If, as and when dividends are declared by the directors of the Company, each Common Share is entitled to 0.001 times the amount paid or distributed per proportionate voting share of the Company ("Proportionate Voting Share"). In the event of a dissolution, liquidation or winding-up of the Company, the holders of the Common Shares are, subject to the rights of any other class of shares, entitled to receive the remaining property of the Company on the basis that each Common Share is entitled to 0.001 times the amount distributed per Proportionate Voting Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares.

Conversion at Option of Holder

Each issued and outstanding Common Share may at any time, at the option of the holder, be converted into 0.001 of a Proportionate Voting Share. The conversion right may be exercised at any time and from time to time in the manner specified in the Articles of the Company. Exercise of the conversion right requires delivery of a written notice to the Company's transfer agent signed by the registered holder of the Common Shares (or by his, her or its duly authorized representative) and be accompanied by the certificate or certificates representing the Common Shares, or, if uncertificated, such other evidence of ownership as the transfer agent may require, in respect of which the holder wishes to exercise the right of conversion. This conversion right of the holders of the Common Shares terminates on the occurrence of a Proportionate Share Conversion Event (as defined below).

Effect of Proportionate Voting Shares, Exchangeable Shares and Preferred Shares on Common Shares

The Company is authorized to issue an unlimited number of Proportionate Voting Shares, exchangeable shares of the Company ("Exchangeable Shares") and preferred shares of the Company ("Preferred Shares") in one or more series. Currently, there are four series of Preferred Shares: Series A, Series B, Series C and Series D.

Voting Rights

The holders of Proportionate Voting Shares are entitled to 1,000 votes for each Proportionate Voting Share at all meetings of the shareholders of the Company, except for meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series. The holders of Exchangeable Shares and Preferred Shares are not entitled to vote at meetings of the shareholders of the Company

Conversion and Exchange Rights

Each issued and outstanding Proportionate Voting Share may at any time, at the option of the holder, be converted into 1,000 Common Shares. The conversion right may be exercised from time to time in the manner specified in the

Articles of the Company. If the directors of the Company, in good faith, determine that it is no longer advisable to maintain the Proportionate Voting Shares as a separate class of shares, then, effective on the date approved by the directors, all of the Proportionate Voting Shares shall, without any further action on the part of any holder of Proportionate Voting Shares, immediately and automatically be converted into Common Shares at the conversion ratio of 1,000 Common Shares for each Proportionate Voting Share (a "Proportionate Share Conversion Event").

Each issued and outstanding Exchangeable Share may, at the option of the holder, be exchanged for one Common Share at any time following the Exchange Start Date, as specified in the Articles of the Company. "Exchange Start Date" means the date following the satisfaction of the following terms and conditions: (i) the Triggering Event has occurred; and (ii) all stock exchanges upon which the securities of the holder of the Exchangeable Share (or any entity of which the holder is a subsidiary) are listed for trading have approved the exchange of the Exchangeable Share into a Common Share, to the extent that any such approval is required. In this paragraph, "Triggering Event" means the earlier of: (i) the date that federal laws regarding the cultivation, distribution or possession of marijuana in the United States are changed, such that the Company is fully compliant with federal regulation in the United States; and (ii) the date that all stock exchanges upon which the securities of the holder of the Exchangeable Share (or any entity of which the holder is a subsidiary) are listed for trading have amended their policies to permit listed issuers to invest in entities that are engaged in the cultivation, distribution or possession of marijuana in states in the United States where it is legal to do so, such that the holder of the Exchangeable Share (and any entity of which the holder is a subsidiary) is fully compliant with all rules and regulations of all stock exchanges upon which the securities of the holder of the Exchangeable Shares (or any entity of which the holder is a subsidiary) are listed for trading.

Each Preferred Share may, at any time at the option of the holder, be converted into Common Shares, as specified in the Articles of the Company. Each Series A and Series C Preferred Share is convertible into one Common Share, subject to certain adjustments. Each Series B and D Preferred Share is convertible into 1,000 Common Shares, subject to certain adjustments. The Preferred Shares are also subject to automatic conversion in the event of certain change of control transactions.

Dividends and Dissolution

The holders of the Proportionate Voting Shares are entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Company. If, as and when dividends are declared by the Company's Board of Directors, each Proportionate Voting Share is entitled to 1,000 times the amount paid or distributed per Common Share. In the event of a dissolution, liquidation or winding-up of the Company, the holders of the Proportionate Voting Shares are, subject to the rights of any other class of shares, entitled to receive the remaining property of the Company on the basis that each Proportionate Voting Share is entitled to 1,000 times the amount distributed per Common Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares. In the event of a dissolution, liquidation or winding-up of the Company, the holders of the Proportionate Voting Shares are, subject to the rights of any other class of shares, entitled to receive the remaining property of the Company on the basis that each Proportionate Voting Share is entitled to 1,000 times the amount distributed per Common Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares.

The holders of Exchangeable Shares are not entitled to receive any dividends. In the event of a dissolution, liquidation or winding-up of the Company, the holders of the Exchangeable Shares are not entitled to receive any amount, property or assets of the Company.

The holders of Preferred Shares are not entitled to receive any dividends, though the Preferred Shares are entitled to certain conversion ratio adjustments in the event the Company pays certain dividends. The Preferred Shares of each series, with respect to the distribution of assets of the Company in the event of the liquidation, dissolution or winding-up, rank on a parity with the Preferred Shares of every other Series of Preferred Shares, and are entitled to preference over the Proportionate Voting Shares, Common Shares and Exchangeable Shares of the Company. The liquidation preference of the Series A and Series B Preferred Shares is $2,000 per share and the liquidation preference of the Series C and D Preferred Shares is $3,000 per share, with each amount subject to adjustment in various events.

Foreign Ownership of Common Shares

There is no limitation imposed by TerrAscend Articles or by-laws on the right of non-Canadian residents to hold Common Shares or exercise voting rights on Common Shares. The following provides a brief summary of certain limitations imposed by Canadian laws on the rights of non-Canadian residents to hold Common Shares or exercise voting rights on Common Shares, but should not be deemed to be comprehensive or complete in any part, and any such holder or potential holder of Common Shares should undertake a more thorough review of such applicable laws, or consult the advice or services of a qualified expert or professional.

Competition Act

Limitations on the ability to acquire and hold Common Shares may be imposed by the Competition Act (Canada). The legislation permits the Commissioner of Competition of Canada ("Commissioner"), to review any acquisition or establishment, directly or indirectly, including through the acquisition of shares, of control over or of a significant interest in the Company. This legislation grants the Commissioner jurisdiction, for up to one year after the acquisition has been substantially completed, to seek a remedial order, including an order to prohibit the acquisition or require divestitures, from the Canadian Competition Tribunal, which order may be granted where the Competition Tribunal finds that the acquisition prevents or lessens, or is likely to prevent or lessen, competition substantially.

This legislation also requires any person or persons who intend to acquire more than 20% of Common Shares or, if such person or persons already own more than 20% of Common Shares prior to the acquisition, more than 50% of Common Shares, to file a notification with the Canadian Competition Bureau if certain financial thresholds are exceeded. Where a notification is required, unless an exemption is available, the legislation prohibits completion of the acquisition until the expiration of the applicable statutory waiting period, unless the Commissioner either waives or terminates such waiting period.

Investment Canada Act

Under the Investment Canada Act an "acquisition of control" of a Canadian business by a "non-Canadian" (as determined pursuant to the Investment Canada Act) involving the "acquisition of control" are either (i) subject to review prior to completion (a "Reviewable Transaction") or (ii) subject to a requirement to submit a notification in prescribed form with the responsible Canadian federal government department or departments not later than 30 days after closing. An investment will be a Reviewable Transaction where the applicable financial threshold is met. Subject to certain exemptions, a Reviewable Transaction may not be implemented until an application for review has been filed and the responsible Minister or Ministers of the federal cabinet has determined that the investment is likely to be of "net benefit to Canada" taking into account certain factors set out in the Investment Canada Act.

The Investment Canada Act contains various rules to determine if there has been an "acquisition of control" by a non-Canadian. For example, for purposes of determining whether an investor has acquired control of a corporation by acquiring shares, the following general rules apply, subject to certain exceptions: the acquisition of a majority of the undivided ownership interests in the voting shares of the corporation is deemed to be acquisition of control of that corporation; the acquisition of less than a majority, but one third or more, of the voting shares of a corporation or of an equivalent undivided ownership interest in the voting shares of the corporation is presumed to be acquisition of control of that corporation unless it can be established that, on the acquisition, the corporation is not controlled in fact by the acquirer through the ownership of voting shares; and the acquisition of less than one third of the voting shares of a corporation or of an equivalent divided ownership interest in the voting shares of the corporation is deemed not to be acquisition of control of that corporation.

The Investment Canada Act, also includes a discretionary national security review regime which allows the federal government to review a much broader range of investments by a non-Canadian to "acquire, in whole or part, or to establish an entity carrying on all or any part of its operations in Canada" where the federal government believes that the investment by a non-Canadian could be "injurious to national security." No financial threshold applies to a national security review. The federal government has broad discretion to determine whether an investor is a non-Canadian and therefore subject to national security review. A national security review may occur on a pre- or post-closing basis.

Exchange Controls

There are no government laws, decrees or regulations in Canada which restrict the export or import of capital or which affect the remittance of dividends, interest or other payments to non-resident holders of Common Shares. Any remittances of dividends to United States residents and to other non-residents are, however, subject to withholding tax.

Certain Canadian Federal Income Taxation

The following general summary describes the principal Canadian federal income tax consequences applicable to a holder of Common Shares who is a resident of the US, who is not, will not be and will not be deemed to be a resident of Canada for purposes of the *Income Tax Act* (Canada) (the "Tax Act") and who does not use or hold, and is not deemed to use or hold, his, her or its Common Shares in the capital of the Company in connection with carrying on a business in Canada (a "Non-Resident Holder"). This summary is based on the current provisions of the Tax Act and the regulations thereunder, the Canada-United States Tax Convention as amended by the Protocols thereto (the "Canada-US Treaty") and the Company's understanding of the current publicly available administrative practices and assessing policies of the Canada Revenue Agency (the "CRA"). This summary also takes into account all specific proposals to amend the Tax Act and the regulations (the "Proposed Amendments") announced by or on behalf of the Minister of Finance (Canada) in writing prior to the date hereof and assumes that all Proposed Amendments will be enacted in the form proposed although there can be no assurance that the Proposed Amendments will be enacted in the form proposed or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action or decision, nor does it take into account other federal or any provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. There can be no assurance that the CRA will not change its administrative policies or assessing practices. This summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular holder or prospective holder of Common Shares, and no opinion or representation with respect to the tax consequences to any holder or prospective holder of Common Shares is made. Accordingly, holders and prospective holders of Common Shares should consult their own tax advisors with respect to the income tax consequences of purchasing, owning and disposing of Common Shares in their particular circumstances.

Dividends

Dividends paid or credited or deemed to be paid or credited by the Company to a Non-Resident Holder will generally be subject to Canadian withholding tax at the rate of 25%, subject to any reduction in the rate of such withholding to which the Non-Resident Holder is entitled under an applicable income tax treaty between Canada and the country where the Non-Resident Holder is resident. For example, under the Canada-US Treaty, the withholding tax rate in respect of a dividend paid to a Non-Resident Holder who is the beneficial owner of the dividend and is resident in the United States for purposes of, and entitled to full benefits under, the Canada-US Treaty, is generally reduced to 15% (or to 5% for a company that holds at least 10% of the voting stock of the corporation paying the dividend).

Capital Gains

A Non-Resident Holder will not be subject to tax under the Tax Act in respect of any capital gain realized on a disposition of Common Shares of the Company, nor will capital losses arising therefrom be recognized under the Tax Act, unless the Common Shares disposed of constitute "taxable Canadian property" of the Non-Resident Holder and the Non-Resident Holder is not entitled to relief under the Canada-US Treaty. Provided that, at the time of disposition, the Common Shares are listed on a "designated stock exchange", as defined in the Tax Act, the Common Shares generally will not constitute "taxable Canadian property" of a Non-Resident Holder at that time, unless, at any time in the sixty (60) month period preceding the disposition the following two conditions were met concurrently: (a) 25% or more of the issued shares of any class or series of the capital stock of the Company were owned by any combination of (i) the Non-Resident Holder, (ii) persons with whom the Non-Resident Holder did not deal at arm's length and (iii) partnerships in which persons referred to in (i) or (ii) hold a membership interest (directly or indirectly through one or more partnerships); and (b) more than 50% of the fair market value of the Common Shares was derived, directly or indirectly, from any combination of (i) real or immovable property situated in Canada, (ii) "Canadian resource properties" (as defined in the Tax Act), (iii) "timber resource properties" (as defined in the Tax Act), and (iv) options in respect of, or an interest in, or for civil law rights in, the property described in (i) to (iii), whether or not such property exists. Notwithstanding the foregoing, a Common Share may in certain circumstances be deemed to be taxable Canadian property of a Non-Resident Holder for purposes of the Tax Act.

Warrants

Warrants to Purchase Common Shares

As of December 31, 2022, there were 30,369,849 warrants to purchase Common Shares outstanding (the "Common Share Warrants") at a weighted average exercise price of $5.47 per share. Each Common Share Warrant entitles the

registered holder to purchase one Common Share at a price per share described below and subject to adjustment as discussed below.

Exercisability. The Common Share Warrants are exercisable:

- With respect to all 30,369,8490 Common Share Warrants outstanding, such Common Share Warrants may be converted into Common Shares at the holder's option.
- With respect to 7,363,812 Common Share Warrants outstanding, as an alternative to payment in immediately available funds, the holder may, in its sole discretion, elect to exercise a Preferred Share Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of Preferred Shares determined according to the formula set forth in the Preferred Share Warrant.
- With respect to 234,295 Common Share Warrants outstanding, 50% of such Common Share Warrants may be exercised on the first anniversary of the issuance, with the remainder exerciseable on the second anniversary of the issuance.

Exercise Price. The exercise price per Common Share purchasable upon exercise of the Common Share Warrants is:

- CAD$3.74 as to 2,152,733 Common Share Warrants outstanding;
- CAD$4.16 as to 320,000 Common Share Warrants outstanding;
- CAD$4.25 as to 25,000 Common Share Warrants outstanding;
- CAD$5.14 as to 15,656,242 Common Share Warrants outstanding;
- CAD$5.95 as to 2,225,714 Common Share Warrants outstanding;
- CAD$6.49 as to 520,630 Common Share Warrants outstanding;
- USD$7.00 as to 234,295 Common Share Warrants outstanding;
- USD$8.66 as to 7,129,517 Common Share Warrants outstanding;
- CAD$15.28 as to 1,926,983 Common Share Warrants outstanding; and
- CAD$17.19 as to 178,735 Common Share Warrants outstanding,

each subject to adjustment, as described below.

Expiration. The Common Share Warrants will expire on:

- December 31, 2032 as to 22,474,130 Common Share Warrants outstanding;
- July 2, 2025 as to 117,147 Common Share Warrants outstanding;
- July 2, 2024 as to 117,148 Common Share Warrants outstanding;
- November 26, 2024 as to 66,880 Common Share Warrants outstanding;
- November 6, 2024 as to 120,027 Common Share Warrants outstanding;
- December 30, 2023 as to 5,371,789 Common Share Warrants outstanding;
- December 14, 2023 as to 1,757,728 Common Share Warrants outstanding;
- August 9, 2023 as to 25,000 Common Share Warrants outstanding; and
- June 6, 2023 as to 320,000 Common Share Warrants outstanding.

Transferability. Subject to applicable laws, the Common Share Warrants may be transferred at the option of the holders upon completion and delivery to the Company of the transfer form.

Adjustments; Change in Control Transaction. The exercise price and Common Shares issuable upon exercise of the Common Share Warrants are subject to appropriate adjustment in the event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's Common Shares. Further, the exercise price and Common Shares issuable upon exercise of the Common Share Warrants are subject to appropriate adjustment in the event the Company consummates certain change in control or capital reorganization transactions (each as defined in such Common Share Warrant) as set forth in such Common Share Warrants.

The exercise price and Common Shares issuable upon exercise of the Common Share Warrants are subject to adjustment pursuant to a formula provided for in the Common Share Warrant in the event the Company shall provide a rights offering to purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a

price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the current market price.

Additionally, with respect to 22,061,337 Common Share Warrants, in the event the Company consummates an issuer bid or tender exchange offer at a price greater than the current market price, the exercise price shall be adjusted according to the formula set forth in such Common Share Warrants.

Warrants to Purchase Preferred Shares

As of December 31, 2022, there were 15,806 warrants to purchase Preferred Shares outstanding (the "Preferred Share Warrants") at a weighted average exercise price per share of $3,000 per share, consisting of (i) 14,021 warrants to purchase Series C Convertible Preferred Shares (the "Series C Warrants"), and (ii) 1,785 warrants to purchase Series D Convertible Preferred Shares (the "Series D Warrants"). The terms of the Series C Warrants and Series D Warrants are substantially similar such that the description below applies to both series unless otherwise noted. Each Preferred Share Warrant entitles the registered holder to purchase one Preferred Share at a price per share described below and subject to adjustment as discussed below.

Exercisability. The Preferred Share Warrants are exercisable immediately upon issuance. The Preferred Share Warrants will be exercisable, at the option of each holder, in whole or in part, by delivery of a completed and executed subscription form, surrender of the warrant certificate, and, unless electing cashless exercise, payment in full for the number of Preferred Shares purchased. As an alternative to payment in immediately available funds, the holder may, in its sole discretion, elect to exercise a Preferred Share Warrant through a cashless exercise, in which case the holder would receive upon such exercise the net number of Preferred Shares determined according to the formula set forth in the Preferred Share Warrant. No fractional Preferred Shares shall be issued upon exercise of a Preferred Share Warrant. Any fractional Preferred Shares issuable upon exercise of a Preferred Share Warrant will be rounded down to the nearest $1/1000^{th}$ of a Preferred Share and the holder will not be entitled to any cash payment or compensation in lieu of any fraction of a Preferred Share that is rounded down.

Exercise Price. The exercise price per Preferred Share purchasable upon the exercise of the Preferred Share Warrants is $3,000 per share, subject to adjustment, as described below.

Expiration. The Preferred Share Warrants will expire as follows: 13,646 expire on May 22, 2023, 1,648 expire on May 28, 2023, 437 expire on June 5, 2023, and 75 expire on June 8, 2023.

Transferability. Subject to applicable laws, the Preferred Share Warrants may be transferred at the option of the holders upon completion and delivery to the Company of the transfer form.

Adjustments; Change in Control Transaction. The exercise price and Preferred Shares issuable upon exercise of the Preferred Share Warrants are subject to appropriate adjustment in the event of certain share dividends and distributions, stock splits, stock combinations, reclassifications or similar events affecting the Company's Preferred Shares.

In addition, in the event the Company consummates (a) a consolidation, amalgamation, arrangement or merger of the Company with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities or (b) the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity (any of such events in (a) and (b) a "Capital Reorganization"), any holder of Preferred Share Warrants that has not exercised its Preferred Share Warrants prior to the effective date of such Capital Reorganization, upon the exercise of such Preferred Share Warrant thereafter, shall be entitled to receive, in lieu of the number of Preferred Shares to which the holder was theretofore entitled upon the exercise of the Preferred Share Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the holder had been the registered holder of the number of Common Shares which the holder would theretofore have been entitled to purchase or receive upon conversion of the Preferred Shares deliverable upon the exercise of the Preferred Share Warrants and the conversion of the Preferred Shares into (i) Common Shares, or (ii) Proportionate Voting Shares followed by the conversion of such Proportionate Voting Shares into Common Shares, as applicable.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE OCTOBER ___, 2018.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL OCTOBER ___, 2018 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON JUNE ___, 2023 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

INCENTIVE WARRANTS TO PURCHASE UP TO 80,000 COMMON SHARES OF

TerrAscend Corp.
(existing under the laws of Ontario)

Void After June _, 2023

Warrant Certificate Number - 2018-____ Number of Warrants represented by this certificate: _____

THIS CERTIFIES that, for value received, _____ (the **"Holder"),** is the registered holder of _____ warrants (collectively, the **"Warrants";** each a **"Warrant"),** each Warrant entitling the Holder, subject to the terms and conditions set forth in this Wa1rnnt Certificate (the **"Certificate"),** to purchase from TerrAscend Corp. (the **"Corporation"),** one common share in the capital of the Corporation (a **"Common Share"),** at any time, subject to the vesting conditions in subsection I (a) of this Warrant certificate, until 5:00 p.m. (Toronto time) on June 6, 2023, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the **"Time of Expiry"),** on payment of a price per Common Share equal to CAD$_____ (the **"Exercise Price").** The number of Common Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Ce1tificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Common Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

1.**Exercise of Warrants.**

(a)Exercise. The Holder is entitled, from and after _____, 2019 to exercise one half of their Warrants, and after _____, 2020, exercise the remainder of their Warrants (the **"Vesting Date"),** to exercise the Warrants in whole or in part in tranches, at any time or from time to time on or prior to the Time of Expiry. The Corporation shall, on the next business day after receiving a duly executed Election to Purchase (as defined below) and the Exercise Price for the number of Common Shares specified in the Election to Purchase (the **"Exercise Date"),** issue that number of Common Shares specified in the Election to Purchase.

(b)Change of Control. Notwithstanding subsection !(a) of this Warrant certificate, in the event that, prior to the applicable Vesting Date, a Change of Control (as defined in subsection l(f)(iv)) occurs, other than a Change of Control in conjunction with an internal reorganization of the Corporation, the Vesting Date shall no longer apply and from the date that the Change of Control occurs, the Holder shall be entitled to exercise the Warrants from time to time until the Time of Expiry.

(c)Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule I (the **"Election to Purchase"),** properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Common Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, LSC I W2 or such other address in Canada as may be notified in writing by the Corporation (the **"Corporation Office").** In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Common Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Common Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.

(d)Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall, as specified by the Holder in the Election to Purchase, either (i) issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Common Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants, or (ii) in the case of the Common Shares, issue and cause to be deposited electronically with CDS Clearing and Depository Services Inc. **("CDS")** through the book-based system administered by CDS using the "non-certificated inventory" issue process that number of Common Shares issuable on exercise of the Warrants so exercised and, in the case of the Warrants, a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Common Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Common Shares and unexercised Warrants represented thereby. Notwithstanding the above, all Common Shares issued to a United States institutional "accredited investor" as defined in Rule 50 I (a)(l), (2), (3), or (7) of Regulation D under the U.S. Securities Act will be evidenced by physical certificates.

(e)Fractional Common Shares. No fractional Common Shares shall be issued upon exercise of the Warrants represented by this Certificate.

(f)Adjustments. The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(i)If, at any time from the date hereof until the Time of Expiry (the **"Adjustment Period"),** the Corporation shall:

(A)subdivide, re-divide or change its outstanding Common Shares into a greater number of Common Shares;

(B)reduce, combine or consolidate its outstanding Common Shares into a lesser number of Common Shares; or

(C)issue Common Shares or securities exchangeable for, or convertible into, Common Shares to all or substantially all of the holders of Common Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Common Shares upon the exercise of Warrants or any options, restricted share units or other exchangeable or convertible securities of the Corporation);

(any of such events in subsections l(t)(i)(A), (B) or (C) being called a **"Common Share Reorganization")** then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Common Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the number of outstanding Common Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the number of outstanding Common Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this subsection I (f)(i)shall occur. Upon any adjustment of the Exercise Price pursuant to subsection I (t)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. **"Exchange Rate"** means the number of Common Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one (I) Common Share for one (I) Warrant.

(ii)If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares (or securities convertible or exchangeable into Common Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price (as defined below) on such record date (a **"Rights Offering"),** the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date plus a number of Common Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares offered for subscription or purchase (or the aggregate

conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares outstanding on such record date plus the total number of additional Common Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1 (f)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iii)If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares (or other securities convertible into or exchangeable for Common Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Common Share Reorganization, a Rights Offering or a distribution of Common Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares, and of which the denominator shall be the total number of Common Shares outstanding on such record date multiplied by the Current Market Price. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such

adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(f)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iv)If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares or a capital reorganization of the Corporation other than as described in subsection 1(f)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity (each, a **"Change of Control"),** any Holder that has not exercised its Warrants prior to the effective date of such Change of Control, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares **that** prior to such effective date the Holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such Change of Control, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection I (f)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such Change of Control, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection I (f) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.

(v)In any case in which this subsection 1(f) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares declared in favour of holders of record of Common Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(f)(v), have become the holder of record of such additional Common Shares pursuant to this subsection l(f).

(vi)In any case in which subsection 1(f)(i)(C), subsection 1(f)(ii) or subsection l(f)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in subsection 1(f)(i)(C), subsection 1(f)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(f)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

(vii)The adjustments provided for in this subsection 1(f) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re- divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(f), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Common Shares issuable upon the exercise of a Warrant by at least one one hundredth of a Common Share; provided, however, that any adjustments which by reason of this subsection 1(f)(vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(viii)After any adjustment pursuant to this subsection 1(f), the term "Common Shares", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), the Holder is entitled to receive upon the exercise of Warrants, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), upon the full exercise of a Warrant.

(ix)All Common Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection I (f), shall, for the purposes of the interpretation of this Certificate, be deemed to be Common Shares which such Holder is entitled to acquire pursuant to such Warrant.

(x)Notwithstanding anything in this subsection I (f), no adjustment shall be made **in** the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Certificate or **in** connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.

(xi)As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(xii)The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection I (f), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(xiii)The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection l(f) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

(xiv)The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of I 0 business days after the giving of the certificate set forth in subsection l(f)(xii).

(xv)If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in subsection l(f), which in the

reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

(xvi)No adjustments shall be made pursuant to this subsection 1(f) if the Holder is entitled to participate in any event described in this subsection l(f) on the same terms, *mutatis mutandis,* as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.

(xvii)If at any time a question or dispute arises with respect to adjustments provided for in this subsection I (f), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.

(g)Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Common Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Common Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Common Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non assessable. The Corporation will take all such actions as may be necessary to ensure that all such Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed or in respect of which the Common Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Common Shares may be so issued without violation of any applicable law.

(h)Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Common Shares and the issuance of Ce1tificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.

(i)Current Market Price. For the purposes of any computation hereunder, the "Current Market Price" at any date shall be the volume weighted average trading price per Common Share for the 20 consecutive trading days ending five (5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a detennination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

2.**Replacement.** Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.

3.**Expiry Date.** The Warrants represented by this Certificate shall expire and all rights to purchase Common Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on June 6, 2023.

4.**Governing Law.** The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.

5.**Successors.** This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its respective successors.

6.**General.** All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

[Remaint/er of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of _____, 2018.

TERRASCEND CORP.

By: _
Authorized Officer

Schedule 1

Election to Purchase

TO: TerrAscend Corp.

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Common Shares (or other property or securities subject thereto) as set forth below:

Payment of Exercise Price

(a)

(b)

(c)

(d)

Number of Warrants to be Exercised: Number of Common Shares to be Acquired: Exercise Price per Common Share: Aggregate Purchase Price [(b) multiplied by (c)]

#----

#----

$_ _

$----

23393871.2

and hereby tenders a ce1tified cheque, bank draft or cash for such aggregate purchase price, and directs such Common Shares to be registered and a ce1tificate therefor, if applicable, to be issued as directed below.

The undersigned represents, wa1rnnts and certifies as follows (one (only) of the following must be checked):

(A)the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act")),** (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
(v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR

(B)the undersigned holder

(i)is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Common Shares issuable upon such exercise, and

(ii)the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the

Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect;

(C)the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

(D)the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an institutional "accredited investor" within the meaning of Rule 50l(a)(l), (2), (3), or (7) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

The undersigned holder understands that unless Box A or C above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. **"U.S. Person**" and **"United States"** are as defined under Regulation Sunder the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

DATEDthis _

dayof _,20_ .

-

Per:_ Name of Registered Holder:

Address of Registered Holder:

Schedule 2 Transfer Form

TO: TerrAscend Corp.

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

_of the Warrants registered in the name of the undersigned transferor represented by the attached Ce11ificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants
are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"))** or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Watrnnt Ce11ificate.

DATED this _day of _,_ .

Signature of Registered Holder (Transferor)

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE MARCH ___, 2020.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL MARCH 27, 2020 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS.

THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THIS WARRANT AND THE COMMON SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON _____ _____, 2024 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

WARRANTS TO PURCHASE UP TO 33,440 COMMON SHARES OF

TerrAscend Corp.
(existing under the laws of Ontario)

Void After _____, 2024

Warrant Certificate Number – 2019-11-___ Number of Warrants represented by this certificate: _____

THIS CERTIFIES that, for value received, _____, _____ (the "**Holder**"), is the registered holder of __,____ warrants (collectively, the "**Warrants**"; each a "**Warrant**"), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the "**Certificate**"), to purchase from TerrAscend Corp. (the "**Corporation**"), one common share in the capital of the Corporation (a "**Common Share**"), at any time commencing upon the Exercise Period Start Date (as defined herein) until 5:00 p.m. (Toronto time) on _____ ____, 2024, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the "**Time of Expiry**"), on payment of a price per Common Share equal to CAD$6.49 (the "**Exercise Price**"). The number of Common Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Common Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

1.Exercise of Warrants.

(a)Exercise Period Start Date. The rights evidenced by this Certificate may not be exercised until (the "**Exercise Period Start Date**") the occurrence of the Triggering Event (as defined below), unless such restriction is waived by the Holder, in its sole and absolute discretion, in writing to the Corporation. "**Triggering Event**" is the date that the federal laws in the United States are amended to permit the general cultivation, distribution and possession of marijuana (as defined in 21 U.S.C 802) or to remove the regulation of such activities from the federal laws of the United States, or, if applicable, the stock exchange(s) on which securities of the Holder or its affiliates are listed permit the investment by the Holder in an entity that participates in the cultivation, distribution and possession of marijuana in the United States.

(b)Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the "**Election to Purchase**"), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Common Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation (the "**Corporation Office**"). In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Common Shares issuable on the exercise of the Warrants so exercised, issue to the Holder

a Warrant Certificate on identical terms in respect of that number of Common Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.

(c)Exercise. The Corporation shall, on the next business day after receiving a duly executed Election to Purchase and the Exercise Price for the number of Common Shares specified in the Election to Purchase (the "**Exercise Date**"), issue that number of Common Shares specified in the Election to Purchase.

(d)Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall, as specified by the Holder in the Election to Purchase, either (i) issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Common Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants, or (ii) in the case of the Common Shares, issue and cause to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") through the book-based system administered by CDS using the "non-certificated inventory" issue process that number of Common Shares issuable on exercise of the Warrants so exercised and, in the case of the Warrants, a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Common Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Common Shares and unexercised Warrants represented thereby. Notwithstanding the above, all Common Shares issued to a United States "accredited investor" as defined in Rule 501(a) of Regulation D under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), who is not a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act), will be evidenced by physical certificates.

(e)Fractional Common Shares. No fractional Common Shares shall be issued upon exercise of the Warrants represented by this Certificate.

(f)Adjustments. The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(i)If, at any time from the date hereof until the Time of Expiry (the "**Adjustment Period**"), the Corporation shall:

(A)subdivide, re-divide or change its outstanding Common Shares and/or its non-voting and non-participating exchangeable shares in the capital of the Corporation (the "**Exchangeable Shares**") into a greater number of Common Shares or Exchangeable Shares;

(B)reduce, combine or consolidate its outstanding Common Shares and/or Exchangeable Shares into a lesser number of Common Shares or Exchangeable Shares; or

(C)issue Common Shares and/or Exchangeable Shares or securities exchangeable for, or convertible into, Common Shares and/or Exchangeable Shares to all or substantially all of the holders of Common Shares or Exchangeable Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary

course or a distribution of Common Shares and/or Exchangeable Shares upon the exercise of warrants, options, restricted share units or other exchangeable or convertible securities of the Corporation);

(any of such events in subsections 1(f)(i)(A), (B) or (C) being called a "**Common Share Reorganization**") then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Common Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the increase in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the decrease in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization (including, in the case where securities exchangeable for or convertible into Common Shares are distributed, the number of Common Shares that would have been outstanding had such securities been exchanged for or converted into Common Shares on such record date or effective date). Such adjustment shall be made successively whenever any event referred to in this subsection 1(f)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(f)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. "**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one (1) Common Share for one (1) Warrant.

(ii)If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares and/or Exchangeable Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price (as defined below) on such record date (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus a number of Common Shares and/or Exchangeable Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or

exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(f)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iii)If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares and/or Exchangeable Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares and/or Exchangeable Shares (or other securities convertible into or exchangeable for Common Shares and/or Exchangeable Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Common Share Reorganization, a Rights Offering or a distribution of Common Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares and/or Exchangeable Shares, and of which the denominator shall be the total

number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(f)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(f)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.

(iv)If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares and/or Exchangeable Shares or a capital reorganization of the Corporation other than as described in subsection 1(f)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Holder would have been entitled to receive, assuming the occurrence of a Triggering Event, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(f)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other

securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(f) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.

(v)If and whenever at any time during the Adjustment Period the Corporation or a subsidiary of the Corporation shall make an issuer bid or a tender or exchange offer (other than an odd lot offer or a normal course issuer bid) to all or substantially all of the holders of Common Shares and/or Exchangeable Shares for all or any portion of the Common Shares and/or Exchangeable Shares where the cash and the value of any other consideration included in such payment per Common Share and/or Exchangeable Shares exceeds the Current Market Price on the trading day immediately preceding the commencement of the issuer bid or tender or exchange offer (any such issuer bid or tender or exchange offer being called an "**Issuer Bid**"), the Exercise Price shall be adjusted to a price determined by multiplying the applicable Exercise Price in effect on the date of the completion of such Issuer Bid by a fraction, the numerator of which shall be the product of (A) the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of any tendered or exchanged shares) and (B) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid, and the denominator of which shall be the sum of (A) the fair market value (determined by the board of directors of the Corporation, acting reasonably and in good faith) of the aggregate consideration paid by the Corporation or subsidiary to holders of Common Shares and/or Exchangeable Shares upon the completion of such Issuer Bid, and (B) the product of (I) the difference between the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of tendered or exchanged shares) and the number of Common Shares and/or Exchangeable Shares actually purchased by the Corporation or subsidiary pursuant to the Issuer Bid, and (II) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid.

(vi)In any case in which this subsection 1(f) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares and/or Exchangeable Shares declared in favour of holders of record of Common Shares and/or Exchangeable Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(f)(vi),

have become the holder of record of such additional Common Shares pursuant to this subsection 1(f).

(vii)In any case in which subsection 1(f)(i)(C), subsection 1(f)(ii) or subsection 1(f)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the rights or warrants referred to in subsection 1(f)(i)(C), subsection 1(f)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(f)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

(viii)The adjustments provided for in this subsection 1(f) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(f), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Common Shares issuable upon the exercise of a Warrant by at least one one- hundredth of a Common Share; provided, however, that any adjustments which by reason of this subsection 1(f)(viii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(ix)After any adjustment pursuant to this subsection 1(f), the term “Common Shares”, where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), the Holder is entitled to receive upon the exercise of Warrants, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(f), upon the full exercise of a Warrant.

(x)All Common Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(f), shall, for the purposes of the interpretation of this Certificate, be deemed to be Common Shares which such Holder is entitled to acquire pursuant to such Warrant.

(xi)Notwithstanding anything in this subsection 1(f), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service

providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.

(xii)As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(xiii)The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(f), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(xiv) The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(f) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

(xv)The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(f)(xiii).

(xvi)If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in subsection 1(f), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained.

(xvii)No adjustments shall be made pursuant to this subsection 1(f) if the Holder is entitled to participate in any event described in this subsection 1(f) on the same

terms, *mutatis mutandis*, as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.

(xviii)If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(f), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.

(g)Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Common Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Common Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Common Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non- assessable. The Corporation will take all such actions as may be necessary to ensure that all such Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed or in respect of which the Common Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Common Shares may be so issued without violation of any applicable law.

(h)Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Common Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.

(i)Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares issuable upon the exercise of the Warrants to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.

(j)Current Market Price. For the purposes of any computation hereunder, the "**Current Market Price**" at any date shall be the volume weighted average trading price per Common Share for the 20 consecutive trading days ending five (5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

2.Transfer of Warrants. No transfer of the Warrants represented by this Certificate shall be effective unless this Certificate is accompanied by a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the "**Transfer Form**") or such other instrument of transfer in such form as the Corporation may from time to time prescribe and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective

registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws. Provided, that if any of the Warrants are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the registrar and transfer agent, together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of Warrants, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Corporation's transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.

3.U.S. Registration.

(a)Neither the Warrants represented by this Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(i)(A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;

(B)did not execute or deliver the exercise form while in the United States;

(C)delivery of the Common Shares will not be to an address in the United States; and

(D)has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(ii)is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(iii)is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act) and all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or

(iv)is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Common Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

"U.S. person" and "United States" are as defined in Regulation S under the U.S. Securities Act.

(b)All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to subparagraphs 3(a)(ii) or 3(a)(iv) above on the exercise of the rights represented by this Certificate will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO

SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

provided further, that if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

4.Replacement. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.

5.Expiry Date. The Warrants represented by this Certificate shall expire and all rights to purchase Common Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on November 26, 2024.

6.Successor Corporations.

(a)The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

(i)the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and

(ii)the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.

(b)Whenever the conditions of subsection 6(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

7.Covenants and Compliance Obligations. So long as any Warrants remain outstanding the Corporation covenants that:

(a)it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario; and

(b)if the issuance of the Common Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Common Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

8.Governing Law. The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.

9.Successors. This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its successors.

10.General. All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

[*Remainder of page intentionally left blank. Signature page follows.*]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

TERRASCEND CORP.

By: _
Authorized Officer

Schedule 1

Election to Purchase

TO: TerrAscend Corp.

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Common Shares (or other property or securities subject thereto) as set forth below:

Payment of Exercise Price

(a)Number of Warrants to be Exercised: #_

(b)Number of Common Shares to be Acquired: #_

(c)Exercise Price per Common Share: $_

(d)Aggregate Purchase Price [(b) multiplied by (c)] $_

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Common Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

r (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
(v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Common Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR

r (B) the undersigned holder

(i)is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Common Shares issuable upon such exercise, and

(ii)the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the

Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR

r (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof; OR

r (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act); and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof.

The undersigned holder understands that unless Box A or Box D above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined under Regulation S under the U.S. Securities Act.

If Box B or Box C is checked, any certificate representing the Common Shares issuable upon exercise of these Warrants will bear an applicable United States restrictive legend.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

[*Remainder of page intentionally left blank. Signature page follows.*]

DATED this _day of _, 20__.

-

Per:_ Address of Registered Holder:

Name of Registered Holder:

Schedule 2

Transfer Form

TO: TerrAscend Corp.

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

_of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

DATED this _day of _, _.

Signature of Registered Holder (Transferor)

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF **AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT,

WARRANTS TO PURCHASE
SERIES C PREFERRED SHARES OF TERRASCEND CORP.

Date: _____

Warrant Certificate Number: Number of Warrants:

2020 - W - _____ _____

THIS IS TO CERTIFY THAT for value received _____, _____ (the **"Warrantholder")** has the right to purchase in respect of each whole warrant (individually, a **"Warrant"** and, collectively, the **"Warrants")** represented by this certificate or by a replacement certificate (in either case, this **"Warrant Certificate"),** at any time up to 5:00 p.m. (Toronto time), on _____, 2023 (the **"Expiry Time"),** one fully paid and non-assessable Series C convertible preferred share (individually, a **"Preferred Share"** and, collectively, the **"Preferred Shares"** and which terms shall include any shares or other securities to be issued in addition thereto or in substitution or replacement therefor as provided herein) of TerrAscend Corp. (the **"Corporation"),** a corporation existing under the *Business Corporations Act (Ontario),* as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the **"Exercise Price")** of $3,000 per Preferred Share, subject to adjustment as provided herein.

The Warrants are being issued to the Warrantholder in connection with the issuance and sale by the Corporation of units (each a **"Unit")** consisting of one Preferred Share in the capital of the Corporation and one Warrant.

The Corporation agrees that the Preferred Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warrantholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment or cashless exercise made for such Preferred Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warrantholder to subscribe for or purchase any Preferred Shares at any time after the Expiry Time and from and after the Expiry Time the Warrants and all rights under this Warrant Certificate shall be void and of no value.

The above provisions are subject to the following:

1.**EXERCISE**

(1)**DEFINITIONS: FOR THE PURPOSES OF THIS WARRANT CERTIFICATE, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SPECIFIED BELOW:**

"CLOSING PRICE" MEANS, WITH RESPECT TO ANY DATE, THE CLOSING SALE PRICE PER COMMON SHARE (OR IF NO CLOSING SALE PRICE IS REPORTED, THE AVERAGE OF THE BID AND ASK PRICES OR, IF MORE THAN ONE IN EITHER CASE, THE AVERAGE OF THE AVERAGE BID AND THE AVERAGE ASK PRICES) ON THAT DATE AS REPORTED IN COMPOSITE TRANSACTIONS FOR THE CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER DEALER QUOTATION SYSTEM UPON WHICH THE COMMON SHARES ARE LISTED OR QUOTED (OR, IF THE COMMON SHARES ARE NOT LISTED AND POSTED FOR TRADING ON A CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER-DEALER QUOTATION SYSTEM, SUCH OTHER OVER-THE-COUNTER MARKET ON WHICH THE COMMON SHARES MAY BE LISTED OR QUOTED). IF THE COMMON SHARES ARE NOT SO LISTED OR QUOTED, THE LAST REPORTED SALE PRICE WILL BE THE AVERAGE OF THE MID-POINT OF THE LAST BID AND ASK PRICES FOR THE COMMON SHARES ON THE RELEVANT DATE FROM EACH OF AT LEAST TWO RECOGNIZED INVESTMENT BANKING FIRMS SELECTED BY THE CORPORATION FOR THIS PURPOSE,

"COMMON SHARE" MEANS A COMMON SHARE IN THE CAPITAL OF THE CORPORATION.

"CONVERSION MULTIPLE" MEANS, AT ANY TIME, THE NUMBER OF PROPORTIONATE VOTING SHARES INTO WHICH ONE PREFERRED SHARE IS AT THAT TIME CONVERTIBLE MULTIPLIED BY THE PVS MULTIPLE AND SHALL INITIALLY BE 1,000.

"CURRENT MARKET PRICE" MEANS, WITH RESPECT TO THE EXERCISE OF ANY WARRANT, THE AVERAGE OF THE CLOSING PRICES (OR IF THE CLOSING PRICE ON ANY TRADING DAY IS QUOTED ONLY IN CANADIAN DOLLARS, THE USD EQUIVALENT AMOUNT THEREOF ON SUCH TRADING DAY) FOR EACH OF THE 10 CONSECUTIVE TRADING DAYS ENDING ON THE DAY IMMEDIATELY PRIOR TO THE DATE OF EXERCISE OF SUCH WARRANT.

"PVS MULTIPLE" MEANS, AT ANY TIME, THE NUMBER OF COMMON SHARES INTO WHICH ONE PROPORTIONATE VOTING SHARE IN THE CAPITAL OF THE COMPANY (EACH A "PROPORTIONATE VOTING SHARE") IS AT THAT TIME CONVERTIBLE.

"USO EQUIVALENT AMOUNT" MEANS ON ANY DATE WITH RESPECT TO THE SPECIFIED AMOUNT OF CANADIAN DOLLARS THE U.S. DOLLAR EQUIVALENT AMOUNT AFTER GIVING EFFECT TO THE CONVERSION OF CANADIAN DOLLARS TO U.S. DOLLARS AT THE BANK OF CANADA DAILY AVERAGE EXCHANGE RATE (AS QUOTED OR PUBLISHED FROM TIME TO TIME BY THE BANK OF CANADA) ON THAT DATE.

(2)EXERCISE: IF THE WARRANTHOLDER DESIRES TO EXERCISE THE RIGHT TO PURCHASE PREFERRED SHARES CONFERRED HEREBY, THE WARRANTHOLDER SHALL (A) COMPLETE, TO THE EXTENT POSSIBLE IN THE MANNER INDICATED, AND EXECUTE A SUBSCRIPTION FORM IN THE FORM ATTACHED AS SCHEDULE "A" TO THIS WARRANT CERTIFICATE, (B) SURRENDER THIS WARRANT CERTIFICATE TO THE CORPORATION IN ACCORDANCE WITH SECTION 13 OF THIS WARRANT CERTIFICATE, AND (C) UNLESS ELECTING CASHLESS EXERCISE (AS DEFINED BELOW), PAY THE AMOUNT PAYABLE UPON THE EXERCISE OF SUCH WARRANTS IN RESPECT OF THE PREFERRED SHARES SUBSCRIBED FOR BY CERTIFIED CHEQUE, BANK DRAFT OR MONEY ORDER IN LAWFUL MONEY OF THE UNITED STATES PAYABLE TO THE CORPORATION OR BY TRANSMITTING SAME DAY FUNDS IN LAWFUL MONEY OF THE UNITED STATES BY WIRE TO SUCH ACCOUNT AS THE CORPORATION SHALL DIRECT THE WARRANTHOLDER. UPON SUCH SURRENDER AND PAYMENT, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND, IF REQUESTED BY THE WARRANTHOLDER THE CORPORATION SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID.

(3)CASHLESS EXERCISE: THE WARRANTHOLDER SHALL BE ENTITLED TO ELECT A "CASHLESS EXERCISE" ON THE FORM ATTACHED AS SCHEDULE "A" AND SURRENDER ITS WARRANTS TO THE CORPORATION IN EXCHANGE FOR THE ISSUANCE OF THE NUMBER OF PREFERRED SHARES EQUAL TO THE QUOTIENT (IF GREATER THAN ZERO) OBTAINED BY DIVIDING [(A-B) (X)] BY (A), WHERE: (A) EQUALS THE CONVERSION MULTIPLE MULTIPLIED BY THE CURRENT MARKET PRICE ON THE TRADING DAY IMMEDIATELY PRECEDING THE DATE OF EXERCISE OF SUCH WARRANT; (B) EQUALS THE EXERCISE PRICE PER PREFERRED SHARE OF SUCH WARRANT, AS ADJUSTED; AND (X) EQUALS THE NUMBER OF PREFERRED SHARES THAT WOULD OTHERWISE BE ISSUABLE UPON EXERCISE OF SUCH WARRANT IN ACCORDANCE WITH ITS TERMS OTHER THAN PURSUANT TO A CASHLESS EXERCISE. UPON SUCH SURRENDER, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND THE CORPORATION, IF REQUESTED BY THE WARRANTHOLDER SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE

WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID,

THE ISSUE PRICE FOR EACH PREFERRED SHARE TO BE ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE EQUAL TO (B), AS DEFINED ABOVE, AND THE TOTAL ISSUE PRICE FOR THE AGGREGATE NUMBER OF PREFERRED SHARES ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE PAID AND SATISFIED IN FULL BY THE SURRENDER TO THE CORPORATION OF SUCH WARRANT.

(4)FRACTIONAL SHARES. ANY FRACTIONAL PREFERRED SHARES ISSUABLE UPON ANY EXERCISE OF THE WARRANTS WILL BE ROUNDED DOWN TO THE NEAREST 1/lOOOTH OF A PREFERRED SHARE AND THE WARRANTHOLDER WILL NOT BE ENTITLED TO ANY CASH PAYMENT OR COMPENSATION IN LIEU OF ANY FRACTION OF A PREFERRED SHARE THAT IS ROUNDED DOWN.

2.U.S. RESTRICTIONS:

(1)U.S. Registration Restrictions: Neither the Warrants represented by this Warrant Certificate nor the Preferred Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(a)(i) is not, and is not exercising the Warrant for the account or benefit ot a U.S. Person or a person in the United States;"

(ii)did not execute or deliver the exercise form on behalf of an entity located in the United States;

(iii)delivery of the Preferred Shares will not be to an address in the United States; and

(iv)has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(b)is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any}, it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501{a) of Regulation D under the U.S. Securities Act, it delivered a United States Accredited Investor Certificate to the Corporation in connection with the subscription for the Units pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(c)is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner,

if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and Is on the date of exercise of the Warrants, a "qualified institutional buyer" (as defined in Rule 144A under the U.S. Securities Act) that is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, and all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be, during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or

(d)is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Preferred Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

As used herein, the terms "United States" and "U.S. Person" have the meaning assigned to them in Regulation S under the U.S. Securities Act.

(2)Restrictive Legends: All certificates representing Preferred Shares (and all the certificates representing the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) issued to persons who exercise the Warrants pursuant to subsections (l)(b) or (l)(d) above on the exercise of the rights represented by this Warrant Certificate will, unless such Preferred Shares (and the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

"THE SECURITIES REPRESENTED HEREBY *[for Preferred Shares,* add: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY *[for Preferred Shares, add:* AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF] MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE

CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Preferred Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

provided further, that if any of the Preferred Shares (or the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3.**PARTIAL EXERCISE: THE WARRANTHOLDER MAY FROM TIME TO TIME SUBSCRIBE FOR AND PURCHASE ANY LESSER NUMBER OF PREFERRED SHARES THAN THE NUMBER OF PREFERRED SHARES EXPRESSED IN THIS WARRANT CERTIFICATE. IN THE EVENT THAT THE WARRANTHOLDER SUBSCRIBES FOR AND PURCHASES ANY SUCH LESSER NUMBER OF PREFERRED SHARES PRIOR TO THE EXPIRY TIME, THE WARRANTHOLDER SHALL BE ENTITLED TO**

RECEIVE A REPLACEMENT CERTIFICATE REPRESENTING THE UNEXERCISED BALANCE OF THE WARRANTS.

4.NOT A SHAREHOLDER: THE HOLDING OF THE WARRANTS SHALL NOT CONSTITUTE THE WARRANTHOLDER A SHAREHOLDER OF THE CORPORATION NOR ENTITLE THE WARRANTHOLDER TO ANY RIGHT OR INTEREST IN RESPECT THEREOF EXCEPT AS EXPRESSLY PROVIDED IN THIS WARRANT CERTIFICATE.

5.COVENANTS, REPRESENTATIONS AND WARRANTIES:

(1)The Corporation hereby represents and warrants that:

(a)The Corporation is duly authorized and has the corporate and lawful authority to create and issue the Warrants and the Preferred Shares issuable upon the exercise hereof and perform its obligations hereunder.

(b)All Preferred Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the Exercise Price at which such Preferred Shares may be purchased pursuant to

the provisions of this Warrant Certificate, or upon cashless exercise in accordance with the terms of this Warrant Certificate, shall be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof.

(c)This Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.

(2)The Corporation hereby covenants and agrees that:

(a)So long as any Preferred Shares evidenced hereby remain outstanding, the Corporation will cause the Preferred Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Preferred Shares to be issued and that, at all times prior to the Expiry Time, it has authorized and will reserve and there wlll remain unlssued a sufficient number of Preferred Shares to satisfy the right of purchase provided for in this Warrant Certificate and sufficient number of Proportionate Voting Shares to satisfy the conversion of the Preferred Shares issuable upon exercise of this Warrant.

(b)The Corporation shall use commercially reasonable efforts to preserve and maintain Its corporate existence.

(c)It in the opinion of counsel for the Corporation, any prospectus orother filing is required to be filed with or any permission is required to be obtained from any securities regulatory bodyoranyother step is required under any federal or provincial law before any Preferred Shares which the Warrantholder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereat the Corporation covenants that it will use commercially reasonable efforts to take such action.

6.ANTI-DILUTION PROTECTION:

(1)Definitions: For the purposes of this section 6 "Adjustment Period" means the period commencing on the date of issue of the Warrants and ending at the Expiry Time.

(2)Adjustments:

(a)The Exercise Price and the number of Preferred Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be subject to adjustment from time to time in the events and in the manner provided as follows if, at any time during the Adjustment Period, the Corporation shall:

(i)make a distribution to, the holders of all or substantially all of the outstanding Preferred Shares payable in Preferred Shares;

(Ii) *subdivide, re-divide or otherwise change the outstanding Preferred Shares into a greater number of Preferred Shares; or*

{iii) *reduce, combine or consolidate the outstanding Preferred Shares into a lesser number of Preferred Shares,*

(any of such events in subclauses 6{2)(a)(i), 6{2){a)(ii) and 6{2)(a)(iii) above being herein called a **"Preferred Share Reorganization"),** the Exercise Price shall be adjusted on the earlier of the record date on which holders of Preferred Shares are determined for the purposes of the Preferred Share Reorganization and the effective date of the Preferred Share Reorganization to the amount determined by multiplying the Exercise Price in effect Immediately prior to such record date or effective date, as the case may be, by a fraction:

A.the numerator of which shall be the number of Preferred Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Preferred Share Reorganization; and

B.the denominator of which shall be the number of Preferred Shares which will be outstanding immediately after giving effect to such Preferred Share Reorganization,

and the number of Preferred Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be adjusted in inverse proportion to the Exercise Price.

***(b)It** at any time during the Adjustment Period, there shall occur:*

(i)a consolidation, amalgamation, arrangement or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities; or

(ii)the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being called a **"Capital Reorganization"),** after the effective date of the Capital Reorganization, the Warrants shall remain outstanding and the Warrantholder shall be entitled to receive, upon exercising any of the Warrants after the effective date of such Capital Reorganization, in lieu of the number of Preferred Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder would theretofore have been entitled to purchase or receive upon conversion of the Preferred Shares deliverable upon the exercise of the Warrants and the conversion of the Preferred Shares into Proportionate Voting Shares followed by the conversion of such Proportionate Voting Shares into Common Shares. If necessary, as a result of any such Capital Reorganization, appropriate

adjustments shall be made In the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions of this Section 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants and the Corporation or any successor corporation or entity shall be entitled to deliver a replacement certificate representing the rights and interests of the Warrantholder as a result of such Capital Reorganization.

(3)Rules: The following rules and procedures shall be applicable to adjustments made pursuant to subsection 6(2) of this Warrant Certificate:

(a)If any event of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the board of directors of the Corporation shall promptly make an appropriate adjustment in the Exercise Price and the number of Preferred Shares issuable upon exercise of this Warrant so as to protect the rights of the Warrantholder in a manner consistent with the provisions of this Section 6.

(b)Subject to the following clauses of this subsection 6(3}, any adjustment made pursuant to subsection 6(2} hereof shall be made successively whenever an event referred to therein shall occur, and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 6.

(c)No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of

any event described In section 6 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.

(d)No adjustment in the Exercise Price or in the number of Preferred Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 6(2} hereof In respect of the issue from time to time of Preferred Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and any such issue, and any grant of options In connection therewith, shall be deemed not to be a Preferred Share Reorganization or any other event described in subsection 6(2} hereof.

(e)If the Corporation shall set a record date to determine holders of Preferred Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or

subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants shall be required by reason of the setting of such record date.

(f)If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 6(2} hereof and shall be binding upon the Corporation and the Warrantholder.

(g)As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 6(2} hereof, including the Exercise Price and the number or class of Preferred Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, In the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non assessable shares all of the Preferred Shares or other securities which the Warrantholder Is entitled to receive in accordance with the provisions of this Warrant Certificate

(h)As promptly as reasonably practicable following any adjustment of the Exercise Price, the Corporation shall furnish to the Warrantholder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(4)*Notice: At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warrantholder under this Warrant Certificate, including the Exercise Price or the number of Preferred Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warrantholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 6(4) hasbeen given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warrantholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Preferred Shares will be open, and that the Corporation will not take any action which might deprive the Warrantholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.*

7.CONSOLIDATION AND AMALGAMATION.

(1)In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation or a subsidiary of the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Warrantholder, acting reasonably, and executed and delivered to the Warrantholder, the due and punctual performance and observance of this Warrant Certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Warrantholder, as against the successor corporation, to all the rights of the Warrantholder under this Warrant Certificate,

(2)Whenever the conditions of Section 7(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

(3)The Corporation shall provide 21 days' notice to the Warrantholder of any transaction that would result in an assumption of the performance and observance of this Warrant Certificate pursuant to Section 7(1),

8.NO OBLIGATION TO PURCHASE. NOTHING HEREIN CONTAINED OR DONE PURSUANT HERETO SHALL OBLIGATE THE WARRANTHOLDER TO PURCHASE OR PAY FOR OR THE CORPORATION TO ISSUE ANY PREFERRED SHARES EXCEPT THOSE PREFERRED SHARES IN RESPECT OF WHICH THE WARRANTHOLDER SHALL HAVE EXERCISED ITS RIGHT TO PURCHASE IN THE MANNER PROVIDED HEREUNDER.

9.CHANGE; WAIVER, SUBJECT TO THE APPROVAL OF THE CANADIAN SECURITIES EXCHANGE (OR SUCH OTHER STOCK EXCHANGE ON WHICH THE COMMON SHARES ARE LISTED OR POSTED FOR TRADING), THE PROVISIONS OF THESE WARRANTS MAY FROM TIME TO TIME BE AMENDED, MODIFIED OR WAIVED, IF SUCH AMENDMENT, MODIFICATION OR WAIVER IS IN WRITING AND CONSENTED TO IN WRITING BY THE CORPORATION AND THE WARRANTHOLDER.

10.FURTHER ASSURANCES: THE CORPORATION HEREBY COVENANTS AND AGREES THAT IT WILL DO, EXECUTE, ACKNOWLEDGE AND DELIVER, OR CAUSE TO BE DONE, EXECUTED, ACKNOWLEDGED AND DELIVERED, ALL AND EVERY SUCH OTHER ACT, DEED AND ASSURANCE AS THE WARRANTHOLDER SHALL REASONABLY REQUIRE FOR THE BETTER ACCOMPLISHING AND EFFECTUATING OF THE INTENTIONS AND PROVISIONS OF THIS WARRANT CERTIFICATE.

11. TIME OF ESSENCE: TIME SHALL BE OF THE ESSENCE OF THIS WARRANT CERTIFICATE.

12. GOVERNING LAWS: THIS WARRANT CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.

13. NOTICES: ALL NOTICES OR OTHER COMMUNICATIONS TO BE GIVEN UNDER THIS WARRANT CERTIFICATE SHALL BE DELIVERED BY HAND, COURIER, ORDINARY PREPAID MAIL, FACSIMILE OR BY ELECTRONIC TRANSMISSION AND, IF DELIVERED BY HAND, SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE DELIVERY DATE, IF DELIVERED BY ORDINARY PREPAID MAIL SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE FIFTH DAY FOLLOWING THE DELIVERY DATE AND, IF **SENT BY FACSIMILE OR ELECTRONIC TRANSMISSION, ON THE DATE OF TRANSMISSION IF SENT BEFORE 5:00 P.M., TORONTO TIME, ON A BUSINESS DAY OR, IF SENT AFTER 5:00 P.M., TORONTO TIME, OR SUCH DAY IS NOT A BUSINESS DAY, ON THE FIRST BUSINESS DAY FOLLOWING THE DATE OF TRANSMISSION.**

Notices to the Corporation shall be addressed to: TerrAscend Corp.
3610 Mavis Road Mississauga, Ontario, Canada LSC 1W2

Attention: Email:

Brian Feldman, General Counsel legal@terrascend.com

with a copy (which shall not constitute notice) to:

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario, MSX 1A4

Attention: Facsimile: Email:

Aaron Sonshine, Partner 416-863-1716
sonshinea@bennettjones.com

Notices to the Warrantholder shall be addressed to the address of the Warrantholder set out on the face page of this Warrant Certificate.

The Corporation and the Warrantholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

14.**LOST CERTIFICATE: IF THIS WARRANT CERTIFICATE OR ANY REPLACEMENT HEREOF BECOMES STOLEN, LOST, MUTILATED OR DESTROYED, THE CORPORATION SHALL, ON SUCH TERMS AS IT MAY IN ITS DISCRETION IMPOSE, ACTING REASONABLY, ISSUE AND DELIVER A NEW CERTIFICATE, IN FORM IDENTICAL HERETO BUT WITH APPROPRIATE CHANGES, REPRESENTING**

ANY UNEXERCISED PORTION OF THE SUBSCRIPTION RIGHTS REPRESENTED HEREBY TO REPLACE THE CERTIFICATE SO STOLEN, LOST, MUTILATED OR DESTROYED.

15.LANGUAGE: THE PARTIES HERETO ACKNOWLEDGE AND CONFIRM THAT THEY HAVE REQUESTED THAT THIS WARRANT CERTIFICATE AS WELL AS ALL NOTICES AND OTHER DOCUMENTS CONTEMPLATED HEREBY BE DRAWN UP IN THE ENGLISH LANGUAGE. *LES PARTIES AUX PRESENTES RECONNAISSENT ET CONF/RMENT QU'ELLES ONT EX/GE QUE LA PRESENTE CONVENTION A/NS/ QUE TOUSLES AVIS ET DOCUMENTS QUI S'Y RATTACHENT SO/ENT REDIGES EN LANGUE ANGLA/SE.*

16.TRANSFER: THE WARRANTS ARE TRANSFERABLE AND THE TERM "WARRANTHOLDER" SHALL MEAN AND INCLUDE ANY SUCCESSOR, TRANSFEREE OR ASSIGNEE OF THE CURRENT OR ANY FUTURE WARRANTHOLDER. THE WARRANTS MAY BE TRANSFERRED BY THE WARRANTHOLDER COMPLETING AND DELIVERING TO THE CORPORATION THE TRANSFER FORM ATTACHED HERETO AS SCHEDULE "B" AND SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS INCLUDING THE APPLICABLE SECURITIES LEGISLATION.

17.SUCCESSORS AND ASSIGNS: THIS WARRANT CERTIFICATE SHALL ENURE TO THE BENEFIT OF THE WARRANTHOLDER AND THE SUCCESSORS AND ASSIGNEES THEREOF AND SHALL BE BINDING UPON THE CORPORATION AND THE SUCCESSORS THEREOF.

18.UNITED STATES DOLLARS. UNLESS OTHERWISE SPECIFIED, ALL REFERENCES HEREIN TO MONETARY AMOUNTS ARE REFERENCES TO LAWFUL MONEY OF THE UNITED STATES.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the _____, 2020.

TERRASCEND CORP.

By: _____
Authorized Officer

SCHEDULE "A"

TO: TERRASCEND CORP.

SUBSCRIPTION FORM

The undersigned hereby subscribes for _ convertible preferred shares **("Preferred Shares")** of TerrAscend Corp. (the **"Corporation")** (or such other number of Preferred Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the **"Warrant Certificate")** dated May 22, 2020 issued by the Corporation) at the purchase price of $3,000 per Preferred Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder.

The undersigned (check one):

D encloses herewith a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or has transmitted same day funds by wire to such account as the Corporation directed the undersigned in payment of the subscription price; OR

D elects cashless exercise.

The undersigned hereby represents and warrants to the Corporation that the undersigned (check one):

D 1. at the time of exercise of these warrants (i) is not in the United States; (ii) is not a U.S. Person as defined in Regulation Sunder the U.S. Securities Act of 1933, as amended (the **"U.S. Securities Act");** (iii) is not exercising these warrants on behalf of, or for the account of, a U.S. Person or a person in the United States; (iv) did not acquire these warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not execute or deliver this exercise form in the United States; (vi) is not requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and (vii) represents and warrants that the exercise of these warrants and acquisition of the Preferred Shares occurred in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act); OR

D 2. is

(A)(i) present in the United States, (ii) a U.S. Person, (iii) a person exercising these warrants for the account or benefit of a U.S. Person or a person in the United States, or (iv) requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and

(B)the undersigned has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of these warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR

D 3. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase

of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, an "accredited Investor" within the meaning of Rule 501{a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof; OR

D 4. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment direction; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act) and is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501{a) of Regulation D under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned, or any beneficial purchaser, as the case may be during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

"United States" and "U.S. Person" are as defined in Regulation Sunder the U.S. Securities Act.

The undersigned holder understands that unless Box 1 or 4 above is checked, the certificate representing the Preferred Shares issued upon exercise of the warrants represented by this Warrant Certificate will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box 2 above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

If Box 2 or Box 3 is checked, any certificate representing the Preferred Shares issuable upon exercise of these warrants will bear an applicable United States restrictive legend

The undersigned hereby directs that the Preferred Shares subscribed for be registered and delivered as follows:

Name in Full	Address	Number of Preferred Shares

DATEDthis _
dayof _ 20 .

By:

SCHEDULE "B"

FORM OF TRANSFER

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto

(include name and address of the transferee) Warrants exercisable for convertible preferred shares of TerrAscend Corp. (the **"Corporation")** registered in the name of the undersigned on the register of the Corporation maintained therefor, and hereby irrevocably appoints
_ thaettorney of the undersigned to transfer the said
securities on the books maintained by the Corporation with full power of substitution.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

☐(A) the transfer is being made to the Corporation; OR

☐(B) the transfer is being made outside the United States in accordance with Regulation S under the United States Securities Act of 1933, as amended (the **"U.S. Securities Act"),** and in compliance with any applicable local securities laws and regulations and the Warrantholder has provided herewith a declaration for removal of U.S. Legend in such form as the Corporation or its transfer agent may prescribe from time to time; OR

☐(C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144 or (ii) Rule 144A thereunder, and in either case in accordance with applicable state securities laws; OR

☐(D) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities law.

In the case of a transfer in accordance with (C)(i) or (D) above, the Corporation and its transfer agent shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to such effect. "United States" and "U.S. Person" are used herein as such terms are defined by Regulation Sunder the U.S. Securities Act.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

DATED this _ day of __,20_ .

Signature of Transferor guaranteed by:

Name of Bank or Trust Company: Signature of Transferor

Address of Transferor

Instructions:

19.**THE NAME OF THE TRANSFEROR MUST CORRESPOND WITH THE NAME WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR WITHOUT ANY CHANGES WHATSOEVER.**

20.**THE SIGNATURE OF THE TRANSFEROR ON THE TRANSFER FORM MUST BE GUARANTEED BY AN AUTHORIZED OFFICER OF A CHARTERED BANK, TRUST COMPANY OR AN INVESTMENT DEALER WHO IS A MEMBER OF A RECOGNIZED STOCK EXCHANGE, AND THE WARRANTHOLDER MUST PAY ANY APPLICABLE TRANSFER TAXES OR FEES.**

21.IF **THE TRANSFER FORM IS SIGNED BY A TRUSTEE, EXECUTOR, ADMINISTRATOR, CURATOR, GUARDIAN, ATTORNEY, OFFICER OF A CORPORATION OR ANY PERSON ACTING IN A JUDICIARY OR REPRESENTATIVE CAPACITY, THE WARRANT CERTIFICATE MUST BE ACCOMPANIED BY EVIDENCE OF AUTHORITY TO SIGN SATISFACTORY TO THE CORPORATION.**

Exhibit 4.5

WARRANTS TO PURCHASE COMMON SHARES OF

TERRASCEND CORP.

Date: _____

CAN_DMS: \143912914\4

Warrant Certificate Number:

12 – 2020 – ___

Number of Warrants:

_____

THIS IS TO CERTIFY THAT for value received _____, located at _____ (the "**Warrantholder**") has the right to purchase in respect of each whole warrant (individually, a "**Warrant**" and, collectively, the "**Warrants**") represented by this certificate or by a replacement certificate (in either case, this "**Warrant Certificate**"), at any time up to 5:00 p.m. (Toronto time), on _____ ____, _____ (the "**Expiry Time**"), one fully paid and non-assessable common share (individually, a "**Common Share**" and, collectively, the "**Common Shares**" and which terms shall include any shares or other securities to be issued in addition thereto or in substitution or replacement therefor as provided herein) of TerrAscend Corp. (the "**Corporation**"), a corporation existing under the *Business Corporations Act (Ontario)*, as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the "**Exercise Price**") of _____ per Common Share, subject to adjustment as provided herein.

The Corporation agrees that the Common Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warrantholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment or cashless exercise made for such Common Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warrantholder to subscribe for or purchase any Common Shares at any time after the Expiry Time and from and after the Expiry Time the Warrants and all rights under this Warrant Certificate shall be void and of no value.

The above provisions are subject to the following:

1.**Exercise:** In the event that the Warrantholder desires to exercise the right to purchase Common Shares conferred hereby, the Warrantholder shall (a) complete, to the extent possible in the manner indicated, and execute a subscription form in the form attached as Schedule "A" to this Warrant Certificate, (b) surrender this Warrant Certificate to the Corporation in accordance with section 13 of this Warrant Certificate, and (c) unless electing cashless exercise pursuant to the provisions of this Warrant Certificate, pay the amount payable upon the exercise of such Warrants in respect of the Common Shares subscribed for by certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or by transmitting same day funds in lawful money of Canada by wire to such account as the Corporation shall direct the Warrantholder. Upon such surrender and payment as aforesaid, the Warrantholder shall be deemed for all purposes to be the holder of record of the number of Common Shares to be so issued and the Warrantholder shall be entitled to delivery of a certificate or certificates representing such Common Shares and the Corporation shall cause such certificate or certificates to be delivered to the Warrantholder at the address specified in the subscription form within three business days after such surrender and payment as aforesaid. No fractional Common Shares will be issuable upon any exercise of the Warrants and the Warrantholder will not be entitled to any cash payment or compensation in lieu of a fractional Common Share.

2.**U.S. Restrictions:**

(1)U.S. Registration Restrictions: Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(a)(i) is not, and is not exercising the Warrant for the account or benefit of, a U.S. Person or a person in the United States;

(i)did not execute or deliver the exercise form while in the United States;

(ii)delivery of the Common Shares will not be to an address in the United States; and

(iii)has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(b)is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a United States Accredited Investor Certificate to the Corporation in connection with the subscription for the Warrants, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(c)is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were received from the Corporation, and is on the date of exercise of the Warrants, is an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, and all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be, during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or

(d)is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Common Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

As used herein, the terms "United States" and "U.S. Person" have the meaning assigned to them in Regulation S under the U.S. Securities Act.

(2)Restrictive Legends: All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to subsections (1)(b) or (1)(c) above on the exercise of the rights represented by this Warrant Certificate will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

"**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED, NOR IS THERE ANY INTENTION TO REGISTER SUCH SECURITIES, UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR ANY APPLICABLE STATE SECURITIES LAWS. THEREFORE, THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, OFFERED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES UNLESS SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT**."

provided that if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3.**Voting Support and Lock-Up Restrictive Legend**: As at the date hereof, the Warrants are subject to trading restrictions agreed to by the Warrantholder pursuant to a voting support and lock-up agreement between the Warrantholder and the Corporation dated August 31, 2021 (the "**Lock- up Agreement**"). To the extent that the Lock-up Agreement remains in full force and effect at the time the Warrants are exercised pursuant to subsections (1)(b) or (1)(c) above, all certificates representing Common Shares issued shall bear the following legend:

"THE SHARES REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS STATED IN, AND ARE TRANSFERABLE ONLY UPON COMPLIANCE WITH THE PROVISIONS OF A VOTING SUPPORT AND LOCK-UP AGREEMENT DATED AUGUST 31, 2021, AS AMENDED (THE "LOCK-UP AGREEMENT"), A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF TERRASCEND CORP., AND THE PROVISIONS OF WHICH ARE INCORPORATED HEREIN BY REFERENCE. EXCEPT AS SET FORTH IN THE LOCK-UP AGREEMENT, THE SHARES EVIDENCED BY THIS SHARE CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, GIFTED, ASSIGNED, CONVEYED, PLEDGED, HYPOTHECATED, SUBJECT TO A SECURITY INTEREST, PARTICIPATION INTEREST, FORWARD SALE, REPURCHASE AGREEMENT OPTION OR OTHER ARRANGEMENT OR MONETIZATION TRANSACTION OR OTHERWISE DISPOSED OF AND/OR ENCUMBERED AND MAY NOT BE TRANSFERRED TO PERSONS NOT QUALIFIED TO BE HOLDERS OF RECORD AS PROVIDED IN THE LOCK-UP AGREEMENT."

4.**Partial Exercise**: The Warrantholder may from time to time subscribe for and purchase any lesser number of Common Shares than the number of Common Shares expressed in this Warrant Certificate. In the event that the Warrantholder subscribes for and purchases any such lesser number of Common Shares prior to the Expiry Time, the Warrantholder shall be entitled to receive a replacement certificate representing the unexercised balance of the Warrants.

5.**Cashless Exercise**:

(1)Definitions: For the purposes of this section 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 5(1):

(a)"**Canadian Dollars**" means the lawful money of Canada;

(b)"**USD Equivalent Amount**" means on any date with respect to the specified amount of Canadian Dollars, the U.S. Dollar equivalent amount after giving effect to the conversion of Canadian Dollars to U.S. Dollars at the Bank of Canada daily average exchange rate (as quoted or published from time to time by the Bank of Canada) on that date;

(2)Calculation: The Warrantholder shall be entitled to elect a “cashless exercise” on the form attached as Schedule “A” and exchange its warrants to the Corporation in exchange for the issuance of the number of Common Shares equal to the quotient (if greater than zero) obtained by dividing [(A-B) (X)] by (A), where:

X = the number of Warrants being exercised;
A = the USD Equivalent Amount of the Current Market Price (as defined in section 8) of one Common Share on the trading day immediately preceding the date of exercise of such Warrant;
B = the Exercise Price (as adjusted to the date of such calculation).

(3)Issue Price: The issue price for each Common Share to be issued pursuant to the cashless exercise of a Warrant will be equal to (B), as defined above, and the total issue price for the aggregate number of Common Shares issued pursuant to the cashless exercise of a Warrant will be paid and satisfied in full by the surrender to the Corporation of such Warrant.

6.**Not a Shareholder**: The holding of the Warrants shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as expressly provided in this Warrant Certificate.

7.**Covenants, Representations and Warranties:**

(1)The Corporation hereby represents and warrants that:

(a)The Corporation is duly authorized and has the corporate and lawful authority to create and issue the Warrants and the Common Shares issuable upon the exercise hereof and perform its obligations hereunder.

(b)The Corporation hereby further represents and warrants that such Common Shares have been conditionally approved for listing on the Canadian Securities Exchange (the "**CSE**"), subject only to customary deliveries to be made by the Corporation to the CSE (which deliveries the Corporation covenants and agrees that it will, at its expense, expeditiously use its best efforts to deliver).

(c)All Common Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the Exercise Price at which such Common Shares may be purchased pursuant to the provisions of this Warrant Certificate, or upon cashless exercise in accordance with the terms of this Warrant Certificate, shall be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof.

(d)This Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.

(2)The Corporation hereby covenants and agrees that:

(a)So long as any Common Shares evidenced hereby remain outstanding, the Corporation will cause the Common Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Common Shares to be issued and that, at all times prior to the Expiry Time, it has authorized and will reserve and there will remain unissued a sufficient number of Common Shares to satisfy the right of purchase provided for in this Warrant Certificate.

(b)The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.

(c)The Corporation covenants and agrees that it will, at its expense, expeditiously use commercially reasonable efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the- counter market on which the Common Shares may be listed or quoted for trading from time to time, if any; provided the foregoing shall not, in any manner, preclude the Corporation from pursuing or completing a transaction that would result in the delisting of the Common Shares from the CSE or ceasing to be a reporting issuer or the equivalent in each of the Reporting Jurisdictions where the board of directors of the Corporation, acting in good faith and in accordance with applicable laws, determines that such a transaction is in the best interests of the Corporation.

(d)If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Common Shares which the Warrantholder is entitled to purchase pursuant to the Warrant may properly and legally be

issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.

8.**Anti-Dilution Protection:**

(1)Definitions: For the purposes of this section 8 and section 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 8(1):

(a)"**Adjustment Period**" means the period commencing on the date of issue of the Warrants and ending at the Expiry Time;

(b)"**Current Market Price**" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the CSE or, if the Common Shares are not then listed on the CSE, on such other Canadian stock exchange as may be selected by the directors of the Corporation for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of 20 consecutive trading days ending on the third business day before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during such 20 consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or quoted for trading in the over the counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the directors of the Corporation;

(c)"**director**" or "**director of the Corporation**" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and

(d)"**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.

(2)Adjustments: The Exercise Price and the number of Common Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be subject to adjustment from time to time in the events and in the manner provided as follows:

(a)If, at any time during the Adjustment Period, the Corporation shall:

(i)fix a record date for the issue of, or issue Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend;

(ii)fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities exchangeable or exercisable for or convertible into Common Shares;

(iii)subdivide, re-divide or otherwise change the outstanding Common Shares into a greater number of Common Shares; or

(iv)reduce, combine or consolidate the outstanding Common Shares into a lesser number of Common Shares,

(any of such events in subclauses 8(2)(a)(i), 8(2)(a)(ii), 8(2)(a)(iii) and 8(2)(a)(iv) above being herein called a "**Common Share Reorganization**"), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Common Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

A.the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and

B.the denominator of which shall be the number of Common Shares which will be outstanding immediately after giving effect to such Common Share Reorganization (including, in the case of a distribution of securities exchangeable or exercisable for or convertible into Common Shares, the number of Common Shares that would have been outstanding had all such securities been exchanged or exercised for or converted into Common Shares on such effective date or record date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable or exercisable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. Any Warrantholder who has not exercised his right to subscribe for and purchase Common Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Common Shares then subscribed for and purchased by such Warrantholder, at the Exercise Price determined in accordance with this clause 8(2)(a), the aggregate number of Common Shares that such Warrantholder would

have been entitled to receive as a result of such Common Share Reorganization, if, on such record date or effective date, as the case may be, such Warrantholder had been the holder of record of the number of Common Shares so subscribed for and purchased.

(b)If, at any time during the Adjustment Period, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 90 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable or exercisable for or convertible into Common Shares at a price per share to the holder (or, in the case of securities exchangeable or exercisable for or convertible into Common Shares, at an exchange, exercise or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Common Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:

(i)the numerator of which shall be the aggregate of

A.the number of Common Shares outstanding as of the record date for the Rights Offering, and

B.the quotient determined by dividing

(1)either (a) where the event giving rise to the application of this section 6(2)(b) was the issue or distribution of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase additional Common Shares, the product of the maximum number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or (b) where the event giving rise to the application of this Section 6(2)(b) was the issue or distribution of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase securities exchangeable or exercisable for or convertible into Common Shares, the product of the exchange, exercise or conversion price of the securities so offered and the maximum number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be, by

(2)the Current Market Price of the Common Shares as of the record date for the Rights Offering; and

(ii)the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including, in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Common Shares, the number of Common Shares for or into which such securities may be exchanged, exercised or converted).

If, by the terms of the rights, options or warrants referred to in this clause 8(2)(b), there is more than one purchase, exchange, exercise or conversion price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate exchange, exercise or conversion price of the exchangeable, exercisable or convertible securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, exchange, exercise or conversion price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(b) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this clause 8(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

(c)If, at any time during the Adjustment Period, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of:

(i)shares of the Corporation of any class other than Common Shares;

(ii)rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 90 days after the record date for such issue, to subscribe for or purchase Common Shares or securities exchangeable or exercisable for or convertible into Common Shares at a price per share (or, in the case of securities exchangeable or exercisable for or convertible into Common Shares, at an exchange, exercise or conversion price per share) on the record date for the issue of such securities to the holder of at least 95% of the Current Market Price of the Common Shares on such record date);

(iii)evidences of indebtedness of the Corporation; or

(iv)any property or assets of the Corporation;

and if such issue or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on such record date for the Special Distribution by a fraction:

A.the numerator of which shall be the difference between

(1)the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and

(2)the aggregate fair market value, as determined by action by nationally or internationally recognized and independent firm of chartered accountants as may be selected by action by the directors of the Corporation, and subject to the approval of any stock exchange on which the Shares may then be listed, where required, to the holders of Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and

B.the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares referred to in this clause 8(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect based upon the number of Common Shares issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. To the extent that such Special Distribution is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

(d)If, at any time during the Adjustment Period, there shall occur:

(i)a reclassification or redesignation of the Common Shares, a change of the Common Shares into other shares or securities or any other capital reorganization involving the Common Shares other than a Common Share Reorganization;

(ii)a consolidation, amalgamation, arrangement or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities; or

(iii)the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Warrants shall remain outstanding and the Warrantholder shall be entitled to receive, upon exercising any of the Warrants after the effective date of such Capital Reorganization, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions of this Section 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants and the Corporation or any successor corporation or entity shall be entitled to deliver a replacement certificate representing the rights and interests of the Warrantholder as a result of such Capital Reorganization.

(e)If, at any time during the Adjustment Period, any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of clause 8(2)(a), 8(2)(b) or 8(2)(c) of this Warrant Certificate, then the number of Common Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Common Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

(3)Rules: The following rules and procedures shall be applicable to adjustments made pursuant to subsection 8(2) of this Warrant Certificate:

(a)If any event of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the board of directors of the Corporation shall promptly make an appropriate adjustment in the Exercise Price and the number of Common Shares issuable upon exercise of this Warrant so as to protect the rights of the Warrantholder in a manner consistent with the provisions of this Section 8; provided, that no such adjustment pursuant to this Section 8 shall increase the Exercise Price or decrease the number of Common Shares issuable as otherwise determined pursuant to this Section 8.

(b)If more than one subsection of Section 8 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of Section 8 so as to result in duplication.

(c)Subject to the following clauses of this subsection 8(3), any adjustment made pursuant to subsection 8(2) hereof shall be made successively whenever an event referred to therein shall occur, and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 8.

(d)Notwithstanding any other provision of subsection 8(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Common Shares issuable upon the exercise of the Warrants (except in respect of the Common Share Reorganization described in subclause 8(2)(a)(iv) hereof or a Capital Reorganization described in subclause 8(2)(d)(ii) hereof).

(e)No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 8 hereof if the Warrantholder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.

(f)No adjustment in the Exercise Price or in the number of Common Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 8(2) hereof in respect of the issue from time to time of Common Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Common Share Reorganization, a Rights Offering nor any other event described in subsection 8(2) hereof.

(g)If, at any time during the Adjustment Period, the Corporation shall take any action affecting the Common Shares, other than an action or event described in subsection 8(2) hereof, which, in the opinion of the directors of the Corporation, would have a material adverse effect upon the rights of Warrantholders, either or both the Exercise Price and the number of Common Shares purchasable upon exercise of the Warrants shall be adjusted in such manner and at such time by action by the directors of the Corporation, in their sole discretion, as may be equitable in the circumstances. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Common Shares shall be deemed to be conclusive evidence that the directors of the Corporation have determined that it is equitable to make no adjustment in the circumstances.

(h)If the Corporation shall set a record date to determine holders of Common Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants shall be required by reason of the setting of such record date.

(i)In any case in which this Warrant Certificate shall require that an adjustment shall become effective immediately after a record date for an event referred to in subsection 8(2) hereof, the Corporation may defer, until the occurrence of such event:

(i)issuing to the Warrantholder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Common Shares or other securities issuable upon such exercise by reason of the adjustment required by such event; and

(ii)delivering to the Warrantholder any distribution declared with respect to such additional Common Shares or other securities after such record date and before such event;

provided, however, that the Corporation shall deliver to the Warrantholder an appropriate instrument evidencing the right of the Warrantholder upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants and to such distribution declared with respect to any such additional Common Shares issuable upon the exercise of the Warrants.

(j)In the absence of a resolution of the directors of the Corporation fixing a record date for a Rights Offering, the Corporation shall be deemed to have

fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.

(k)If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 8(2) hereof and shall be binding upon the Corporation and the Warrantholder.

(l)As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 8(2) hereof, including the Exercise Price and the number or class of Common Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non- assessable shares all of the Common Shares or other securities which the Warrantholder is entitled to receive in accordance with the provisions of this Warrant Certificate

(m)As promptly as reasonably practicable following any adjustment of the Exercise Price, the Corporation shall furnish to the Warrantholder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.

(4)Notice: At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warrantholder under this Warrant Certificate, including the Exercise Price or the number of Common Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warrantholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 8(4) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warrantholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Common Shares will be open, and that the Corporation will not take any action which might deprive the Warrantholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.

9.**Consolidation and Amalgamation**.

(1)In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a “successor corporation”) whether by way of reorganization,

reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Warrantholder, acting reasonably, and executed and delivered to the Warrantholder, the due and punctual performance and observance of this Warrant Certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Warrantholder, as against the successor corporation, to all the rights of the Warrantholder under this Warrant Certificate.

(2)Whenever the conditions of Section 7(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

10.**No Obligation to Purchase**. Nothing herein contained or done pursuant hereto shall obligate the Warrantholder to purchase or pay for or the Corporation to issue any Common Shares except those Common Shares in respect of which the Warrantholder shall have exercised its right to purchase in the manner provided hereunder.

11.**Change; Waiver**. Subject to the approval of the Canadian Securities Exchange (or such other stock exchange on which the Common Shares are listed or posted for trading), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Warrantholder.

12.**Further Assurances:** The Corporation hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act, deed and assurance as the Warrantholder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.

13.**Time of Essence:** Time shall be of the essence of this Warrant Certificate.

14.**Governing Laws:** This Warrant Certificate shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15.**Notices**: All notices or other communications to be given under this Warrant Certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or by electronic transmission and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic transmission, on the date of transmission if sent before

5:00 p.m., Toronto time, on a business day or, if sent after 5:00 p.m., Toronto time, or such day is not a business day, on the first business day following the date of transmission.

Notices to the Corporation shall be addressed to: TerrAscend Corp.
P. O. Box 43125
Mississauga, Ontario, Canada L5B 4A7

Attention: General Counsel Email: legal@terrascend.com

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP 222 Bay Street – Suite 3000
P.O. Box 53
Toronto, Ontario, M5K 1E7

Attention: Andrea Brewer
Email: andrea.brewer@nortonrosefulbright.com

Notices to the Warrantholder shall be addressed to the address of the Warrantholder set out on the face page of this Warrant Certificate.

The Corporation and the Warrantholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

16.**Lost Certificate**: If this Warrant Certificate or any replacement hereof becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion impose, acting reasonably, issue and deliver a new certificate, in form identical hereto but with appropriate changes, representing any unexercised portion of the subscription rights represented hereby to replace the certificate so stolen, lost, mutilated or destroyed.

17.**Language:** The parties hereto acknowledge and confirm that they have requested that this Warrant Certificate as well as all notices and other documents contemplated hereby be drawn up in the English language. *Les parties aux présentes reconnaissent et confirment qu'elles ont exigé que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés en langue anglaise*.

18.**Non-Transferable:** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Warrantholder.

19.**Successors and Assigns:** This Warrant Certificate shall enure to the benefit of the Warrantholder and the successors and assignees thereof and shall be binding upon the Corporation and the successors thereof.

20.**United States Dollars**: All references herein to monetary amounts are references to lawful money of the United States of America ("**U.S. Dollars**" or "**US$**").

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the _____ day of _____, _____.

TERRASCEND CORP.

By: _
Authorized Officer

CAN_DMS: \143912914\3

SCHEDULE "A"

TO: TERRASCEND CORP.

SUBSCRIPTION FORM

The undersigned hereby subscribes for _ common shares ("**Common Shares**") of TerrAscend Corp. (the "**Corporation**") (or such other number of Common Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated March 10, 2022 issued by the Corporation) at the purchase price of US$8.67 per Common Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder as follows (please check **ONE** applicable box):

This subscription form is accompanied by a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or has transmitted same day funds by wire to such account as the Corporation directed the undersigned in payment of the subscription price.

OR

The Warrants are being exercised pursuant to the cashless exercise provisions set forth in Section 4 of the Warrant Certificate.

The undersigned hereby represents and warrants to the Corporation that the undersigned (check one):

☐ 1. at the time of exercise of these warrants (i) is not in the United States; (ii) is not a U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (iii) is not exercising these warrants on behalf of, or for the account of, a U.S. Person or a person in the United States; (iv) did not acquire these warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not execute or deliver this exercise form in the United States; (vi) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (vii) represents and warrants that the exercise of these warrants and acquisition of the Common Shares occurred in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act); OR

☐ 2. is

(A)(i) present in the United States, (ii) a U.S. Person, (iii) a person exercising these warrants for the account or benefit of a U.S. Person or a person in the United States, or
(iv) requesting delivery in the United States of the Common Shares issuable upon such exercise; and

(B)the undersigned has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of these warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR

☐ 3. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, an “accredited investor” within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof; OR

☐ 4. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment direction; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act) and is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned, or any beneficial purchaser, as the case may be during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

“United States” and “U.S. Person” are as defined in Regulation S under the U.S. Securities Act.

The undersigned holder understands that unless Box 1 or 4 above is checked, the certificate representing the Common Shares issued upon exercise of the warrants represented by this Warrant Certificate will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box 2 above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

If Box 2 or Box 3 is checked, any certificate representing the Common Shares issuable upon exercise of these warrants will bear an applicable United States restrictive legend

The undersigned hereby directs that the Common Shares subscribed for be registered and delivered as follows:

Name in Full	Address	Number of Common Shares

DATED this _day of _, 20_.

By:

CAN_DMS: \143912914\4

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) JULY 2, 2021; AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF GAGE GROWTH CORP. (THE "CORPORATION"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH ALL LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.

THIS WARRANT CERTIFICATE, AND THE WARRANTS EVIDENCED HEREBY, SHALL BE VOID AND OF NO VALUE UNLESS EXERCISED ON OR BEFORE THE APPLICABLE EXPIRY TIME (AS HEREINAFTER DEFINED).

Number of Warrants: *See* Section 1(hh) Issue Date: _____ (the "**Issue Date**") Certificate No: 06-2021-___ Expiry Date: *See* Section 1(n)

WARRANT CERTIFICATE

GAGE GROWTH CORP.

For value received, _____ (the "**Holder**") is the registered holder of that number of warrants (the "**Warrants**") of Gage Growth Corp. (the "**Corporation**") as set forth herein.

1.**Glossary.** Unless otherwise defined herein, the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

(a)"**1933 Act**" has the meaning ascribed thereto in Section 13;

(b)"**1934 Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder;

(c)"**Affiliates**" shall have the meaning ascribed to such term in Rule 405 of the 1934 Act;

(d)"**Black Scholes Warrant Value**" as of any date of determination, shall mean the value of the Warrants to be issued as of such applicable Vesting Date, as determined in good faith by the Board of Directors of the Corporation, by customary investment banking practices using the Black-Scholes model. For purposes of calculating such amount, (i) the term of the Warrants shall be the period from the applicable Vesting Date of

determination until the Expiry Date with respect to such Warrant; (ii) the price of each Share shall be the Current Market Price as of the applicable Vesting Date; (iii) the assumed volatility will be the greater of 99% and, if available, the 100-day volatility obtained from the HVT function on Bloomberg (using a 365 day annualization factor) as of the date of determination; and (iv) the assumed risk-free rate will equal the yield on the
U.S. Treasury security with a maturity closest to the applicable Expiry Date;

(e)"**Business Day**" means any day of the year other than a Saturday or Sunday or a day that is a statutory or civic holiday or day on which banking institutions are closed in the City of Toronto, Ontario;

(f)"**Canadian Dollars**" means lawful money of Canada;

(g)"**Capital Reorganization**" has the meaning ascribed thereto in Section 9(d);

(h)"**Corporation**" has the meaning ascribed thereto on the face page of this Warrant certificate;

(i)"**Current Market Price**" means, at any date, the VWAP for the 10 consecutive Trading Days immediately prior to the date on which the Current Market Price must be determined; provided that if the Shares are not then listed on any Exchange or over-the- counter market, then the Current Market Price will be determined by an independent third party valuator mutually and reasonably agreed upon by the Holder and the Corporation, acting reasonably and in good faith and who shall be a nationally recognized investment banking firm having appropriate valuation experience and who is independent of both parties, which determination shall be conclusive; and provided further that if the Shares are listed on more than one Exchange or over-the-counter market, the Current Market Price shall be calculated on the Exchange or over-the-counter market on which the volume of transactions for the Shares was the highest during such 10 consecutive Trading Days, in each case, expressed in U.S. Dollars;

(j)"**Entitlement Period**" as the meaning ascribed thereto in Section 9(b);

(k)"**Equity Shares**" means the Shares and any shares of any other class or series of the Corporation which may from time to time be authorized for issue if by their terms such shares confer on the holders thereof the right to participate in the distribution of assets upon the voluntary or involuntary liquidation, dissolution or winding up of the Corporation beyond a fixed sum or a fixed sum plus accrued dividends;

(l)"**Exchange**" means Canadian Securities Exchange or any other recognized stock exchange on which the Shares are primarily listed and posted for trading;

(m)"**Exercise Price**" means with respect to that portion of the Warrants vesting upon a Vesting Date, the closing market price of the Shares on the Exchange on the Trading Day immediately before such Vesting Date, respectively, as the same shall be set forth on Schedule "A" for each such portion of the Warrants, respectively, and adjusted pursuant to the terms of this Warrant certificate, in each case, expressed in U.S. Dollars, as converted from Canadian Dollars on the Trading Day immediately before such Vesting Date based on the daily exchange rate posted by the Bank of Canada;

(n)"**Expiry Date**" means with respect to that portion of the Warrants vesting upon a Vesting Date, the third anniversary of such Vesting Date, respectively, provided that, solely with respect to the Restricted Warrants (as defined below), it shall mean the fourth anniversary of the First Vesting Date (though for purposes of the Black-Scholes Warrant

Value calculation, the expected life in years for the Restricted Warrants shall be three years), in each case as the same shall be set forth on Schedule "A";

(o)"**Expiry Time**" means 5:00 pm (Eastern time) on the applicable Expiry Date;

(p)"**First Vesting Date**" means the Issue Date;

(q)"**Holder**" has the meaning ascribed thereto on the face page of this Warrant certificate;

(r)"**Issue Date**" has the meaning ascribed thereto on the face page of this Warrant certificate;

(s)"**License Agreement**" means that certain Intellectual Property License Agreement, by and between _____, dated as of the Issue Date.

(t)"**Per Share Cost**" as the meaning ascribed thereto in Section 9(b)(ii);

(u)"**Register**" has the meaning ascribed thereto in Section 5;

(v)"**Rights Period**" has the meaning ascribed thereto in Section 9(b)(i);

(w)"**Rights Offering**" has the meaning ascribed thereto in Section 9(b);

(x)"**Second Vesting Date**" means the second anniversary of the Issue Date;

(y)"**Share**" has the meaning ascribed thereto in Section (hh)(i);

(z)"**Share Reorganization**" has the meaning ascribed thereto in Section 9(a); (aa) "**Special Distribution**" has the meaning ascribed thereto in Section 9(c); (bb) "**successor corporation**" has the meaning ascribed thereto in Section 11; (cc) "**Third Vesting Date**" means the third anniversary of the Issue Date;
(dd) "**Trading Day**" means a day on which the Exchange is open for trading;

(ee) "**U.S. Dollars**" or "**US$**" means the lawful money of the United States of America;

(ff) "**Vesting Date**" means the First Vesting Date, the Second Vesting Date and the Third Vesting Date, or any one of them;

(gg) "**VWAP**" means, for any period, as reported by Bloomberg Financial Markets (or, if Bloomberg Financial Markets is not then reporting such prices, by a comparable reporting service of national reputation mutually and reasonably agreed upon) the volume weighted average trading price per Share at which the Shares have traded on the Exchange for the period (calculated by dividing the aggregate trading price of all Shares sold during the period by the aggregate number of Shares sold during the period) expressed in U.S. Dollars, as converted from Canadian Dollars on the applicable date of determination based on the daily exchange rate posted by the Bank of Canada; and

(hh) "**Warrants**" means the number of warrants that have vested in accordance with the following calculations, as the same shall be reflected on Schedule "A" hereto, as updated upon each Vesting Date:

(i)upon the First Vesting Date, that number of Warrants having an aggregate Black-Scholes Warrant Value as of such date of US$500,000; plus

(ii)upon the First Vesting Date, that number of Warrants having an aggregate Black- Scholes Warrant Value as of such date of US$500,000 (the "**Restricted Warrants**"); plus

(iii)upon the Second Vesting Date, that number of Warrants having an aggregate Black-Scholes Warrant Value as of such date of US$500,000; plus

(iv)upon the Third Vesting Date, that number of Warrants having an aggregate Black-Scholes Warrant Value as of such date of US$500,000,

provided that, notwithstanding the foregoing, if the License Agreement is terminated pursuant to Section 10(b)(i), Section 10(b)(iv) or Section 10(c)(i)-(iii) thereof, then the number of Warrants issued under this Warrant certificate shall equal the number of Warrants vested pursuant hereto as of the date of such termination, less that number of Restricted Warrants if such termination occurs within 12 months of the Issue Date, and no additional Warrants shall be deemed to be vested or issued thereafter.

2.**Warrants.** Each Warrant shall entitle the Holder to purchase one subordinate voting share in the capital of the Corporation (a "**Share**") as constituted on the applicable Vesting Date at the applicable Exercise Price until the applicable Expiry Time, provided that the Holder shall not be permitted to exercise the Restricted Warrants until after the first anniversary of the Issue Date.

3.**Non-Transferable.** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Holder, other than to the Holder's Affiliates (subject to compliance with applicable securities law). If this Warrant is to be transferred, in whole or in part, the Holder shall surrender this Warrant certificate to the Company, whereupon the Company will forthwith issue and deliver upon the order of the Holder a new Warrant, registered as the Holder may request, representing the right to purchase the number of Warrants being transferred by the Holder and, if less than the total number of Warrants then underlying this Warrant certificate is being transferred, a new Warrant certificate to the Holder representing the right to purchase the number of Warrant Shares not being transferred.

4.**Warrants Exercise Procedure.**

(a)Generally. The Warrants represented by this Warrant certificate may be exercised in whole or in part at any time prior to the applicable Expiry Time by surrendering the original of this Warrant certificate at the offices of the Corporation set out in subsection 19(i) hereof together with a subscription form in the form attached as Schedule "B" hereto duly completed and executed (the "**Exercise Notice**"), such additional documents as may be contemplated thereby, and either (x) a certified cheque, bank draft or money order in U.S. Dollars payable to or to the order of the Corporation or

(y) by wire transfer as directed by the Corporation.

(b)Cashless Exercise. Notwithstanding anything contained herein to the contrary, the Holder may, in its sole discretion, exercise this Warrant, in whole or in part, at such time by means of a cashless exercise in which the Holder shall be entitled to receive upon such exercise the "Net Number" of Shares determined according to the following formula (a "**Cashless Exercise**"):

Net Number = $\frac{(A \times B) - (A \times C)}{B}$

For purposes of the foregoing formula:

A= the total number of Shares with respect to which this Warrant is then being exercised.

B = the Current Market Price of the Shares on the Trading Day immediately preceding the date of the applicable Exercise Notice.

C = the applicable Exercise Price then in effect for the applicable Warrants on the date of the applicable Exercise Notice.

For purposes of Rule 144(d) promulgated under the 1933 Act, the Corporation hereby acknowledges and agrees that the Shares issued in a Cashless Exercise shall be deemed to have been acquired by the Holder, and the holding period for the Shares shall be deemed to have commenced, on the date this Warrant was originally issued. The Company agrees not to take any position contrary to this Section 4(b).

5.**Register of Warrantholders.** The Corporation shall cause a register (the "**Register**") to be kept in which shall be entered the names and addresses of all holders of the Warrants and the number of Warrants held by each of them. The Corporation may treat the registered holder of any certificate representing Warrants as the absolute owner of the Warrants represented thereby for all purposes, and the Corporation shall not be affected by any notice or knowledge to the contrary except where the Corporation is required to take notice by statute or by order of a court of competent jurisdiction.

6.**Partial Exercise**. The Holder may subscribe for and purchase a number of Shares less than the full number of Shares entitled to be subscribed for and purchased hereunder. In the event that the Holder subscribes for and purchases less than the full number of Shares entitled to be subscribed for and purchased under this Warrant certificate prior to the applicable Expiry Time, the Holder shall be entitled to receive and the Corporation shall issue, without charge, a new Warrant certificate to the Holder in substantially the same form as this Warrant certificate with appropriate changes to reflect the unexercised balance of the Warrants.

7.**Delivery of Shares**. As soon as practicable and, in any event, within three Business Days of receipt by the Corporation of this Warrant certificate in accordance with, and the documents and payment (if any) noted in Section 4, the Corporation will deliver a certificate(s) or a DRS statement(s) representing the Shares subscribed for and purchased by the Holder hereunder, and a replacement Warrant certificate, if any, or, if applicable upon the Holder's request, the Corporation shall credit such aggregate number of Shares to which the Holder is entitled pursuant to such exercise to the Holder's or its designee's balance account with DTC or CDS, as applicable, through its custodian system. The Corporation shall pay any and all transfer, stamp, issuance and similar taxes, fees, costs, and expenses (including, without limitation, fees and expenses of the Company's transfer agent) that may be payable with respect to the issuance and delivery of Shares upon exercise of this Warrant. The Corporation's obligations to issue and deliver Shares in accordance with the terms and subject to the conditions hereof are absolute and unconditional, irrespective of any action or inaction by the Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination.

8.**No Rights of Shareholders**. Nothing contained in this Warrant certificate shall be construed as conferring upon the Holder any right or interest whatsoever as a holder of Shares of the Corporation or any other right or interest except as herein expressly provided.

9.**Adjustment of Subscription and Purchase Rights.**

The applicable Exercise Price in effect at any time is subject to adjustment from time to time in the events and in the manner provided as follows:

(a)If and whenever at any time after the date hereof and prior to the applicable Expiry Time, the Corporation:

(i)issues Shares or securities exchangeable for or convertible into Shares to all or substantially all the holders of the Shares as a stock dividend; or

(ii)makes a distribution on its outstanding Shares payable in Shares or securities exchangeable for or convertible into Shares; or

(iii)subdivides its outstanding Shares into a greater number of shares; or

(iv)consolidates its outstanding Shares into a smaller number of shares;

(any of such events being called a "**Share Reorganization**"), then the applicable Exercise Price will be adjusted effective immediately after the effective date or record date for the happening of a Share Reorganization, as the case may be, at which the holders of Shares are determined for the purpose of the Share Reorganization by multiplying the applicable Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which is the number of Shares outstanding on such effective date or record date before giving effect to such Share Reorganization and the denominator of which is the number of Shares outstanding immediately after giving effect to such Share Reorganization (including, in the case where securities exchangeable for or convertible into Shares are distributed, the number of Shares that would have been outstanding had all such securities been exchanged for or converted into Shares on such effective date or record date).

(b)If and whenever at any time after the date hereof and prior to the applicable Expiry Time, the Corporation fixes a record date for the issue of rights, options or warrants to the holders of all or substantially all of its outstanding Shares under which such holders are entitled to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares, where:

(i)the right to subscribe for or purchase Shares, or the right to exchange securities for or convert securities into Shares, expires not more than 45 days after the date of such issue (the period from the record date to the date of expiry being herein in this Section 9 called the "**Rights Period**"), and

(ii)the cost per Share during the Rights Period (inclusive of any cost of acquisition of securities exchangeable for or convertible into Shares in addition to any direct cost of Shares) (herein in this Section 9 called the "**Per Share Cost**") is less than 95% of the Current Market Price of the Shares on the record date,

(any of such events being called a "**Rights Offering**"), then the applicable Exercise Price will be adjusted effective immediately after the end of the Rights Period to a price determined by multiplying the applicable Exercise Price in effect immediately prior to the end of the Rights Period by a fraction:

(A)the numerator of which is the aggregate of:

(1)the number of Shares outstanding as of the record date for the Rights Offering; and

(2)a number determined by dividing the product of the Per Share Cost and:

(I)where the event giving rise to the application of this subsection 9(b) was the issue of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase additional Shares, the number of Shares so subscribed for or purchased during the Rights Period, or

(II)where the event giving rise to the application of this subsection 9(b) was the issue of rights, options or warrants to the holders of Shares under which such holders are entitled to subscribe for or purchase securities exchangeable for or convertible into Shares, the number of Shares for which those securities so subscribed for or purchased during the Rights Period could have been exchanged or into which they could have been converted during the Rights Period,

by the Current Market Price of the Shares as of the record date for the Rights Offering; and

(B)the denominator of which is:

(1)in the case described in subparagraph 9(b)(A)(2)(I), the number of Shares outstanding, or

(2)in the case described in subparagraph 9(b)(A)(2)(II), the number of Shares that would be outstanding if all the Shares described in subparagraph 9(b)(A)(2)(II) had been issued,

as at the end of the Rights Period.

Any Shares owned by or held for the account of the Corporation or any subsidiary or affiliate (as defined in the *Securities Act* (Ontario)) of the Corporation will be deemed not to be outstanding for the purpose of any such computation.

If by the terms of the rights, options or warrants referred to in this Section 9, there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible securities so offered, will be calculated for purposes of the adjustment on the basis of:

(I)the lowest purchase, conversion or exchange price per Share, as the case may be, if such price is applicable to all Shares which are subject to the rights, options or warrants, and

(II)the average purchase, conversion or exchange price per Share, as the case may be, if the applicable price is determined by reference to the number of Shares acquired.

To the extent that any adjustment in the applicable Exercise Price occurs pursuant to this Section 9 as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in this Section 9, the applicable Exercise Price will

be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the applicable Exercise Price which would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiration, and will be further readjusted in such manner upon expiration of any further such right. To the extent that such Rights Offering is not ultimately so made, the applicable Exercise Price shall be readjusted to the applicable Exercise Price which would then be in effect if such record date had not been fixed.

If the Holder has exercised this Warrant in accordance herewith during the period beginning immediately after the record date for a Rights Offering and ending on the last day of the Rights Period therefor (the "**Entitlement Period**"), the Holder will, in addition to the Shares to which it is otherwise entitled upon such exercise, be entitled to that number of additional Shares equal to the result obtained when (A) the applicable Exercise Price in effect immediately prior to the end of such Rights Offering pursuant to this subsection is multiplied by the number of Shares received upon the exercise of this Warrant during such period, (B) the resulting product is divided by the applicable Exercise Price as adjusted for such Rights Offering pursuant to this subsection, and (C) the number of Shares acquired by the Holder during the Entitlement Period in accordance with the terms hereof is subtracted from the resulting divided product; provided that the provisions of Section 12 will be applicable to any fractional interest in a Share to which such Holder might otherwise be entitled. Such additional Shares will be deemed to have been issued to the Holder immediately following the end of the Rights Period and a certificate for such additional Shares will be delivered to such Holder within 10 Business Days following the end of the Rights Period.

(c)If and whenever at any time after the date hereof and prior to the applicable Expiry Time, the Corporation fixes a record date for the issue or the distribution to the holders of all or substantially all its Shares of:

(i)shares of the Corporation of any class other than Shares;

(ii)rights, options or warrants to acquire shares or securities exchangeable for or convertible into shares or property or other assets of the Corporation;

(iii)evidence of indebtedness; or

(iv)any property or other assets,

and if such issuance or distribution does not constitute (A) a Share Reorganization, (B) a Rights Offering, or (C) the issue of rights, options or warrants to the holders of all or substantially all of its outstanding Shares under which such holders are entitled to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares, where:

(a)the right to subscribe for or purchase Shares, or the right to exchange securities for or convert securities into Shares, expires not more than 45 days after the date of such issue, and

(b)the cost per Share during the Rights Period, inclusive of the Per Share Cost, is 95% or more than the Current Market Price of the Shares on the record date,

(any of such non-excluded events being called a "**Special Distribution**"), the applicable Exercise Price will be adjusted effective immediately after such record date to a price determined by multiplying the applicable Exercise Price in effect on such record date by a

fraction:

(A)the numerator of which is:

(1)the product of the number of Shares outstanding on such record date and the Current Market Price of the Shares on such record date; less

(2)the aggregate fair market value (as determined by action by the directors of the Corporation, subject, however, to the prior written consent of the Exchange, where required) to the holders of the Shares of such securities or property or other assets so issued or distributed in the Special Distribution; and

(B)the denominator of which is the number of Shares outstanding on such record date multiplied by the Current Market Price of the Shares on such record date.

Any Shares owned by or held for the account of the Corporation or any subsidiary or affiliate (as defined in the *Securities Act* (Ontario)) of the Corporation will be deemed not to be outstanding for the purpose of any such computation. To the extent that such Special Distribution is not ultimately so made, the applicable Exercise Price shall be readjusted to the applicable Exercise Price which would then be in effect if such record date had not been fixed.

(d)If and whenever at any time after the date hereof and prior to the applicable Expiry Time, there is a Share Reorganization, a Rights Offering, a Special Distribution, a reclassification or redesignation of the Shares outstanding at any time or change of the Shares into other shares or into other securities (other than a Share Reorganization), or a consolidation, amalgamation, plan of arrangement or merger of the Corporation with or into any other corporation or other entity (other than a consolidation, amalgamation or merger which does not result in any reclassification or redesignation of the outstanding Shares or a change of the Shares into other shares), or a transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity (any of such events being called a "**Capital Reorganization**"), the Holder, upon exercising this Warrant after the effective date of such Capital Reorganization, will be entitled to receive in lieu of the number of Shares to which such Holder was theretofore entitled upon such exercise, the aggregate number of shares, other securities or other property which such Holder would have been entitled to receive as a result of such Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares to which such Holder was theretofore entitled upon exercise of this Warrant. If determined appropriate by action of the directors of the Corporation, acting reasonably, appropriate adjustments will be made as a result of any such Capital Reorganization in the application of the provisions set forth in this Section 9 with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Section 9 will thereafter correspondingly be made applicable as nearly as may reasonably be in relation to any shares, other securities or other property thereafter deliverable upon the exercise hereof. Any such adjustment must be made by and set forth in an amendment to this Warrant approved by the directors of the Corporation and will for all purposes be conclusively deemed to be an appropriate adjustment.

(e)If at any time after the date hereof and prior to the applicable Expiry Time any adjustment in the applicable Exercise Price shall occur as a result of:

(i)an event referred to in subsection 9(a);

(ii)the fixing by the Corporation of a record date for an event referred to in subsection 9(b); or

(iii)the fixing by the Corporation of a record date for an event referred to in subsection 9(c) if such event constitutes the issue or distribution to the holders of all or substantially all of its outstanding Shares of (A) Equity Shares, or (B) securities exchangeable for or convertible into Equity Shares at an exchange or conversion price per Equity Share less than the Current Market Price on such record date or (C) rights, options or warrants to acquire Equity Shares at an exercise, exchange or conversion price per Equity Share less than the Current Market Price on such record date,

then the number of Shares purchasable upon the subsequent exercise of this Warrant shall be simultaneously adjusted by multiplying the number of Shares purchasable upon the exercise of this Warrant immediately prior to such adjustment by a fraction which shall be the reciprocal of the fraction employed in the adjustment of the applicable Exercise Price. To the extent any adjustment in subscription rights occurs pursuant to (i) this subsection 9(e) as a result of a distribution of exchangeable or convertible securities other than Equity Shares referred to in subsection 9(a) or (ii) as a result of the fixing by the Corporation of a record date for the distribution of rights, options or warrants referred to in subsection 9(b), the number of Shares purchasable upon exercise of this Warrant shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number of Shares which would be purchasable based upon the number of Shares actually issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right. To the extent that any adjustment in subscription rights occurs pursuant to this subsection 9(e) as a result of the fixing by the Corporation of a record date for the distribution of exchangeable or convertible securities other than Equity Shares or rights, options or warrants referred to in subsection 9(c), the number of Shares purchasable upon exercise of this Warrant shall be readjusted immediately after the expiration of any relevant exchange, conversion or exercise right to the number which would be purchasable pursuant to this subsection 9(e) if the fair market value of such securities or such rights, options or warrants had been determined for purposes of the adjustment pursuant to this subsection 9(e) on the basis of the number of Equity Shares issued and remaining issuable immediately after such expiration, and shall be further readjusted in such manner upon expiration of any further such right.

10. **Rules Regarding Calculation of Adjustment of Exercise Price.**

(a)The adjustments provided for in Section 9 are cumulative and will, in the case of adjustments to the applicable Exercise Price, be computed to the nearest one-hundredth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 10.

(b)No adjustment in the applicable Exercise Price is required to be made unless such adjustment would result in a change of at least 1% in the prevailing applicable Exercise Price; provided, however, that any adjustments which, except for the provisions of this subsection, would otherwise have been required to be made, will be carried forward and taken into account in any subsequent adjustments.

(c)No adjustment in the applicable Exercise Price will be made in respect of any event described in Section 9, other than the events referred to in clauses 9(a)(iii) and 9(a)(iv), if the Holder is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Holder had exercised this Warrant prior to or on the effective date or record date of such event.

(d)No adjustment in the applicable Exercise Price will be made under Section 9 in respect of the issue from time to time of Shares issuable from time to time as dividends paid in the ordinary course to holders of Shares who exercise an option or election to receive substantially equivalent dividends in Shares in lieu of receiving a cash dividend, and any such issue will be deemed not to be a Share Reorganization.

(e)If at any time a dispute arises with respect to adjustments provided for in Section 9, such dispute will be conclusively determined by a firm of nationally recognized chartered professional accountants appointed by the Corporation (who may be the auditors of the Corporation) and acceptable to the Holder, and any such determination, where required, absent manifest error, will be binding upon the Corporation, the Holder and shareholders of the Corporation. The Corporation will provide such auditors or accountants with access to all necessary records of the Corporation and fees payable to such accountants or auditors will be paid by the Corporation.

(f)In case the Corporation after the date of issuance of this Warrant takes any action affecting the Shares, other than action described in Section 9, which in the opinion of the board of directors of the Corporation, acting reasonably, would materially affect the rights of the Holder, the applicable Exercise Price will be adjusted in such manner, if any, and at such time, by action by the directors of the Corporation but subject in all cases to any necessary regulatory approval and the approval of the Holder. Failure of the taking of action by the directors of the Corporation, acting reasonably, so as to provide for an adjustment on or prior to the effective date of any action by the Corporation affecting the Shares will be conclusive evidence that the board of directors of the Corporation has determined that it is equitable to make no adjustment in the circumstances.

(g)If the Corporation sets a record date to determine the holders of the Shares for the purpose of entitling them to receive any dividend or distribution or sets a record date to take any other action and, thereafter and before the distribution to such shareholders of any such dividend or distribution or the taking of any other action, decides not to implement its plan to pay or deliver such dividend or distribution or take such other action, then no adjustment in the applicable Exercise Price will be required by reason of the setting of such record date.

(h)In the absence of a resolution of the directors of the Corporation fixing a record date for a Special Distribution or Rights Offering, the Corporation will be deemed to have fixed as the record date therefor the date on which the Special Distribution or Rights Offering is effected.

(i)As a condition precedent to the taking of any action which would require any adjustment to this Warrant, including the applicable Exercise Price, the Corporation must take any corporate action which may be necessary in order that the Corporation have unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Shares or other securities which the Holder is entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(j)The Corporation will from time to time, immediately after the occurrence of any event which requires an adjustment or readjustment as provided in Section 9, forthwith give notice to the Holder specifying the event requiring such adjustment or readjustment and the results thereof, including the resulting applicable Exercise Price, and, if reasonably required by the Holder, such notice and the amount of the adjustment specified therein shall be verified by an opinion of a firm of nationally recognized chartered professional accountants appointed by the Corporation (who may be the auditors of the Corporation) and acceptable to the Holder, acting reasonably.

(k)The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of its intention to fix a record date for any event referred to in subsections 9(a), (b) or (c) (other than the subdivision or consolidation of the Shares) which may give rise to an adjustment in the applicable Exercise Price, and, in each case, such notice must specify the particulars of such event and the record date or the effective date for such event; provided that the Corporation is only required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than seven days prior to each such applicable record date or effective date.

11.**Successor Corporation.**

(a)In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (a "**Sale Transaction**"), the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume the due and punctual performance and observance of this Warrant certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Warrant certificate. Following the completion of the Sale Transaction, this Warrant certificate shall be deemed to be amended by: (i) replacing the references to "Gage Growth Corp" with the name of the successor corporation; and (ii) replacing the references to "subordinate voting shares" with the name of the securities in the capital of the successor corporation that are exchanged for the Shares in connection with the Sale Transaction.

(b)Whenever the conditions of Section 11(a) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

12.**No Fractional Shares**. Upon the exercise of the Warrants evidenced hereby, the Corporation shall not be required to issue an aggregate number of Shares that results in any fractional Shares being issued and the Holder shall not be entitled to any cash payment or compensation in lieu of a fractional Share.

13.**Legending of Shares.** The Warrants have been, and the Shares will be, issued pursuant to an exemption from the registration and prospectus requirements of applicable securities law. To the extent that the Corporation relies on such exemption, the Shares may be subject to restrictions on resale and transferability contained in applicable securities laws.

The Holder hereby agrees and consents by acceptance hereof that the certificate or certificates representing the Shares shall be impressed with a legend substantially in the following form:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS FOUR MONTHS AND A DAY AFTER THE LATER OF (I) JULY 2, 2021; AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY.

The Warrants and the Shares issuable upon exercise hereof have not been registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), or the securities laws of any state of the United States. Accordingly, the Warrants and the Shares issuable upon exercise hereof may not be offered or sold, directly or indirectly, in the United States except pursuant to registration under the 1933 Act and the applicable securities laws of all applicable states or available exemption therefrom. The Warrants may not be exercised by or on behalf of a U.S. person or person in the United States unless the Warrants and the Shares issuable upon exercise of the Warrants have been registered under the 1933 Act and the applicable securities legislation of any such state or an exemption from such registration requirements is available. "United States" and "U.S. person" are as defined by Regulation S under the 1933 Act. The Holder hereby agrees and consents by acceptance hereof that all certificates representing Shares acquired upon exercise of the Warrants by, or for the account or benefit of, U.S. persons or persons in the United States shall have the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES, FOR THE BENEFIT OF GAGE GROWTH CORP. (THE "CORPORATION"), THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN ACCORDANCE WITH ALL LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY (I) RULE 144 THEREUNDER, IF AVAILABLE, OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND, IN EACH CASE, IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C)(I) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL, OF RECOGNIZED STANDING, IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.

provided, that if the Shares are being sold under clause (B) above, the legend set forth above may be removed by providing a declaration to the Corporation and its registrar and transfer agent in the form attached hereto as Schedule "C" or such other evidence of exemption as the Corporation or its registrar and transfer agent may from time to time prescribe (which may include an opinion satisfactory to the Corporation and its registrar and transfer agent), to the effect that the sale of the Shares is being made in compliance with Rule 904 of Regulation S under the 1933 Act; provided further, that if any of the Shares are being sold pursuant to Rule 144 of the 1933 Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws.

14.**Change; Waiver**. Subject to the approval of the Exchange (if required), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Holder.

15.**No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Holder to purchase or pay for or the Corporation to issue any Shares except those Shares in respect of which the Holder shall have exercised its right to purchase in the manner provided hereunder.

16.**Covenants.**

(a)The Corporation covenants and agrees that (i) so long as any Warrants evidenced hereby remain outstanding, it shall reserve and there shall remain unissued out of its authorized capital a sufficient number of Shares to satisfy the right of purchase provided for herein should the Holder determine to exercise its rights in respect of all the Shares available for purchase and issuance under such outstanding Warrants, and (ii) all Shares which shall be issued upon the due exercise of the right to purchase provided for herein, upon payment therefor of the amount at which such Shares may at the time be purchased pursuant to the provisions hereof, shall be issued as fully paid and non- assessable Shares in the capital of the Corporation and free of all liens, charges and encumbrances and the Holder shall not be liable to the Corporation or to its creditors in respect thereof; and

(b)The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.

17.**Representations and Warranties.**

(a)The Corporation hereby represents and warrants with and to the Holder that the Corporation is duly authorized and has the corporate and lawful power and authority to create and issue this Warrant certificate and the Shares issuable upon the exercise hereof and perform its obligations hereunder and that this Warrant certificate represents a valid, legal and binding obligation of the Corporation enforceable in accordance with its terms.

(b)The undersigned is acquiring the Warrants directly from the Corporation solely for its own account and is an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act) on the date hereof.

18.**Lost Certificate.** If this Warrant certificate becomes stolen, lost, mutilated or destroyed, the Corporation may, on such terms as it may in its discretion impose, respectively issue and countersign a new Warrant certificate of like denomination, tenor and date as the Warrant certificate so stolen, lost, mutilated or destroyed.

19.**General**.

(a)The headings in this Warrant certificate are for reference only and do not constitute terms of the Warrant certificate.

(b)Whenever the singular or masculine is used in this Warrant certificate the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.

(c)This Warrant certificate shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

(d)Time shall be of the essence of this Warrant certificate.

(e)This Warrant shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without reference

to its principles governing the choice or conflict of laws. The Corporation and the Holder hereby irrevocably attorn and submit to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any dispute related to or arising from this Warrant certificate.

(f)Unless otherwise specified, all references herein to monetary amounts are references to U.S. Dollars.

(g)If any one or more of the provisions or parts thereof contained in this Warrant certificate should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

(i)the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and

(ii)the invalidity, illegality or unenforceability of any provision or part thereof contained in this Warrant certificate in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Warrant certificate in any other jurisdiction.

(h)In the event that any day on or before which any action is required to be taken hereunder is not a Business Day, then such action shall be required to be taken on or before the requisite time on the next succeeding day that is a Business Day.

(i)All notices or other communications to be given to the Holder by the Corporation under this Warrant certificate shall be delivered by hand, courier, ordinary prepaid mail, or electronic mail (with a hard copy separately sent); and, if delivered by hand, shall be deemed to have been given on the delivery date, or, if such day is not a Business Day, on the first Business Day following the date of delivery, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by electronic mail, on the date of transmission if sent before 5:00 p.m. (local time where the notice is received) on a Business Day, if such day is not a Business Day, on the first Business Day following the date of transmission. Neither party shall mail any notice, request or other communication hereunder during any period in which applicable postal workers are on strike or if such strike is imminent and may reasonably be anticipated to affect the normal delivery of the mail.

Notices to the Holder shall be addressed to the address of the Holder set out in the Register.

Notices to the Corporation shall be addressed to:

Gage Growth Corp.
77 King Street West, Suite 400 Toronto, Ontario M5K 0A1

Attention: Fabian Monaco
Email: fabianm@gageusa.com

Each of the Corporation and the Holder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant certificate.

[THE REMAINDER OF THIS PAGE IS LEFT INTENTIONALLY BLANK.]

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer on the date hereof.

GAGE GROWTH CORP.

__ Name:
Title: Authorized Signatory

_____

__ Name:
Title: Authorized Signatory

IN WITNESS WHEREOF the Corporation has caused this Warrant certificate to be signed by its duly authorized officer on the date hereof.

GAGE GROWTH CORP.

Name:
Title: Authorized Signatory

_____

Name:
Title: Authorized Signatory

.

SCHEDULE "A" WARRANT SCHEDULE

Vesting Date	Date	Number of Warrants Vesting	Aggregate Number of Warrants	Current Market Price	Exercise Price	Expiry Date

SCHEDULE "B"

WARRANT CERTIFICATE SUBSCRIPTION FORM

Gage Growth Corp.
77 King Street West, Suite 400 Toronto, Ontario M5K 0A1

Dear Sirs/Mesdames:

The undersigned hereby exercises the right to purchase and hereby subscribes for _ subordinate voting shares (the "**Shares**") of Gage Growth Corp. (the "**Corporation**") referred to in the Warrant certificate attached hereto according to the conditions thereof, and herewith makes payment of the purchase price in full for the Shares.

In connection with the exercise of the Warrant certificate, the undersigned represents as follows: (please check the **ONE** box applicable):

1.The undersigned (a) at the time of exercise is not a U.S. person; (b) at the time of exercise is not within the United States; (c) is not exercising any of the Warrants represented by this Warrant certificate for the account or benefit of any U.S. person or person within the United States; and (d) did not execute or deliver this Subscription Form in the United States.

2.The undersigned (a) purchased the Warrants directly from the Corporation; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial purchaser, if any, (c) each of it and any beneficial purchaser was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "accredited investor" (as defined in Rule 501(a) of Regulation D under the 1933 Act) and (d) the representations, warranties and covenants set forth in this Warrant certificate continue to be true and correct.

3.The undersigned has delivered to the Corporation a written opinion of U.S. counsel reasonably satisfactory to the Corporation to the effect that the Shares to be delivered upon exercise hereof are exempt from registration under the 1933 Act and the securities laws of all applicable states of the United States.

"**1933 Act**" means the United States *Securities Act of 1933*, as amended. "**U.S. person**" and "**United States**" are as defined by Regulation S under the 1933 Act.

Form of Exercise Price. The Holder intends that payment of the aggregate Exercise Price shall be made as:

_ a "**Cash Exercise**" with respect to _ Warrants with an Exercise Price of $_ [and _ Warrants with an Exercise Price of $_]; and/or

_ a "**Cashless Exercise**" with respect to _ Warrants with an Exercise Price of $_ [and _ Warrants with an Exercise Price of $_], resulting in a delivery obligation of the Company to the Holder of _ Shares representing the applicable, aggregate Net Number.

In the event that the Holder has elected a Cash Exercise with respect to some or all of the Shares to be issued pursuant hereto, the Holder shall pay the aggregate Exercise Price in the sum of US$_ to the Corporation in accordance with the terms of the Warrant certificate.

Certificates representing Shares will not be registered or delivered to an address in the United States unless Box 2 or Box 3 above is checked and the requirements in connection therewith have been satisfied.

Certificates representing Shares issued upon exercise of Warrants pursuant to Box 2 or Box 3 above will bear a U.S. restrictive legend.

If any Shares represented by this Warrant certificate are not being exercised, a new Warrant certificate will be issued and delivered with the Share certificate(s).

Please issue and deliver a certificate for the Shares being purchased as follows:

NAME: _
(please print)

ADDRESS: _

DELIVERY

INSTRUCTIONS:

1.The registered holder of a Warrant may exercise its right to acquire Shares by completing and surrendering this Subscription Form and the ORIGINAL Warrant certificate representing the Warrants being converted to the Corporation, together with the aggregate amount of the exercise price for the Shares as provided for in the Warrant certificate. Certificates representing the Shares to be acquired on exercise will be sent via trackable courier to the address(es) above within five (5) Business Days after the receipt of all required documentation, subject to the terms of the Warrant certificate.

2.If this Subscription Form indicates that the Shares are to be issued to a person or persons other than the registered holder of the Warrants to be converted: (a) the signature of the registered holder on this Subscription Form must be medallion guaranteed by an authorized officer of a chartered bank, trust corporation or an investment dealer who is a member of a recognized stock exchange; and (b) the registered holder must pay to the Corporation all applicable taxes and other duties.

3.If this Subscription Form is signed by a trustee, executor, administrator, custodian, guardian, attorney, officer of a corporation or any other person acting in a fiduciary or representative capacity, this Subscription Form must be accompanied by evidence of authority to sign satisfactory to the Corporation.

[*Signature Page Follows*]

DATED this _ day of _, _.

_) Signature of registered holder or Signatory

Signature of Witness
[Please Note Instruction 2]

Print name of Witness

) thereof

))
) If applicable, print Name and Office of

)) Signatory
)
) Print Name of registered holder as on

)) certificate
)

)) Street Address
)

City, Province/State and Postal/ZIP Code

SCHEDULE "C"

FORM OF DECLARATION FOR REMOVAL OF U.S. LEGEND

To: Gage Growth Corp. (the "**Corporation**").

The undersigned (a) acknowledges that the sale of the securities of the Corporation to which this declaration relates is being made in reliance on Rule 904 of Regulation S under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"); and (b) certifies that (i) the undersigned is not an "affiliate" of the Corporation (as that term is defined in Rule 405 under the 1933 Act); (ii) the offer of such securities was not made to a person in the United States and either: (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States; or (B) the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States;
(iii) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities; (iv) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the 1933 Act); (v) the seller does not intend to replace such securities with fungible unrestricted securities of the Corporation; and (vi) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the 1933 Act. Terms used herein have the meanings given to them by Regulation S under the 1933 Act.

Date

X_ Authorized signatory (if Holder is **not** an individual)

X_ _

Signature of individual (if Holder **is** an

Name of authorized signatory **(please print)**

Name of Holder **(please print)**

THESE WARRANTS AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE **"SECURITIES ACT"**) AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE SECURITIES ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 10, 2023.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL APRIL 10, 2023 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON THE EXPIRY DATE (AS DEFINED HEREIN) AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

WARRANTS TO PURCHASE UP TO ___,___ COMMON SHARES OF

TerrAscend

Corp. (existing under the laws of Ontario)

Warrant Certificate Number – 2022-__-__ Number of Warrants represented by this certificate: ___,___

THIS CERTIFIES that, for value received, _____, having its head office at _____ (the "**Holder**"), is the registered holder of ___,___ warrants (collectively, the "**Warrants**"; each a "**Warrant**"), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the "**Certificate**"), to purchase from TerrAscend Corp. (the "**Corporation**"), one common share in the capital of the Corporation (a "**Common Share**"), at any time prior to 5:00 p.m. (Toronto time) on December 31, 2032 (the "**Expiry Date**"), at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the "**Time of Expiry**"), on payment of a price per Common Share equal to CAD$5.95, subject to adjustment as set forth herein (the "**Exercise Price**"). The number of Common Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Common Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

1.Exercise of Warrants.

(a)Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the "**Election to Purchase**"), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Common Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation. In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Common Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Common Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.

(b)Exercise.

The Corporation shall, within two trading days after receiving a duly executed Election to Purchase and the Exercise Price for the number of Common Shares specified in the Election to Purchase (the "**Exercise Date**"), issue that number of Common Shares specified in the Election to Purchase.

(c)Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall, as specified by the Holder in the Election to Purchase, either

(i) issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Common Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants, or (ii) in the case of the Common Shares, issue and cause to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") through the book-based system administered by CDS using the "**non- certificated inventory**" issue process that number of Common Shares issuable on exercise of the Warrants so exercised and, in the case of the Warrants, a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Common Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Common Shares and unexercised Warrants represented thereby. Notwithstanding the above, all Common Shares issued to a United States "**accredited investor**" as defined in Rule 501(a) of Regulation D under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), who is not a "**qualified institutional buyer**" (as that term

is used in Rule 144A of the U.S. Securities Act), will be evidenced by physical certificates.

(d)Fractional Common Shares. No fractional Common Shares shall be issued upon exercise of the Warrants represented by this Certificate.

(e)Adjustments. The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(i)If, at any time from the date hereof until the Time of Expiry (the "**Adjustment Period**"), the Corporation shall:

(A)subdivide, re-divide or change its outstanding Common Shares and/or its non-voting and non-participating exchangeable shares in the capital of the Corporation (the "**Exchangeable Shares**") into a greater number of Common Shares or Exchangeable Shares;

(B)reduce, combine or consolidate its outstanding Common Shares and/or Exchangeable Shares into a lesser number of Common Shares or Exchangeable Shares; or

(C)issue Common Shares and/or Exchangeable Shares to all or substantially all of the holders of Common Shares or Exchangeable Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Common Shares and/or Exchangeable Shares upon the exercise of warrants, options, restricted share units or other exchangeable or convertible securities of the Corporation);

(any of such events in subsections 1(e)(i)(A), 1(e)(i)(B) or 1(e)(i)(C) being called a "**Common Share Reorganization**") then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Common Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the increase in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the decrease in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such reduction, combination or consolidation, in each case by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization. Such

adjustment shall be made successively whenever any event referred to in this subsection 1(e)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(e)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. "**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one (1) Common Share for one (1) Warrant.

(ii)If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares and/or Exchangeable Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price (as defined below) on the date of announcement of such issuance (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus a number of Common Shares and/or Exchangeable Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(ii), the Exchange Rate

will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment.

(iii)If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares and/or Exchangeable Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares and/or Exchangeable Shares (or other securities convertible into or exchangeable for Common Shares and/or Exchangeable Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Common Share Reorganization, a Rights Offering or a distribution of Common Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares and/or Exchangeable Shares, and of which the denominator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment.

(iv)If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares and/or Exchangeable Shares or a capital reorganization of the Corporation other than as described in subsection 1(e)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Holder would have been entitled to receive the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(e)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(e) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.

(v)If and whenever at any time during the Adjustment Period the Corporation or a subsidiary of the Corporation shall make an issuer bid or a tender or exchange offer (other than an odd lot offer or a normal course issuer bid) to all or substantially all of the holders of Common Shares and/or

Exchangeable Shares for all or any portion of the Common Shares and/or Exchangeable Shares where the cash and the value of any other consideration included in such payment per Common Share and/or Exchangeable Shares exceeds the Current Market Price on the trading day immediately preceding the commencement of the issuer bid or tender or exchange offer (any such issuer bid or tender or exchange offer being called an "**Issuer Bid**"), the Exercise Price shall be adjusted to a price determined by multiplying the applicable Exercise Price in effect on the date of the completion of such Issuer Bid by a fraction, the numerator of which shall be the product of (A) the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of any tendered or exchanged shares) and (B) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid, and the denominator of which shall be the sum of (A) the fair market value (determined by the board of directors of the Corporation, acting reasonably and in good faith) of the aggregate consideration paid by the Corporation or subsidiary to holders of Common Shares and/or Exchangeable Shares upon the completion of such Issuer Bid, and (B) the product of (I) the difference between the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of tendered or exchanged shares) and the number of Common Shares and/or Exchangeable Shares actually purchased by the Corporation or subsidiary pursuant to the Issuer Bid, and
(II) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid.

(vi)In any case in which this subsection 1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares and/or Exchangeable Shares declared in favour of holders of record of Common Shares and/or Exchangeable Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(e)(vi), have become the holder of record of such additional Common Shares pursuant to this subsection 1(e).

(vii)In any case in which subsection 1(e)(i)(C), subsection 1(e)(ii) or subsection 1(e)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives,

subject to any required stock exchange or regulatory approval, the rights or warrants referred to in subsection 1(e)(i)(C), subsection 1(e)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(e)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

(viii)Each Common Share issued upon exercise of Warrants shall be entitled to receive, in addition to any Common Shares received in connection with such exercise, rights under the shareholder rights plan or equivalent plan, if any, and the certificates (if applicable) representing the Common Shares issued upon such exercise shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights plan or equivalent plan adopted by the Corporation, as the same may be amended from time to time, and the Exercise Price shall not be adjusted in connection therewith. If prior to any exercise of Warrants, however, such rights have separated from the Common Shares in accordance with the provisions of the applicable shareholder rights agreement, the Exercise Price shall be adjusted at the time of separation as if the Corporation distributed to all holders of Common Shares, rights options or warrants as described in subsection 1(e)(iii), subject to readjustment in the event of the expiration, termination or redemption of such rights.

(ix)The adjustments provided for in this subsection 1(e) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(e), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Common Shares issuable upon the exercise of a Warrant by at least one one-hundredth of a Common Share; provided, however, that any adjustments which by reason of this subsection 1(e)(ix) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(x)After any adjustment pursuant to this subsection 1(e), the term "**Common Shares**", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), the Holder is entitled to receive upon the exercise of Warrants, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or

securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), upon the full exercise of a Warrant.

(xi)All Common Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(e), shall, for the purposes of the interpretation of this Certificate, be deemed to be Common Shares which such Holder is entitled to acquire pursuant to such Warrant.

(xii)Notwithstanding anything in this subsection 1(e), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.

(xiii)As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(xiv)The Corporation shall from time to time promptly after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(e), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(xv)The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(e) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such

notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

(xvi)The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(e)(xiii).

(xvii)If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in subsection 1(e), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained. No adjustments shall be made pursuant to this subsection 1(e) if the Holder is entitled to participate in any event described in this subsection 1(e) on the same terms, mutatis mutandis, as if the Holder had exercised their Warrants prior to, or on the effective date or record date (as applicable) of, such event.

(xviii)If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(e), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.

(f)Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Common Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Common Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Common Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefore, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed or in respect of which the Common Shares are qualified for unlisted trading privileges. The Corporation will take all such actions

as are within its power to ensure that all such Common Shares may be so issued without violation of any applicable law.

(g)Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Common Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.

(h)Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares issuable upon the exercise of the Warrants to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.

(i)Current Market Price. For the purposes of any computation hereunder, the "**Current Market Price**" at any date shall be the volume-weighted average price ("**VWAP**") per Common Share for the 20 consecutive trading days ending five

(5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The VWAP shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

2.Transfer of Warrants. Subject to applicable securities laws, the Warrants represented by this Certificate are transferable by the Holder to any person, upon delivery of this Certificate and a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the "**Transfer Form**") or such other instrument of transfer in such form as the Corporation may from time to time prescribe and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the

U.S. Securities Act or any applicable state securities laws. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the

transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant in accordance with the terms hereof, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.

3.U.S. Registration.

(a)Neither the Warrants represented by this Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(i)(A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;

(A)did not execute or deliver the exercise form while in the United States;

(B)delivery of the Common Shares will not be to an address in the United States; and

(C)has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(ii)is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "**accredited investors**" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(iii)is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "**qualified institutional buyer**" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "**accredited investor**" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act) and all the representations, warranties and covenants agreed upon or made by the Holder, or any beneficial purchaser, as the case may be during the purchase of the Warrants

from the Corporation continue to be true and correct as of the date of exercise; or

(iv)is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Common Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

"**U.S. person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

(b)All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to subparagraphs 3(a)(ii) or 3(a)(iv) above on the exercise of the rights represented by this Certificate will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "**CORPORATION**") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D)IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C) (I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT

CONSTITUTE "**GOOD DELIVERY**" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and

provided further, that if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

4.Replacement. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.

5.Expiry Date. The Warrants represented by this Certificate shall expire and all rights to purchase Common Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on the Expiry Date.

6.Successor Corporations.

(a)The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

(i)the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and

(ii)the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.

(b)Whenever the conditions of subsection 6(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

7.Covenants and Compliance Obligations. So long as any Warrants remain outstanding the Corporation covenants that:

(a)it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario; and

(b)if the issuance of the Common Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Common Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

8.Governing Law. The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.

9.Successors. This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its successors.

10.General. All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

11.Signature and Electronic Copies. This Certificate may, if agreed by the Holder, be signed digitally or by other electronic means, which shall be deemed to be an original and shall be deemed to have the same legal effect and validity as a certificate bearing an original signature. A signed copy of this Certificate transmitted by facsimile, email or other electronic transmission shall be deemed to have the same legal effect and validity as delivery of an originally executed copy of this Certificate, provided that if this Certificate bears a digital or electronic signature as contemplated above and the Corporation is delivering this Certificate by electronic transmission pursuant to this Section 11, then the Corporation represents to the Holder that the electronically transmitted Certificate is the only executed copy to be issued to the Holder by the Corporation.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of December ___, 2022

TERRASCEND CORP.

Per:

Authorized Signing Officer
Keith Stauffer, CFO

SCHEDULE 1

ELECTION TO PURCHASE

TO: TerrAscend Corp.

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Common Shares (or other property or securities subject thereto) as set forth below:

Payment of Exercise Price

(a)Number of Warrants to be Exercised: #_

(b)Number of Common Shares to be Acquired: #_

(c)Exercise Price per Common Share: $_

(d)Aggregate Purchase Price [(b) multiplied by (c)] $_

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Common Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
(v)did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Common Shares occurred in an "**offshore transaction**" (as defined under Regulation S under the U.S. Securities Act); OR

☐ (B) the undersigned holder

(i)is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Common Shares issuable upon such exercise, and

(ii)the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a

written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR

☐ (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "**accredited investor**" within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof; OR

☐ (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "**qualified institutional buyer**" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "**accredited investor**" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act); and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof.

The undersigned holder understands that unless Box A or Box D above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined under Regulation S under the U.S. Securities Act.

If Box B or Box C is checked, any certificate representing the Common Shares issuable upon exercise of these Warrants will bear an applicable United States restrictive legend.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

[Remainder of page intentionally left blank. Signature page follows.]

DATED this _ day of _, 20__.

●

Per: _ Address of Registered Holder

Name of Registered Holder: _

SCHEDULE 1

TRANSFER FORM

TO: TerrAscend Corp.

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

_of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

DATED this _ day of _, _.

Signature of Registered Holder (Transferor)

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

Exhibit 10.4

AMENDMENT NO. 2 TO CREDIT AGREEMENT

AMENDMENT NO. 2 TO CREDIT AGREEMENT, dated November 11, 2022 (this "Amendment"), is made by and among WDB Holding PA, Inc., a Pennsylvania corporation (the "Borrower"), the Loan Parties party hereto, and the Lenders party hereto.

RECITALS:

WHEREAS, reference is hereby made to the Credit Agreement, dated as of December 18, 2020, as amended by Amendment No. 1 thereto, dated as of April 28, 2022 (as amended, amended and restated, supplemented or otherwise modified from time to time prior to the Effective Date, the "Credit Agreement", and as amended by this Amendment, the "Amended Credit Agreement"), by and among the Borrower, the Lenders from time to time party thereto, and Acquiom Agency Services LLC, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent"). Capitalized terms used but not defined herein having the meaning provided in the Amended Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders consent to certain amendments to the Credit Agreement on the terms set forth herein, which amendments are permitted with the consent of the Required Lenders;

WHEREAS, the Administrative Agent has received consent to the amendment contemplated hereby from Lenders constituting at least the Required Lenders and, accordingly, on behalf of the Lenders, consents, on the terms and subject to the conditions set forth below, to this Amendment; and

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

Section 1. Credit Agreement Amendment: Consolidated Interest Coverage Ratio.

With effect from the Effective Date (as defined below), each of the parties hereto agrees that Section 6.12(b) shall be amended as follows:

(a)the reference to "October 31, 2022" in the table in Section 6.12(b) of the Credit Agreement is deleted and replaced with "September 30, 2022"; and

(b)immediately below the table in Section 6.12(b) a new proviso clause shall be inserted to read in full as follows:

> "Notwithstanding the foregoing or any other provision of this Credit Agreement, including Section 5.02(a), the Consolidated Interest Coverage Ratio for the period ended September 30, 2022 shall not be applicable, and shall not be required to be calculated or reported by the Borrower on any Compliance Certificate or for any other purposes, provided that, on or prior to December 15, 2022, either
>
> > (i)the Borrower shall have furnished to the Agent and the Lenders a proposal for certain enhancements and amendments under the Credit Agreement that is acceptable to the Required Lenders, and Borrower and the Agent (on behalf of the Required Lenders) shall have entered into a further amendment to the Credit Agreement in respect of such matters (the "Subsequent Amendment") or
> >
> > (ii)such Subsequent Amendment shall not have been entered into and the Consolidated Interest Coverage Ratio for the period ended September 30,

2022 (as it is, or as amended with the consent of the Required Lenders), shall apply as from December 15, 2022 and the Borrower shall, no later than such date, deliver a Compliance Certificate setting forth reasonably detailed calculations demonstrating compliance with the Consolidated Interest Coverage Ratio for the period ended September 30, 2022."

Section 2. Credit Agreement Amendment: Mandatory Prepayment.

With effect from the Effective Date (as defined below), each of the parties hereto agrees that Section 2.05(b) shall be amended as follows:

(a)a new clause 2.05(b)(iv) shall be inserted immediately following clause 2.05(b)(iii) to read in full as follows:

"(iv) On the date of Amendment No. 2 to this Agreement ("Amendment No. 2"), but subject to the execution and effectiveness thereof, the Borrower makes an offer (the "Mandatory Offer") to all Lenders holding outstanding Loans to prepay $5,000,000 aggregate principal amount of Loans at a prepayment price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest to, but excluding, the prepayment date. The Mandatory Offer is made to all Lenders and is open for acceptance by all Lenders for five (5) Business Days following the date of Amendment No. 2 (the "Acceptance Period"). No later than the third (3rd) Business Day following the end of the Acceptance Period, the Borrower shall pay to each Lender that accepted (by confirmation to the Administrative Agent prior to the end of the Acceptance Period) such Mandatory Offer its *pro rata* share (based on the aggregate principal amount of Loans held by each accepting Lender) of the $5,000,000 aggregate principal amount prepayment, at the prepayment price set forth above."

Section 3. "Notwithstanding the foregoing or any other provision of this Credit Agreement, including Section 5.02(a), the Consolidated Interest Coverage Ratio for the period ended September 30, 2022 shall not be applicable, and shall not be required to be calculated or reported by the Borrower on any Compliance Certificate or for any other purposes

Section 4. Costs and Expenses. The Borrower shall reimburse the Administrative Agent, the Collateral Agent and the Lenders for all reasonable and documented legal fees and other reasonable out-of- pocket expenses incurred in connection with the amendment to the Credit Agreement described herein.

Section 5. Effective Date. This Amendment shall be effective as of September 30, 2022 (the "Effective Date").

Section 6. Representations and Warranties. The Borrower and each other Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders on the date hereof that:

(a)the execution, delivery and performance of this Amendment is within its corporate or other organizational powers and has been duly authorized by all necessary corporate or other organizational action of it;

(b)this Amendment has been duly executed and delivered by it and is a legal, valid and binding obligation of it, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency

or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing; and

(c)the representations and warranties of the Borrower contained in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof (except in those cases where such representation or warranty expressly relates to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such date).

Section 7. Reaffirmation. Each Loan Party consents to the amendment of the Credit Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Loan Document to which such Loan Party is a party is, and the obligations of such Loan Party contained in the Credit Agreement, this Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Amendment. For greater certainty and without limiting the foregoing, each Loan Party hereby confirms (i) the existing security interests granted in favor of the Collateral Agent for the benefit of, among others, the Lenders pursuant to the Loan Documents in the Collateral described therein, which security interests shall continue in full force and effect after giving effect to this Amendment to secure the Obligations as and to the extent provided in the Loan Documents and (ii) its obligations under the Guaranty Agreement shall remain in full force and effect after giving effect to this Amendment and the obligations under this Amendment constitute "Obligations" included within the Guarantee in accordance with the terms therein.

Section 8. Amendment, Modification and Waiver. This Amendment may not be amended, modified or waived except as permitted by Section 9.02 of the Credit Agreement.

Section 9. Entire Agreement. This Amendment and the other Loan Documents constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. On and after the Effective Date, each reference in the Credit Agreement to "this Amendment," "hereunder," "hereof" or words of like import referring the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

Section 10. Governing Law and Waiver of Right to Trial by Jury.

(a)THIS AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF, OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b)The jurisdiction, waiver of venue, waiver of defense of illegality, service of process and waiver of right to trial by jury provisions in Section 9.09(b) through (e) and Section 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

Section 11. Severability. To the extent permitted by law, any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

Section 12. Counterparts; Electronic Signature. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original,

but all of which when taken together shall constitute a single contract. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of an original executed counterpart of this Amendment.

Section 13. Loan Document; No Novation. On and after the Effective Date, this Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents (it being understood that for the avoidance of doubt this Amendment may be amended or waived solely by the parties hereto as set forth in Section 8 above). This Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents.

[*signature pages to follow*]

IN WITNESS WHEREOF, each of the undersigned has caused this Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

Exhibit 10.5

AMENDMENT NO. 3 TO CREDIT AGREEMENT

AMENDMENT NO. 3 TO CREDIT AGREEMENT, dated December 15, 2022 (this "Third Amendment"), is made by and among WDB Holding PA, Inc., a Pennsylvania corporation (the "Borrower"), the Loan Parties party hereto and Acquiom Agency Services LLC, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent").

RECITALS:

WHEREAS, reference is hereby made to the Credit Agreement, dated as of December 18, 2020, as amended by Amendment No. 1 thereto, dated as of April 28, 2022 and Amendment No. 2, dated as of November 11, 2022 (as further amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement", and as amended by this Third Amendment, the "Amended Credit Agreement"), by and among the Borrower, the Lenders from time to time party thereto, the Administrative Agent and the Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Amended Credit Agreement);

WHEREAS, the Borrower has requested that the Lenders consent to certain amendments to the Credit Agreement on the terms set forth herein, which amendments are permitted with the consent of the Required Lenders;

WHEREAS, the Administrative Agent has received consent to the amendment contemplated hereby from Lenders constituting at least the Required Lenders and, accordingly, on behalf of the Lenders, consents, on the terms and subject to the conditions set forth below, to this Third Amendment; and

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties signatory hereto agree as follows:

SECTION 1. Defined Terms. Capitalized terms used in this Third Amendment, including in the preamble and the recitals hereto, and not otherwise defined herein, shall have the meanings assigned to such terms in the Amended Credit Agreement.

SECTION 2. Amendments to Existing Credit Agreement. Subject to the satisfaction of the conditions set forth in Section 3 and in reliance upon the representations and warranties of the Loan Parties set forth in Section 6, the Existing Credit Agreement is hereby amended in its entirety to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth on Exhibit A hereto.

SECTION 3. Conditions to Effectiveness. This Third Amendment shall not become effective until each of the following conditions precedent have been satisfied (such date referred to herein as the "Third Amendment Effective Date"):

(a)*Third Amendment*. The Agent shall have received this Third Amendment, duly executed by the Loan Parties.

(b)*Authorization*. All necessary corporate, limited liability, or other company action has been taken by each of the Loan Parties to enter into and perform its obligations under this Third Amendment and all other instruments and agreements required to be executed and delivered by any Loan Party hereunder.

(c)*Certificates*. The Agent shall have received a certificate of a Responsible Officer of each Loan Party (or other person duly authorized by the constituent documents of such Loan Party) dated the Closing Date and certifying that (i) attached thereto is a true and complete copy of the Organizational Documents of such Loan Party as in effect on the Third Amendment Effective Date (or certifying that there have been no changes to such Loan party's Organizational Documents since last delivered to the Agent), (ii) that attached thereto is a true and complete copy of resolutions (or equivalent authorizing actions) duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member), authorizing the execution, delivery and performance of the Third Amendment, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Third Amendment Effective Date; and (iii) as to the incumbency and specimen signature of each officer or other duly authorized person executing the Third Amendment or any other document delivered in connection herewith on behalf of such Loan Party.

(d)*Legal Opinion.* The Agent shall have received (i) an opinion of Cooley LLP, counsel to the Loan Parties, as it pertains to matters of New York and Delaware law, (ii) an opinion of Saul Ewing LLP, counsel to the Borrower and its Subsidiaries as it pertains to Pennsylvania law, and (iii) Norton Rose Fulbright Canada LLP, counsel to the Canadian Parent as it pertains to matters of Ontario law, in each case, addressed to the Agent and the Lenders and dated the Third Amendment Effective Date, in form and substance satisfactory to the Agent (and the Borrower hereby instructs such counsel to deliver such opinion to such Persons).

(e)*Good Standing Certificates.* Agent shall have received a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of the relevant jurisdiction) of each Loan Party as of a recent date from the applicable Governmental Authority (or other similar official or registry).

(f)*Costs and Expenses*. The Borrower shall reimburse the Administrative Agent, the Collateral Agent and the Lenders for all reasonable and documented legal fees and other reasonable out-of-pocket expenses incurred in connection with the amendment to the Credit Agreement described herein.

Upon the occurrence of the Third Amendment Effective Date, the Agent shall provide a notice to the Parent, the Borrower, the Guarantors and the Lenders confirming that the Third Amendment Effective Date has occurred.

SECTION 4. Representations and Warranties. The Borrower and each other Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders on the date hereof that:

(a)the execution, delivery and performance of this Third Amendment is within its corporate or other organizational powers and has been duly authorized by all necessary corporate or other organizational action of it;

(b)this Third Amendment has been duly executed and delivered by it and is a legal, valid and binding obligation of it, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing; and

(c)the representations and warranties of the Borrower contained in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof (except in those cases where such representation or warranty expressly relates to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such date).

SECTION 5. Reaffirmation. Each Loan Party consents to the amendment of the Credit Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Third Amendment, each Loan Document to which such Loan Party is a party is, and the obligations of such Loan Party contained in the Credit Agreement, this Third Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Third Amendment. For greater certainty and without limiting the foregoing, each Loan Party hereby reaffirms (i) its grant to the Agent, for the benefit of the Lenders, of a continuing security interest in and Lien upon the Collateral of such Loan Party, whether now owned or hereafter acquired or arising, and wherever located, all as provided in the Loan Documents, and further acknowledges and agrees that the Loan Documents continue to secure the Obligations, as modified pursuant to this Third Amendment, to the same extent as prior to giving effect to this Third Amendment, and (ii) its obligations under the Guaranty Agreement shall remain in full force and effect after giving effect to this Third Amendment and the obligations under this this Third Amendment constitute "Obligations" for the purposes of the Guarantee in accordance with the terms therein.

SECTION 6. Amendment, Modification and Waiver. This Third Amendment may not be amended, modified or waived except as permitted by Section 9.02 of the Credit Agreement.

SECTION 7. Entire Agreement. This Third Amendment and the other Loan Documents constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. On and after the Third Amendment Effective Date, each reference in the Credit Agreement to "this Third Amendment", "hereunder," "hereof" or words of like import referring the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

SECTION 8. Governing Law and Waiver of Right to Trial by Jury. THIS THIRD AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF, OR RELATING TO THIS THIRD AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN

ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The jurisdiction, waiver of venue, waiver of defense of illegality, service of process and waiver of right to trial by jury provisions in Section 9.09(b) through (e) and Section 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION 9. Severability. To the extent permitted by law, any provision of this Third Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10. Counterparts; Electronic Signature. This Third Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Delivery of an executed counterpart of a signature page of this Third Amendment by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of an original executed counterpart of this Third Amendment.

SECTION 11. Loan Document; No Novation. On and after the Third Amendment Effective Date, this Third Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents (it being understood that for the avoidance of doubt this Third Amendment may be amended or waived solely by the parties hereto as set forth in Section 6 above). This Third Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents.

SECTION 12. Required Lender Direction. Each Required Lender, by their execution hereof, hereby authorizes and directs the Administrative Agent to execute and deliver this Third Amendment on the date hereof.

SECTION 13. No Course of Dealing. This Third Amendment shall not establish a course of dealing or be construed as evidence of any willingness on any Lender's part to grant other or future amendments, extensions or modifications, should any be requested.

[*signature pages to follow*]

IN WITNESS WHEREOF, each of the undersigned has caused this Third Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

WDB HOLDING PA, INC., as Borrower

By: */s/ Keith Stauffer*
Name: Keith Stauffer
Title: Chief Financial Officer TERRASCEND CORP., as a Loan Party
By: */s/ Keith Stauffer*
Name: Keith Stauffer
Title: Chief Financial Officer TERRASCEND USA, INC., as a Loan Party
By: */s/ Keith Stauffer*
Name: Keith Stauffer
Title: Chief Financial Officer

IHC MANAGEMENT LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

ILERA HEALTHCARE LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

ILERA DISPENSING LLC, as a Loan Party

By: */s/ Keith Stauffer*

Name: Keith Stauffer Title: Manager

[Signature Page – WDB - Amendment No. 3]

IHC REAL ESTATE GP, LLC, as a Loan Party

By: */s/ Keith Stauffer*

Name: Keith Stauffer Title: Manager

IHC REAL ESTATE LP, as a Loan Party

By: IHC Real Estate GP, LLC, its General Partner

By: */s/ Keith Stauffer*

Name: Keith Stauffer Title: Manager

ILERA SECURITY LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

235 MAIN STREET MERCERSBURG LLC, as
a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

ILERA INVESTCO I, LLC, as a Loan Party

By: */s/ Keith Stauffer*

Name: Keith Stauffer Title: Manager

ILERA DISPENSING 2 LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

ILERA DISPENSING 3 LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

GUADCO LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

KCR HOLDINGS LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

PA STORE 299 LLC, as a Loan Party

By: */s/ Keith Stauffer*
Name: Keith Stauffer Title: Manager

ACQUIOM AGENCY SERVICES LLC, as
Administrative Agent and as Collateral Agent

By: /s/ Shon McCraw-Davis

EXHIBIT A

Amended Credit Agreement

[See attached]

CREDIT AGREEMENT

dated as of December 18, 2020
between
WDB HOLDING PA, INC.,

The LENDERS Party Hereto, and
ACQUIOM AGENCY SERVICES LLC,

as Administrative Agent and Collateral Agent SEAPORT GLOBAL SECURITIES LLC,
as Placement Agent

TABLE OF CONTENTS

Page

SCHEDULES
SCHEDULE 2.01 - Commitments and Lenders SCHEDULE 3.06 - Litigation
SCHEDULE 3.08 - Material Licenses SCHEDULE 5.16 - Post-Closing
Obligations SCHEDULE 6.01 - Indebtedness SCHEDULE 6.02 - Liens
SCHEDULE 6.06 - Investments
SCHEDULE 6.07 - Transactions with Affiliates SCHEDULE 6.08 - Restrictive
Agreements

EXHIBITS

EXHIBIT A - Assignment and Assumption
EXHIBIT B-1 - Form of U.S. Tax Compliance Certificate EXHIBIT B-2 - Form of U.S. Tax
Compliance Certificate EXHIBIT B-3 - Form of U.S. Tax Compliance Certificate EXHIBIT B-4 - Form
of U.S. Tax Compliance Certificate EXHIBIT C-1 - Form of US Solvency Certificate EXHIBIT C-2 -
Form of Canadian Solvency Certificate EXHIBIT D - Form of Compliance Certificate

CREDIT AGREEMENT dated as of December 18, 2020 (this "Agreement"), between WDB HOLDING PA, INC., a Delaware corporation (the "Borrower"), the LENDERS party hereto, and ACQUIOM AGENCY SERVICES LLC, as administrative agent (in such capacity, including any successor thereto, the "Administrative Agent") and as collateral agent (in such capacity, including any successor thereto, the "Collateral Agent").

The Borrower has requested that the Lenders extend credit to the Borrower, and the Lenders are willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Acquisition" means, as to any Person, the purchase or other acquisition (in one transaction or a series of transactions, including through a merger) of all of the Equity Interests of another Person or all or substantially all of the property, assets or business of another Person or of the assets constituting a business unit, line of business or division of another Person.

"Additional Lender" has the meaning specified in Section 2.16(d).

"Administrative Agency Fee Letter" means that certain letter agreement, dated as of the Closing Date, by and among the Canadian Parent and Acquiom Agency Services LLC, in its capacity as Administrative Agent and Collateral Agent, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Agent or such form provided by a Lender and otherwise acceptable to the Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliated Lender" means each Lender that is an Affiliate of any Loan Party.

"Agent" means Acquiom Agency Services LLC, in its capacity as Administrative Agent and Collateral Agent, as applicable, under any of the Loan Documents. For the avoidance of doubt, any reference herein or in any other Loan Document to the Administrative Agent (and any provision benefitting, or granting any right or power to, the Administrative Agent) shall, unless the context requires otherwise, be construed as a reference to (and provision benefitting, or granting any right or power to) the Administrative Agent and the Collateral Agent.

"Agent's Office" means the Agent's address and, as appropriate, account as set forth in Section 9.01, or such other address or account as the Agent may from time to time notify to the Borrower and the Lenders.

"Agent Parties" has the meaning specified in Section 9.01(d)(ii).

"Agreement" has the meaning specified in introductory paragraph hereof. "American Parent" means TerrAscend USA, Inc., a Delaware corporation.

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, the Corruption of Foreign Public Officials Act (Canada), or any other applicable anti-corruption or anti-bribery Laws.

"Anti-Money Laundering Laws" means applicable anti-money laundering Laws. "Applicable Accounting Principles" means, subject to Section 1.03, (i) with respect to the Borrower and its Subsidiaries, GAAP, and (ii) with respect to the Canadian Parent, IFRS.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"Applicable Percentage" means, with respect to any Lender, (a) on or prior to the Closing Date, the percentage of the total Commitments of all Lenders represented by such Lender's Commitments at such time and (b) thereafter, the percentage of the total Outstanding Amount of Loans of all Lenders represented by the aggregate Outstanding Amount of Loans of such Lender at such time.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.04) or Preferred Assignee, as applicable, and accepted by the Agent, in substantially the form of Exhibit A or any other form approved by the Agent.

"Attributable Indebtedness" means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with Applicable Accounting Principles, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with Applicable Accounting Principles if such lease were accounted for as a capital lease; provided, for avoidance of doubt, that Attributable Indebtedness shall not include any obligations in respect of operating leases (including operating leases recorded as right of use assets, and related lease liabilities in respect of operating leases).

"Basel III" means, collectively, those certain:

(a)agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems," "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Guidance for National Authorities Operating the Countercyclical Capital Buffer," published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b)the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency

requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c)any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Blocked Account" means the commercial deposit account established by the Borrower in respect of which the Agent will have exclusive control for withdrawal purposes pursuant to a Control Agreement.

"Borrower" has the meaning specified in the introductory paragraph.

"Borrower Financial Statements" means the unaudited consolidated financial statements of the Borrower and its Subsidiaries, in form and a substance reasonably acceptable to the Agent and the Lenders, as at and for the nine-month period ended September 30, 2020 furnished to the Agent and the Lenders on December 15, 2020.

"Borrower Materials" has the meaning specified in Section 9.01(e). "Borrowing" means a borrowing consisting of simultaneous Loans.

"Borrowing Request" means a request for a Borrowing, which in each case shall be in such form as the Agent may approve, signed by a Responsible Officer of the Borrower.

"Business Day" means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions in such state are authorized or required by Law to close.

"Canadian Parent" means TerrAscend Corp., an Ontario corporation.

"Canadian Parent Financial Statements" means the annual financial statements of the Canadian Parent for the fiscal years ended December 31, 2019 and December 31, 2018 filed on SEDAR on April 23, 2020.

"Capitalized Lease" means each lease that has been or is required to be, in accordance with Applicable Accounting Principles, recorded as a capital lease or financing lease.

"Cash Equivalents" means:

(a)direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or Canada (or by any agency thereof to the

extent such obligations are backed by the full faith and credit of the United States of America or Canada), in each case maturing within one year from the date of acquisition thereof;

(b)investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from a Credit Rating Agency;

(c)investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America, Canada or any state, province or territory thereof, as applicable, that has a combined capital and surplus and undivided profits of not less than
$500,000,000;

(d)fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e)money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two Credit Rating Agencies and (iii) have portfolio assets of at least $5,000,000,000.

"Casualty Event" shall mean any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any of its Subsidiaries.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which (a) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 –Take-Over Bids and Issuer Bids adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) beneficially owns, directly or indirectly, more than 50% or more of the Equity Interests of the Canadian Parent entitled to vote for members of the board of directors or equivalent governing body of the Canadian Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right),
(b) any person or group of persons, acting jointly or in concert (as such expression is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) acquires the power to direct, or cause the direction of, management, business or policies of the Canadian Parent, whether through the ability to exercise voting power, by contract or otherwise, (c) the American Parent ceases to directly own 100% of the Equity Interests of the Borrower (except pursuant to a transfer of Equity Interests of the

Borrower to another wholly-owned Subsidiary of the Canadian Parent in connection with which all such Equity Interests of the Borrower are pledged to the Agent for the benefit of the Lenders by such acquiring Subsidiary), (d) the Canadian Parent ceases to indirectly own 100% of the Equity Interests of the Borrower, or (e) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) succeed in having a sufficient number of nominees elected to the board of directors of the Canadian Parent that such nominees, when added to any existing director remaining on the board of directors of the Canadian Parent, will constitute a majority of the board of directors of the Canadian Parent.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 9.02.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. "Collateral" means, collectively, the "Collateral" as defined in the Pledge and Security Agreement and the Collateral Assignments.

"Collateral Assignments" means Collateral Assignments (as such Collateral Assignments may be amended, supplemented or otherwise modified from time to time), entered into or to be entered into, as the context requires, by the Loan Parties party thereto in favor of the Agent, assigning each Loan Party's (other than either Parent Guarantor's) rights under the Collateral identified therein.

"Collateral Documents" means the Pledge and Security Agreement, the Collateral Assignments, any mortgages or other documents delivered pursuant to the Material Real Property Requirement, and all security agreements, intellectual property security agreements, control agreements, financing statements (together with any schedules the Agent requests that the Borrower includes to itemize state and common law trademarks included as Collateral), and other instruments and documents required to be delivered by a Loan Party in connection with any of the foregoing or pursuant to Section 5.15.

"Commitments" mean the Initial Commitments and the Incremental Commitments. "Communications" has the meaning specified in Section 9.01(d)(ii).
"Compliance Certificate" has the meaning specified in Section 5.02(a).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means for any period, Consolidated Net Income for such period,

plus,

without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) interest expense (including, without limitation, any interest component in respect of lease obligations, right of use assets and any revaluation thereof), (b) provision for taxes based on income and deferred tax obligations, (c) depreciation expense, (d) amortization expense, (e) unusual or non-recurring charges, expenses or losses, provided that amounts pursuant to this clause (e) shall not exceed 15% of Consolidated EBITDA for each quarter (such

15% cap to be calculated prior to giving effect to this clause (e)), and (f) unrealized losses on changes in fair value of biological assets, (g) fair value changes in biological assets included in inventory sold, (h) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period, but including purchase accounting adjustments under ASC 805 under GAAP), (i) impairments, (j) restructuring costs, (k) purchase accounting adjustments, (l) financing transaction costs, (m) share based compensation, (n) revaluation of warrants and derivative liabilities, (o) unrealized loss on investments, (p) expenses and payments that are covered by indemnification, reimbursement, guaranty or purchase price adjustment provisions in any agreement entered into by Borrower or any of its Subsidiaries to the extent such expenses and payments have been reimbursed pursuant to the applicable indemnity, guaranty or acquisition agreement in such period or an earlier period if not added back to Consolidated EBITDA in such earlier period, and (q) transaction integration costs in connection with any Acquisition or other permitted Investment; provided that the aggregate amount of add-backs permitted to be made pursuant to this clause (q) in any two fiscal quarter period shall not exceed $2,000,000,

minus,

without duplication and to the extent included in determining Consolidated Net Income for such period, the sum of (i) unusual or non-recurring gains and non-cash income, (ii) any other noncash income or gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period), (iii) unrealized gains on changes in fair value of biological assets, and (iv) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis.

For the purpose of calculating Consolidated EBITDA for any period, if during such period the Borrower or any Subsidiary shall have consummated an Acquisition, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Acquisition occurred on the first day of such period.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the most recently ended two fiscal quarter period (multiplied by two) to
(b) Consolidated Interest Expense for the most recently ended two fiscal quarter period (multiplied by two). ; provided that, for the period ending March 31, 2023, the Consolidated Interest Coverage Ratio shall be calculated giving pro forma effect to the Lodi and Maplewood Transaction as if such transaction occurred on the first day of the period ended on or before the occurrence of such event.

"Consolidated Interest Expense" means annualized total sum of (a) cash interest expense (including that attributable to Capitalized Leases) and (b) any interest component (cash or otherwise) of lease obligations, right of use assets and any revaluation thereof to the extent such interest component is included in clause (a) of the definition of Consolidated EBITDA, net of (c) total cash interest income of the Borrower and its Subsidiaries on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Contracts in respect of interest rates to the extent that such net costs are allocable to such period).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the most recently ended two fiscal quarter period (multiplied by two).

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries on a consolidated basis; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

"Consolidated Total Debt" means, as of any date of determination, the aggregate balance sheet amount of all Indebtedness of the Borrower and its Subsidiaries (or, if higher, the par value or stated face amount of all such Indebtedness (other than zero coupon Indebtedness)) on a consolidated basis as of such date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings analogous thereto.

"Control Agreement" shall mean, with respect to any deposit account or securities account, an agreement, in form and substance reasonably satisfactory to the Agent and the Loan Party maintaining such account, among the Agent, the financial institution or other Person at which such account is maintained and the Loan Party maintaining such account, effective to grant "control" (within the meaning of Articles 8 and 9 under the applicable UCC jurisdiction) over such account to the Agent.

"Controlled Substances Act" means Title 21 of the United States Code, as amended from time to time.

"CRC Approval" means approval by the New Jersey Cannabis Regulatory Commission to the change of ownership of the Lodi Assets and the Maplewood Assets.

"Credit Rating Agency" means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer's ability to make debt payments.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, rearrangement, receivership, insolvency, reorganization, or similar laws providing debtor relief or otherwise affecting the enforcement of creditors' rights generally, including any proceeding under corporate law or other law whereby a

corporation seeks a stay or a compromise of the claims of its creditors against it, of the United States, Canada, or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate (before as well as after judgment) equal to (a) with respect to overdue principal, the applicable interest rate plus 2.00% per annum and (b) with respect to any other overdue amount (including fees and overdue interest), the interest rate applicable to Loans plus 2.00% per annum.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interest" means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control (including a Change of Control) or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control (including a Change of Control) or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one days after the Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Borrower or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar" and "$" mean lawful money of the United States.

"Earn-Out" shall mean, with respect to an acquisition of any assets or property by the Borrower or any of its Subsidiaries constituting an acquisition of all or substantially all of the assets of, or any business line, unit or division of, any Person or any facility, or of a majority of the outstanding Equity Interests of any Person, that portion of the purchase consideration therefor and that portion of all other payments and liabilities (whether payable in cash or by exchange of Equity Interests or of any property or otherwise), directly or indirectly, payable by any Loan Party in exchange for, or as part of, or in connection with, such acquisition that is deferred for payment to a future time after the consummation of such acquisition, and includes any and all payments representing the purchase price and any assumptions of Indebtedness, and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business but excluding any working capital or purchase price adjustments.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 9.04(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.04(b)(iii)).

"Environmental Laws" means any and all federal, state, provincial, territorial, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment, natural resources, or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

"Environmental Liability" means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement or operation of law pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by the Borrower or any ERISA Affiliate to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is "insolvent" (within the meaning of Section 4245 of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan;
(g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 430 of the Code or

Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; (j) the engagement by the Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon the Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"Event of Default" has the meaning specified in Article VII.

"Excluded Accounts" means the following deposit accounts: (a) accounts holding solely cash collateral for a third party that constitutes a Lien permitted under Section 6.02 hereof, and
(b) accounts with amounts on deposit (in cash or Cash equivalents) that do not exceed an average daily balance of $300,000 individually and $500,000 for all such accounts in the aggregate at any one time. For the avoidance of doubt, the Blocked Account shall not be considered an Excluded Account.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case,
(i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender,
U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.14(g), (d) Taxes that would not have been imposed but for such Recipient (i) not dealing at "arm's length" (for purposes of the ITA) with a Loan Party, or (ii) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of a Loan Party or not dealing at arm's length with any such specified shareholder, except where the non-arm's length relationship arises or where the Recipient is (or is deemed to be) a specified shareholder of any Loan Party or does not deal at arm's length with a specified shareholder of any Loan Party, solely on account of the Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document,
(e) any withholding Taxes imposed under FATCA and (f) Other Connection Taxes.

"Existing Maturity Date" has the meaning specified in Section 2.16(a). "Extending Lender" has the meaning specified in Section 2.16(b). "Facility" means the Initial Facility and each Incremental Facility.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory

legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Marijuana Law" means any U.S. federal laws, civil, criminal or otherwise, that are directly or indirectly related to the cultivation, harvesting, production, marketing, labeling, warning, instructing about, distribution, sale and possession of cannabis, Marijuana or related substances or products containing cannabis, Marijuana or related substances, including the prohibition on drug trafficking under the Controlled Substances Act (21 U.S.C. § 801, et seq.), the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957 and 1960.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letters" means the Administrative Agency Fee Letter and the Placement Agent Fee Letter.

"Financial Covenants" means those financial covenants set forth in Section 6.12.

"Financial Officer" means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Foreign Lender" means any Lender or Agent that is not a "U.S. Person".

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Fulton Property" means the real property located at 3786 N. Hess Road, Waterfall, Fulton County, PA 16689.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means, subject to Section 1.03, United States generally accepted accounting principles as in effect as of the date of determination thereof.

"Governmental Authority" means the government of the United States of America, the government of Canada, including Health Canada, or any other nation, or of any political subdivision thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing,

regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means each Parent Guarantor, each Subsidiary Guarantor and each other Person that guarantees all or any part of the Obligations.

"Guaranty Agreement" means a Guaranty Agreement, in form and substance reasonably satisfactory to the Agent, dated as of the date hereof, made by each Subsidiary of the Borrower and each of the Parent Guarantors in favor of the Agent for the benefit of the Lenders, guaranteeing the Obligations, as such Guaranty Agreement may be amended, supplemented or modified from time to time.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances, materials, or wastes of any nature capable of causing harm to human health or the environment, or which are regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

"ICR Period" means, commencing with the fiscal quarter ending on March 31, 2023, any period during which the Consolidated Interest Coverage Ratio has declined below 2.00:1.00 as demonstrated by the Compliance Certificate delivered together with financial statements pursuant to Sections 5.01(a) and (b). An ICR Period shall end (i) upon the Consolidated Interest Coverage Ratio being greater than or equal to 2.00:1.00 as of the last day for each of two (2) consecutive fiscal quarters as demonstrated by the Compliance Certificate delivered together with the financial statements pursuant to Section 5.02(a), or (ii) upon the prepayment of outstanding Loans on a pro rata basis by Borrower causing the Consolidated Interest Coverage Ratio as of the last day of each two (2) consecutive fiscal quarters, calculated on a pro forma basis for each such fiscal quarter after giving effect to such prepayment, to be greater than or equal to 2.00:1.00. For the avoidance of doubt, the Borrower may elect to apply the funds on deposit in the Blocked Account (and the Agent shall authorize the release the funds

from the Blocked Account for such purpose) to prepay outstanding Loans in accordance with the foregoing.

"ICR Required Payment Amount" means the difference between (a) the Consolidated EBITDA that would be required to cause the Consolidated Interest Coverage Ratio to equal 2.00:1.00 and (b) the actual Consolidated EBITDA, in each case as of the last day of the fiscal quarter ending immediately prior to the commencement of the ICR Period or the immediately preceding fiscal quarter during the ICR Period, as applicable.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Incremental Commitment" has the meaning specified in Section 2.17(a).

"Incremental Commitment Effective Date" has the meaning specified in Section 2.17(c).

"Incremental Facility" means the Incremental Commitments and all Borrowings thereunder.

"Incremental Lender" has the meaning specified in Section 2.17(b).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with Applicable Accounting Principles:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person (i) arising under letters of credit (including standby and commercial) securing financing accommodation, bankers' acceptances and bank guaranties, (ii) arising under surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person and (iii) in connection with any Earn-Out including, without limitations, the Buyer's obligations to pay the Final Payment (as defined in the Purchase Agreement) but only to the extent that the amount of such Earn-Out is a definitive and binding obligation and is no longer contingent;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 9.03(b). "Information" has the meaning specified in Section 9.12.

"Initial Commitment" means with respect to each Lender, the commitment of such Lender to make a Loan on the Closing Date in the amount of such Lender's Initial Commitment set forth on Schedule 2.01, as such commitment shall be terminated pursuant to Section 2.06.

"Initial Facility" means the Initial Commitments and all Borrowings thereunder. "Initial Lender" means each Person listed on Schedule 2.01.

"Initial Loan" means a loan made by an Initial Lender to the Borrower pursuant to Section 2.01 of this Agreement.

"Intellectual Property" means any trademarks, service marks, and any other identifiers of source or origin, trade names, domain names, copyrights, patents, industrial designs, trade secrets, know-how and all other intellectual property rights and similar or equivalent rights anywhere in the world.

"Interest Payment Date" means the last Business Day of each March, June, September and December and the Maturity Date, commencing with March 31, 2021.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of "Indebtedness" in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means a joinder or similar agreement entered into by any Person (including any Lender) under Section 2.17 pursuant to which such Person shall provide an Incremental Commitment hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

"Laws" means, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Legalized Marijuana State" means any U.S. state, territory, or locality whose Requirements of Law permit or authorize any form of Marijuana Activities.

"Lenders" means the Initial Lender and any other Person that shall have become party hereto pursuant to an Assignment and Assumption or a Joinder Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means, as of any date of determination, the sum of (a) the amount of cash and Cash Equivalents of the Borrower and the Subsidiaries that is held in a deposit account or a securities account, as applicable, pledged in favor of the Agent pursuant to the Pledge and Security Agreement and, with effect from the date a Control Agreement in respect of such account is required to be delivered pursuant to this Agreement, subject to a Control Agreement, (b) up to $2,500,000 of cash that is, as of such date, held on-site or in transit from a dispensary location of the Borrower or one of its Subsidiaries to a bank to be deposited in a deposit account that is, with effect from the date a Control Agreement in respect of such account is required to be delivered pursuant to this Agreement, subject to a Control Agreement, so long as such cash is being held and/or transited in the ordinary course and consistent with past practices of the Borrower and its Subsidiaries and is expected to be deposited in such account within no more than five (5) Business Days and (c) any commitments for loans which constitute Indebtedness permitted under this Agreement and are available to be drawn by the Borrower or any of its the Subsidiaries, it being understood that such amount shall exclude any cash or Cash Equivalents identified on a balance sheet as "restricted" (other than cash restricted in favor of the Agent and the Lenders).

"Loan" means an Initial Loan and any loan under an Incremental Facility made pursuant to Section 2.17.

"Loan Documents" means, collectively, this Agreement, the Guaranty Agreement, the Pledge and Security Agreement, any Joinder Agreement, the Collateral Assignments, any promissory notes issued pursuant to Section 2.10(b), the Fee Letters, the Perfection Certificate, and any other agreements, instruments, certificates, reports or other documents entered into in connection herewith.

"Loan Party" means Borrower and each Guarantor.

"Lodi Assets" means the assets comprising the alternative treatment center located at 200 Route 17 South, Lodi, NJ 07644, which provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non-cannabis products to individuals over the age of 21 and medical marijuana patients in the state of New Jersey.

"Lodi and Maplewood Transaction" means the series of transactions in which TerrAscend NJ LLC, a New Jersey corporation contributes its interest in the Lodi Assets and the Maplewood Assets to Newco.

"Make-Whole Amount" means as of the date of the applicable prepayment, an amount equal to the excess of (i) the present value at the prepayment date, refinancing date or acceleration date of (1) the principal amount of such Loans on the No Call Expiration Date, *plus* (2) all required remaining scheduled interest payments due on such Loans from such prepayment date, refinancing date or acceleration date through the No Call Expiration Date, assuming that the rate of interest will be equal to the rate of interest in effect on the date of notice of prepayment, refinancing or acceleration, other than accrued but unpaid interest to such prepayment, refinancing or acceleration date, computed using a discount rate equal to the Treasury Rate plus 50 basis points per annum discounted on a semi-annual bond equivalent basis, *plus* (3) the Prepayment Premium payable as if such prepayment, refinancing or acceleration occurred on the day immediately following the No Call Expiration Date, over (ii) the outstanding principal amount of such Loan as at the applicable date.

"Maplewood Assets" means the assets comprising the alternative treatment center located at 1865 Springfield Ave, Maplewood, NJ 07040, which provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non-cannabis products to individuals over the age of 21 and medical marijuana patients in the state of New Jersey.

"Margin Stock" means margin stock within the meaning of Regulations T, U and X.

"Marijuana" means "marihuana" as defined in the Controlled Substances Act, its consituents and any compound, mixture, preparation, substance or product derived therefrom.

"Marijuana Activities" means those activities that include, but are not limited to, (a) the acquisition, cultivation, manufacture, extraction, testing, inspection, possession, sale (at retail or wholesale), dispensing, donation, distribution, transportation, packaging, labeling, warning, instructing about, monitoring, reporting or disposing of Marijuana and (b) activities by which a Person receives, holds, transfers (in exchange for any form of value, by gift or otherwise), deposits or distributes monetary proceeds from the sale of Marijuana.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Borrower or either of the Parent Guarantors to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party, (iii) the rights, remedies and benefits available to, or conferred upon, the Agent or any Lender under any Loan Documents or (iv) the validity, perfection or priority of a Lien in favor of Agent for the benefit of the Lenders on a material portion of the Collateral.

"Material License" means any license, permit, approval, entitlement, consent, agreement or similar permission from a Governmental Authority that is required for Borrower or any of its

Subsidiaries to conduct Marijuana Activities (for which it is actually conducting such Marijuana Activities) in a specific state, territory, geographic region, and/or local jurisdiction. For purposes of this definition only, neither the U.S. Federal government nor any agency thereof shall constitute a Governmental Authority.

"Material Real Property" means any parcel or related parcels of real property with a fair market value in excess of $2,500,000; provided that, notwithstanding the foregoing or anything to the contrary in the Loan Documents, the Fulton Property shall not be considered "Material Real Property" for the purposes of the Loan Documents or any other purpose.

"Material Real Property Requirement" means, with respect to any Material Real Property owned by the Borrower or any of its Subsidiaries, the requirement that (a) the Borrower or applicable Subsidiary Guarantor execute and deliver to the Agent a mortgage in form and substance reasonably acceptable to the Agent, (b) the Borrower or the applicable Subsidiary Guarantor deliver a mortgagee title policy (or binding pro forma therefor) covering Agent's interest under the applicable mortgage, in form and amount and by a title insurer reasonably acceptable to the Agent, and such title policy shall include endorsements as reasonably requested by Agent and to be fully paid and subject to no other conditions on such effective date, (c) such assignments of leases, estoppel letters, attornment agreements, consents, waivers and releases as Agent may reasonably require with respect to other Persons having an interest in the such Material Real Property, (d) unless Agent otherwise agrees, either (i) a current, as-built survey of the Material Real Property, meeting the 2016 minimum standard detail requirements for ALTA/ACSM land title surveys, including, but not limited to, (w) a metes-and-bounds property description, (x) a flood plain certification, (y) certification by a licensed surveyor reasonably acceptable to Agent and (z) any other optional table A items as reasonably requested by Agent or (ii) existing surveys with respect to a particular piece of Material Real Property that are in the possession of the Borrower or the applicable Subsidiary accompanied by a no-change survey affidavit, or similar document, in form and substance sufficient for a title insurer to issue any applicable survey related endorsement coverage as reasonably requested by Agent; and (e) flood zone determinations and, if the Material Real Property is within a special flood hazard area, an acknowledged borrower notice, and flood insurance in compliance (including as to amount) with all applicable flood insurance Laws and in a commercially reasonable amount, with endorsements and by an insurer reasonably acceptable to Agent.

"Maturity Date" means December 18, 2024 subject to extension in accordance with Section 2.16 (except that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day).

"Maximum Rate" has the meaning specified in Section 9.14.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which the Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" shall mean with respect to any Disposition or Casualty Event, the proceeds consisting of cash and Cash Equivalents, net of (i) selling expenses (including reasonable broker's fees or commissions, legal fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale), (ii) amounts provided as a

reserve, in accordance with Applicable Accounting Principles, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposition (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); provided that that any non-cash consideration received in connection with any transaction, which is subsequently converted to cash or Cash Equivalents, shall become Net Cash Proceeds only at such time as it is so converted; provided further that if (x) subject to no Event of Default having occurred and be continuing, the Borrower notifies the Agent within ten Business Days of receiving such Net Cash Proceeds that it intends to reinvest such proceeds in assets of a kind used or usable in the business of the Borrower and its Subsidiaries reinvests such proceeds in assets of a kind used or usable in the business of the Borrower and its Subsidiaries and (y) either (I) the Borrower consummates any such reinvestment within 180 days of receipt of such proceeds or (II) if the Borrower or applicable Subsidiary enters into a contractual obligation to reinvest such Net Cash Proceeds within 180 days following receipt thereof, within 365 days following receipt thereof, such proceeds shall not constitute Net Cash Proceeds except to the extent not so used at the end of such 180-day period (or 365 day period, if applicable), at which time such proceeds shall be deemed to be Net Cash Proceeds.

"Newco" means a newly formed Subsidiary of the Borrower formed for the purposes of owning the Lodi Assets and the Maplewood Assets.

"No Call Expiration Date" means the date that is the 30 month anniversary of the Closing Date.

"Non-Extending Lender" has the meaning specified in Section 2.16(b). "Notice Date" has the meaning specified in Section 2.16(b).

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document and (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower.

"OFAC" has the meaning specified in Section 3.16(a). "OID" has the meaning specified in Section 2.09(c).

"Organizational Documents" means (a) as to any corporation or unlimited liability company, the charter or certificate or articles of incorporation or amalgamation, as applicable, and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction),
(b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation

or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15(b)).

"Outstanding Amount" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parent Guarantors" means each of the Canadian Parent and the American Parent. "Participant" has the meaning specified in Section 9.04(d).
"Participant Register" has the meaning specified in Section 9.04(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is subject to the provisions Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code or Section 302 of ERISA and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Perfection Certificate" means a certificate, dated as of the date hereof, regarding the property and assets owned by the Loan Parties, in form and substance reasonably acceptable to the Agent, as such certificate may be supplemented from time to time pursuant to the terms of this Agreement and the Pledge and Security Agreement.

"Permitted Acquisition" means the purchase or other acquisition of all or substantially all of the business, a line of business or a business unit (whether by the acquisition of Equity Interests, assets or any combination thereof) of any Person that, upon the consummation thereof, will be a Wholly-Owned Subsidiary (including, without limitation, as a result of a merger, amalgamation or consolidation) and the purchase or other acquisition by the Borrower or any Subsidiary of all or substantially all of the property and assets of any Person (including any Investment which serves to increase the Borrower's or its Subsidiary's respective equity ownership in any Subsidiary); provided that,

with respect to each purchase or other acquisition made pursuant to SECTION 6.06(g), such purchase or other acquisition shall be approved by the target's Board of Directors; and provided, further that:

(a)the Borrower and its Subsidiaries and any such newly created or acquired Subsidiary shall comply with any applicable requirements of SECTION 5.15;

(b)immediately before and after giving before and after giving effect to such purchase or other acquisition, no Event of Default shall have occurred and be continuing; and

(c)with respect to any transaction involving total consideration of more than $10,000,000, the Borrower shall have provided the Agent (for distribution to the Lenders) at least five Business Days prior to the date of consummation of such transaction (i) a reasonably detailed description of all material information relating thereto and copies of all material documentation (or substantially final drafts of) pertaining to such transaction and (ii) to the extent provided to the Borrower or any of its Subsidiaries in connection with such Permitted Acquisition, available financial statements of the target prepared within the previous twelve (12) month period.

"Permitted Sale and Leaseback Transaction" means the sale by the Borrower of the Fulton Property to a bona fide third party purchaser and thereafter the lease of the Fulton Property by the Borrower or a Subsidiary thereof from such purchaser for use for substantially the same purpose or purposes as the Borrower was using the real property for at the time of the sale.

"Person" means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Placement Agent" means Seaport Global Securities LLC.

"Placement Agent Fee Letter" means the letter agreement, dated October 8, 2020, between the Canadian Parent and the Placement Agent.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Borrower or any Subsidiary, or any such plan to which the Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which the Borrower has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Pledge and Security Agreement" means a Pledge and Security Agreement, in form and substance reasonably satisfactory to the Agent, dated as of the date hereof, made by, the Borrower, each Subsidiary of the Borrower and the American Parent in favor of the Agent for the benefit of the Lenders securing the Obligations, as such Pledge and Security Agreement may be amended, supplemented or modified from time to time.

"Pledged Collateral" has the meaning specified in the Pledge and Security Agreement. "Preferred Assignee" means any Person that is designated by the Borrower in writing and meets the requirements to be an assignee under Section 9.04(b)(v)(A) and (vi).

"Prepayment Notice" means a notice by the Borrower to prepay Loans, which shall be in such form as the Agent may approve.

"Prepayment Premium" has the meaning specified in Section 2.05(d)(i)(B).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 9.01(e).

"Purchase Agreement" means that certain Securities Purchase and Exchange Agreement, dated as of August 1, 2019 as amended as of December 27, 2019 and September , 2020 (as further amended, supplemented, restated or otherwise modified from time to time), by and among (i) the Canadian Parent, (ii) the Borrower, as buyer, (iii) Ilera Holdings LLC, Mera I LLC and Mera II LLC, as sellers (the "Sellers"), and (iv) Osagie Imasogie, as sellers' agent (the "Sellers' Agent").

"Purchase Money Obligation" shall mean, for any person, the obligations of such person in respect of Indebtedness incurred for the purpose of financing all or any part of the purchase price of any fixed or capital assets or the cost of installation, construction or improvement of any fixed or capital assets and any refinancing thereof, *provided, however,* that such Indebtedness is incurred within one hundred eighty (180) days after the acquisition, installation, construction, repair, replacement, exchange or improvement of such fixed or capital assets by such person.

"Recipient" means (a) the Agent or (b) any Lender, as applicable. "Register" has the meaning specified in Section 9.04(c).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Loans representing more than 50% of the aggregate Outstanding Amount of Loans of all Lenders at such time; provided that, notwithstanding anything to the contrary contained in this Agreement, the aggregate Outstanding Amount of Loans held by Lenders that are Affiliated Lenders shall be excluded for purposes of making a determination of Required Lenders.

"Requirements of Law" means all Laws (including Environmental Laws), excluding (a) Federal Marijuana Law to the extent its then effective provisions forbid or restrict the conduct of Marijuana Activities and (b) any other U.S. federal law which by extension would be violated solely because a Marijuana Activity violates the then effective provisions of any Federal Marijuana Law.

"Resignation Effective Date" has the meaning specified in Section 8.06(a). "Responsible Officer" means (a) the chief executive officer, president, executive vice president or a Financial Officer of the Borrower, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any vice president, secretary or assistant secretary of the Borrower and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Agent). Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Sanctions" has the meaning specified in Section 3.16(a).

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"SEDAR" means the System for Electronic Document Analysis and Retrieval (SEDAR) administered by the Canadian Securities Administrators and available at www.sedar.com.

"Sellers" has the meaning specified in the definition of "Purchase Agreement". "Sellers' Agent" has the meaning specified in the definition of "Purchase Agreement". "Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of the Borrower and its Subsidiaries as of such date determined in accordance with Applicable Accounting Principles.

"Solvency Certificates" has the meaning specified in Section 4.01(i).

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such

Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. In the case of the Canadian Parent, "Solvent" means as of any date of determination, that on such date: (i) its property is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) it will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities generally become due; and (iii) it has not ceased paying its current obligations in the ordinary course of business as they generally become due. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Distributions" means dividends, returns of capital or other distributions, in cash, by the Borrower using all or a portion of the proceeds of the Loans that are in excess of the first
$100,000,000 of the Loans, *provided* that such dividends, returns of capital or other distribution shall not exceed $15,000,000 in the aggregate.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, unlimited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor" means (a) each Subsidiary of the Borrower party to the Guaranty Agreement as of the Closing Date and (b) each other Subsidiary of the Borrower that guarantees, pursuant to Section 5.15 or otherwise, all or any part of the Obligations.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts,
(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Trade Date" has the meaning specified in Section 9.04(f)(i).

"Treasury Rate" means, with respect to a prepayment prior to the No Call Expiration Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to such prepayment date (or, if such Federal Reserve Statistical Release referred to in the previous parenthetical is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such prepayment date to No Call Expiration Date; provided that if the period from such prepayment date to No Call Expiration Date is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a twelve (12) month period) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such prepayment date to the No Call Expiration Date, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"UCC" shall mean the Uniform Commercial Code in effect from time to time in the State of New York; provided, however, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for the purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"United States" and "U.S." mean the United States of America.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.14(g). "Wholly-Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director's qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means the Borrower and the Agent.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be

construed to have the same meaning and effect as the word "shall." The word "or" is not exclusive. The word "year" shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and
(ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise
(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.Accounting Terms; Changes to GAAP.

(a)Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Borrower to the Lenders pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation.

(b)Changes in Applicable Accounting Principles. If the Borrower notifies the Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in Applicable Accounting Principles or in the application thereof on the operation of such provision (or if the Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in Applicable Accounting Principles or in the application thereof, then such provision shall be interpreted on the basis of Applicable Accounting Principles as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(c)Changes to GAAP. The Canadian Parent may elect to report in GAAP *in lieu* of IFRS for financial reporting purposes and, to the extent such change would affect the computation or interpretation of any financial ratio, basket, requirement or other provision set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent and the Borrower shall negotiate in good faith to amend such ratio, basket, requirement or other provision to preserve the original intent in light of such change or the application thereof (subject to the approval of the Required Lenders not to be unreasonably withheld, conditioned or delayed); provided that, until so amended, (i) such ratio, basket, requirement or other provision shall continue to be computed or interpreted in accordance with IFRS or the application thereof prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders a written reconciliation in form and substance reasonably satisfactory to the Agent, between calculations of such ratio, basket, requirement or other provision made before and after giving effect to such change thereof.

SECTION 1.04 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person

shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II

COMMITMENTS AND BORROWINGS

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein each Initial Lender severally agrees to make a Loan to the Borrower on the Closing Date in an aggregate principal amount equal to such Initial Lender's Initial Commitment. Subject to the terms and conditions set forth herein and in the applicable Joinder Agreement with respect to the applicable Incremental Facility, each Incremental Lender under the applicable Incremental Facility severally agrees to make a Loan to the Borrower on such applicable Incremental Commitment Effective Date in an aggregate principal amount equal to such Incremental Lender's Incremental Commitment under such Incremental Facility. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed.

SECTION 2.02 Loans and Borrowings.

(a)Borrowings. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments as listed on Schedule 2.01, so long as no Default or Event of Default exists hereunder.

(b)Making of Loans. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c)Minimum Amounts. Each Borrowing shall be in an aggregate amount of $5,000,000 or a larger multiple of $100,000.

SECTION 2.03 Borrowing Requests.

(a)Notice by Borrower. Each Borrowing shall be made upon the Borrower's irrevocable notice to the Agent. Each such notice shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower, or may be provided telephonically or by electronic communication to the Agent (if promptly confirmed by such a written Borrowing Request consistent with such telephonic or electronic notice) and must be received by the Agent not later than 11:00 a.m. (New York City time) three Business Days prior to the date of the requested Borrowing.

(b)Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information in compliance with Section 2.02: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day), (iii) the location and number of the Borrower's account to which funds are to be disbursed, and (iv) that no Default or Event of Default then exists hereunder. The Borrower shall provide a copy of each Borrowing Request to the Agent contemporaneously with the delivery thereof to the Lenders.

SECTION 2.04 Funding of Borrowings.

(a)Funding by Lenders. Each Lender shall make the amount of each Borrowing to be made by it hereunder available to the Agent in immediately available funds at the Agent's Office not later than 12:00 noon (New York City time) one Business Day prior to any Borrowing. The Agent will

make all such funds so received available to the Borrower in like funds, by wire transfer of such funds in accordance with the instructions provided in the applicable Borrowing Request.

(b)Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.04(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to such Loans. If the Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

SECTION 2.05 Prepayments.

(a)Optional Prepayments. The Borrower may at any time and from time to time prepay any Borrowing in whole or in part without premium or penalty except as set forth in Section 2.05(d)(i), subject to the requirements of this Section.

(b)Mandatory Prepayments.

(i)Indebtedness for Borrowed Money. In the event the Borrower or any Subsidiary shall receive proceeds from the issuance or incurrence of Indebtedness for borrowed money (other than any proceeds from issuance of Indebtedness for borrowed money expressly permitted pursuant to Section 6.01 of this Agreement), the Borrower shall, substantially simultaneously with the receipt of such proceeds by the Borrower or such Subsidiary, apply an amount equal to 100% of such proceeds to prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e), and to pay any prepayment premium required pursuant to Section 2.05(d)(i).

(ii)Asset Sales and Casualty Events. Not later than the tenth Business Day following the receipt of Net Cash Proceeds with respect to any Disposition consummated pursuant to Section 6.04(~~k~~h) or any Casualty Event, the Borrower shall apply 100% of the Net Cash Proceeds received with respect thereto to prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e) and, solely with respect to Net Cash Proceeds from a Disposition consummated pursuant to Section 6.04(h), to pay any prepayment premium required pursuant to Section 2.05(d)(ii) below.

(iii)Change of Control. Not later than the fifth Business Day following the occurrence of a Change of Control, the Borrower shall prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e) and pay the prepayment premium required pursuant to Section 2.05(d)(iii) below.

(iv)On the date of Amendment No. 2 to this Agreement ("Amendment No. 2"), but subject to the execution and effectiveness thereof, the Borrower makes an offer (the "Mandatory Offer") to all Lenders holding outstanding Loans to prepay $5,000,000 aggregate principal amount of Loans at a prepayment price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest to, but excluding, ~~t he~~the prepayment date. The Mandatory Offer is made to all Lenders and is open for acceptance by all Lenders for five (5) Business Days following the date of Amendment No. 2 (the "Acceptance Period"). No later than the third (3rd) Business Day following the end of the Acceptance Period, the Borrower shall pay to each Lender that accepted (by confirmation to the Administrative Agent prior to the end of the Acceptance Period) such Mandatory Offer its *pro rata* share (based on the aggregate principal amount of Loans held by each accepting Lender) of the $5,000,000 aggregate principal amount prepayment, at the prepayment price set forth above.

(v)No later than March 15. 2023, the Borrower shall prepay $35,000,000 aggregate principal amount of Loans on a pro rata basis at a prepayment price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest to, but excluding, the prepayment date. For the avoidance of doubt, the prepayment premium required pursuant to Section 2.05(d)(iii) below shall not apply with respect to the prepayment of Loans pursuant to this Section 2.05(d)(v).

(c)Notices. Borrower shall provide notice of each prepayment to be made pursuant to this Section 2.05 in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, or may be given by telephone to the Agent (if promptly confirmed by such a written Prepayment Notice consistent with such telephonic notice) and must be received by the Agent (i) in the case of a prepayment made pursuant to Section 2.05(a) or Section 2.05(b)(i), not later than 11:00 a.m. (New York City time) three Business Days before the date of prepayment, (ii) in the case of a prepayment made pursuant to Section 2.05(b)(ii), not later than 11:00 a.m. (New York City time) ten Business Days before the date of prepayment and (iii) in the case of a prepayment to be made pursuant to Section 2.05(b)(iii), promptly upon either Parent Guarantor, the Borrower or any of its Subsidiaries obtaining knowledge that such Change of Control has occurred or is reasonably likely to occur within five Business Days. Each Prepayment Notice shall specify (x) the prepayment date and (y) the principal amount of each Borrowing or portion thereof to be prepaid. Each Prepayment Notice shall be irrevocable. Promptly following receipt of any such notice relating to a Borrowing, the Agent shall advise the applicable Lenders of the contents thereof.

(d)Prepayment Premium.

(i)Any prepayment made pursuant to Section 2.05(a), (b)(i) or (b)(iii) above or as otherwise set forth in this Agreement:

(A)on or prior to the No Call Expiration Date, shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to the Make-Whole Amount, or

(B)after the date that is after the 18 month anniversary of the Closing Date, shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, on the principal amount so prepaid in accordance with the table set forth below (the "Prepayment Premium"):

Prepayment Date	**Prepayment Premium**
after the date that is the thirty (30) month	

anniversary of the Closing Date but on or prior to the date that is the forty-second (42) month anniversary of the Closing Date	3.22%
Thereafter	0%

(ii)Any prepayment made with the Net Cash Proceeds from a Disposition pursuant to Section 2.05(b)(ii) above on any date that is on or prior to the two year anniversary of the Closing Date, shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to 1.00% of the principal amount of Loans being prepaid.

(iii)Any prepayment pursuant to Section 2.05(b)(iii) above shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to 1.00% of the principal amount of Loans being prepaid.

(e)Amounts; Application. Each partial prepayment of any Borrowing made pursuant to Section 2.05(a) shall be in an amount that would be permitted in the case of a Borrowing as provided in Section 2.02. Each prepayment shall be applied ratably to the outstanding Loans and to each Lender on a pro rata basis. All prepayments pursuant to Section 2.05(a) and (b) shall be accompanied by interest accrued but unpaid interest up to, but not including, the date of the applicable repayment with respect to the applicable Loans being prepaid, to the extent required by Section 2.08.

(f)Lender Opt-Out. With respect to any prepayment of Loans pursuant to Section 2.05(b)(ii) and (iii), any Lender, at its option, may elect to decline such prepayment by notifying the Borrower any time on or after the day on which such Lender received notice of such prepayment pursuant to Section 2.05(c) and on or before the day that is two Business Days prior to the day on which such prepayment is to be made. Any amounts declined by a Lender pursuant to this Section 2.05(f) shall be retained by the Borrower or applicable Subsidiary.

SECTION 2.06 Termination of Commitments. The Initial Commitments shall automatically and permanently terminate on the Closing Date upon the funding of the Loans under the Initial Facility. The Incremental Commitments under such Incremental Facility shall automatically and permanently terminate on the applicable Incremental Commitment Effective Date upon the funding of the Loans under such Incremental Facility.

SECTION 2.07 Repayment of Loans. The Borrower shall repay each Lender on a pro rata basis the aggregate principal amount of all Loans outstanding under the Facility on the Maturity Date.

SECTION 2.08 Interest.

(a)Interest Rates. Subject to clause (b) of this Section, each Loan shall bear interest at 12.875% per annum.

(b)Default Interest. If any amount payable by the Borrower under this Agreement or any other Loan Document (including principal of any Loan, interest, fees and other amount) is not paid when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all Loans outstanding hereunder at a rate per annum equal to the applicable Default Rate and, for the

avoidance of doubt, such Default Rate shall be deemed to have accrued since the occurrence of such Event of Default.

(c)Payment Dates. Interest on the unpaid principal amount of each Loan shall accrue from the date of such Loan (based on the amount of such Loan in United States dollars determined as of the date that such Loan was funded hereunder) until the Maturity Date at a rate per annum equal at all times to the interest rate pursuant to Section 2.08(a). Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to clause (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. All accrued, unpaid interest shall be due and payable in full on the Maturity Date. The payment of interest shall be made to an account held by each Lender and designated by each Lender in writing in not less than five (5) Business Days prior to the date when the interest is due. Interest shall be payable in the lawful currency of the United States.

(d)Interest Computation. All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.09 Fees.

(a)Agent Fees. The Borrower agrees to pay to the Agent for its own account the fees payable in the amounts and at the times agreed pursuant to the Administrative Agency Fee Letter or otherwise in writing between the Borrower and the Agent. Once due, all fees shall be fully earned and shall not be refundable under any circumstances (except to the extent set forth in the Administrative Agency Fee Letter). Acquiom Agency Services LLC (and any successor acting as Agent) and its Affiliates may accept fees and other consideration from the Borrower or any Affiliate of the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

(b)Fee Computation. All fees payable under this Section shall be computed on the basis of a year of 360 days and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Each determination by the Agent of a fee hereunder shall be conclusive absent manifest error.

(c)Original Issue Discount. The Borrower agrees that Initial Loans shall be issued with original issue discount ("OID") of 1.875% of the amount of all of the Initial Commitments of the Lenders as of the Closing Date (prior to the termination of such Initial Commitments); provided that that all calculations of interest and fees in respect of the Initial Loans shall be calculated on the basis of their full stated principal amount. OID shall be in all respects fully earned as of the Closing Date.

SECTION 2.10 Evidence of Debt.

(a)Maintenance of Records. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Borrowing made by such Lender. The Agent shall maintain the Register in accordance with Section 9.04(c). The entries made in the records maintained pursuant to this clause (a) shall be prima facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents. In the event of any conflict between the records maintained by any Lender and the

records maintained by the Agent in such matters, the records of the Agent shall control in the absence of manifest error.

(b)Promissory Notes. Upon the request of any Lender made through the Agent, the Borrower shall prepare, execute and deliver to such Lender a promissory note of the Borrower payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and a form approved by the Agent, which shall evidence such Lender's Loan in addition to such records.

(c)Subject to SECTION 2.14, all payments of monthly interest and principal shall be made by the Borrower to each Lender to the account or at the address of such Lender as specified by Agent, in United States Dollars in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any Taxes or other payments. The amount payable to each Lender and information regarding the account of each Lender shall be provided by Agent to Borrower in a not less than five (5) Business Days prior to the date any such payment is due and payable hereunder.

SECTION 2.11 Payments Generally; Several Obligations of Lenders.

(a)Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Subject to SECTION 2.14, all payments of interest and principal shall be made by the Borrower to each Lender to the account or at the address of such Lender as specified by the Agent, in Dollars in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any Taxes or other payments. The amount payable to each Lender and information regarding the account of each Lender shall be provided by the Agent to the Borrower at least five (5) Business Days prior to the date any such payment is due and payable hereunder. If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b)Application of Insufficient Payments. Subject to Section 7.02, if at any time insufficient funds are received by and available to the Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c)Presumptions by Agent. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

(d)Deductions by Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.12 or 9.03(c), then the Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Agent for the account of such Lender for the benefit of the Agent to satisfy such Lender's obligations to the Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and for application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Agent in its discretion.

(e)Several Obligations of Lenders. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.03(c) are several and not joint. The failure of any Lender to make any Loan or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 9.03(c).

SECTION 2.12 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i)if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii)the provisions of this subclause shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this subclause shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

SECTION 2.13 Increased Costs.

(a)If any Change in Law shall subject any Recipient to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto and the result thereof shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c)Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d)Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.14 Taxes.

(a)Defined Terms. For purposes of this Section, the term "Applicable Law" includes FATCA.

(b)Payments Free of Taxes. Any and all payments by or on account of any obligation of the any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an

Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)Payment of Other Taxes by Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, any Other Taxes.

(d)Indemnification by Borrower. The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e)Indemnification by the Lenders. Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this clause (e).

(f)Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, the Loan Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(g)Status of Lenders. (i) Any Recipient (including for all purposes of this Section 2.14(g)(i) any Agent) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material

unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i)Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A)any Recipient that is a U.S. Person shall deliver to the Borrower and the Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(1)in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2)executed copies of IRS Form W-8ECI;

(3)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4)to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D)if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(h)Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i)Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender,

the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.15 Mitigation Obligations; Replacement of Lenders.

(a)Designation of a Different Lending Office. If any Lender requests compensation under Section 2.13, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment
(i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b)Replacement of Lenders. If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with clause (a) of this Section, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.13 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee or Preferred Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i)the Borrower shall have paid to the Agent the assignment fee (if any) specified in Section 9.04;

(ii)such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii)in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv)such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.16 Extension of Maturity Date.

(a)Request for Extension. The Borrower may, by notice to the Agent (who shall promptly notify the Lenders) not earlier than 45 days and not later than 35 days prior to the Maturity

Date then in effect hereunder (the "Existing Maturity Date"), request that each Lender extend such the Maturity Date for such Lender's Loans for an additional 364 days from the Existing Maturity Date.

(b)Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Agent given not earlier than 30 days prior to the Existing Maturity Date and not later than the date (the "Notice Date") that is 20 days prior to the Existing Maturity Date, advise the Agent whether or not such Lender agrees to such extension (each Lender that determines to so extend its Maturity Date, an "Extending Lender"; and each Lender that determines not to so extend its Maturity Date, a "Non-Extending Lender") shall notify the Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c)Notification by Agent. The Agent shall notify the Borrower of each Lender's determination under this Section no later than the date 15 days prior to the Existing Maturity Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d)Additional Lenders. The Borrower shall have the right on or before the Existing Maturity Date to replace each Non-Extending Lender with, and add as "Lenders" under this Agreement in place thereof, one or more Eligible Assignees or Preferred Assignee (each, an "Additional Lender") as provided in Section 9.04 each of which Additional Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Lender shall, effective as of the Existing Maturity Date, assume the Outstanding Amount of Loans of such Non-Extending Lender set forth in such Assignment and Assumption (and, if any such Additional Lender is already a Lender, such Outstanding Amount of Loans so assigned and assumed shall be in addition to the Outstanding Amount of Loans of such Lender hereunder on such date).

(e)Minimum Extension Requirement. If (and only if) the total Outstanding Amount of Loans of the Lenders that have agreed so to extend their Maturity Date and the Outstanding Amount of Loans of the Additional Lenders shall be more than 50% of the Outstanding Amount of Loans of all Lenders immediately prior to the Existing Maturity Date, then, effective as of the Existing Maturity Date, the Maturity Date of each Extending Lender and of each Additional Lender (but not, or the avoidance of doubt, the Loans of Lenders that are not Extending Lenders or Additional Lenders) shall be extended to the date falling 364 days after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Lender shall thereupon become a "Lender" for all purposes of this Agreement.

(f)Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, the extension of the Maturity Date pursuant to this Section shall not be effective with respect to any Lender unless:

(i)no Default or Event of Default shall have occurred and be continuing on the date of such extension and after giving effect thereto;

(ii)the representations and warranties contained in this Agreement are true and correct on and as of the date of such extension and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(iii)on or before the Maturity Date, (1) the Borrower shall have paid in full the principal of and interest on all of the Loans made by each Non-Extending Lender to the

Borrower hereunder and (2) the Borrower shall have paid in full all other amounts owing to such Non-Extending Lender hereunder.

(g)Amendment; Sharing of Payments. In connection with any extension of the Maturity Date, the Borrower, the Agent and each Extending Lender may make such amendments to this Agreement as the Agent determines to be reasonably necessary to evidence the extension. This Section shall supersede Sections 2.12 and 9.02.

SECTION 2.17 Incremental Commitments.

(a)Request for Incremental Facility. The Borrower may, by notice to the Agent (who shall promptly notify the Lenders), request the establishment of one or more new term loan commitments (each, an "Incremental Commitment") pursuant to an Incremental Facility up to an aggregate amount (for all such requests) that, when combined with the amount of the Initial Facility, shall not exceed $150,000,000; provided that (i) any such request for an Incremental Facility shall be in a minimum amount of the lesser of (x) $5,000,000 (or such lesser amount as may be approved by the Agent) and (y) the entire remaining amount available under this Section and (ii) in lieu of establishing an Incremental Facility, the Borrower may elect to increase the Initial Facility, provided that such increased portion shall be subject to the same terms and conditions of this Section 2.17 as if such increased portion were a separate Incremental Facility.

(b)Incremental Lenders. An Incremental Commitment may be provided by any existing Lender or other Person that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an "Incremental Lender"); provided that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Agent. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to provide an Incremental Commitment pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(c)Terms of Incremental Commitments. The Agent and the Borrower shall determine the effective date for such Incremental Facility pursuant to this Section (an "Incremental Commitment Effective Date") and, if applicable, the final allocation of such Incremental Commitments among the Persons providing such Incremental Facility; provided that such date shall be a Business Day at least ten Business Days after delivery of the request for such Incremental Facility (unless otherwise approved by the Agent) and at least 30 days prior to the Maturity Date then in effect. Each Incremental Facility shall have the same terms (including, without limitation, Sections 2.05, 2.07 and 2.08) and conditions as the Initial Facility, other than (i) those terms and conditions set forth in this Section 2.17 that differ from those terms and conditions applicable to the Initial Facility and (ii) that Incremental Facilities shall be subject to original issue discount and/or upfront fees as agreed among the Borrower and the Persons providing such Incremental Facilities and such original issue discounts and/or upfront fees shall not be required to be the same as the OID applicable to the Initial Loans.

In order to effect such Incremental Facility, the Borrower, the applicable Incremental Lender(s) and the Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements, each in form and substance satisfactory to the Borrower and the Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s).

Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment and Schedule 2.01 shall be updated accordingly to reflect such Incremental Commitment, each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and the

Loans made by it on such Incremental Commitment Effective Date pursuant to clause (e) of this Section shall be Loans, for all purposes of this Agreement.

(d)Conditions to Effectiveness. Notwithstanding the foregoing, the Incremental Commitments pursuant to this Section shall not be effective with respect to any Incremental Lender unless:

(i)no Default or Event of Default shall have occurred and be continuing on the Incremental Commitment Effective Date and after giving effect to the Borrowings under the Incremental Facility to be made on the Incremental Commitment Effective Date;

(ii)the representations and warranties contained in this Agreement are true and correct on and as of the Incremental Commitment Effective Date and after giving effect to such Incremental Facility, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii)the Agent shall have received one or more Joinder Agreements contemplated above, providing for Incremental Commitments in the amount of such Incremental Facility; and

(iv)the Agent shall have received such legal opinions and other documents reasonably requested by the Agent in connection therewith.

As of such Incremental Commitment Effective Date, upon the Agent's receipt of the documents required by this clause (d), the Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt notice of the Incremental Commitments to the Borrower and the Lenders (including each Incremental Lender).

SECTION 2.18 Payment Protocols. The Agent shall, with one Business Day of any request by Borrower, whether in connection with a payment, prepayment or otherwise, furnish to the Borrower a true and complete copy of the Register. The Borrower shall be entitled to rely upon, and shall not incur any liability for relying upon, the Register in connection with any payment or prepayment or otherwise.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders that:

SECTION 3.01 Existence, Qualification and Power. The Borrower and each Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a) (other than with respect to the Borrower), (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.02 Authorization; No Contravention. The execution, delivery and performance by the Borrower of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its

Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or
(ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any Requirements of Law.

SECTION 3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any other Loan Document, except for (a) filings and recordings with respect to the Collateral to be made as of the Closing Date and (b) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

SECTION 3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.05 Financial Statements; No Material Adverse Effect.

(a)Financial Statements. (i) The Canadian Parent Financial Statements were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Canadian Parent and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein. (ii) The Borrower Financial Statements were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b)No Material Adverse Change. Since December 31, 2019, there has been no event or circumstance that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.06 Litigation. There are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of the Borrower, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any Subsidiary or against any of their properties or revenues that (a) except as specifically disclosed in Schedule 3.06, either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby. There has been no change in the status, or financial effect on the Borrower or any Subsidiary, of the matters disclosed in Schedule 3.06 that, either individually or in the aggregate, has increased or could reasonably be expected to increase the likelihood that such matter(s) could have a Material Adverse Effect.

SECTION 3.07 No Default. Neither the Borrower nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that, either individually or in the aggregate, could

reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

SECTION 3.08 Property.

(a)Ownership of Properties. Each of the Borrower and its Subsidiaries has good record and marketable title to, license to use, or valid leasehold interests in, or easements or other limited property interests in, as applicable, all property necessary or used in the ordinary conduct of its business, free and clear of all Liens, other than Liens permitted by Section 6.02, except to the extent a failure to have such good record and marketable title to, license to use, or valid leasehold interests in, or easements or other limited property interests in, as applicable, could not reasonably be expected to have a Material Adverse Effect.

(b)Intellectual Property. Each of the Borrower and its Subsidiaries owns, licenses or possesses the right to use all Intellectual Property rights that are reasonably necessary for the operation of their respective businesses, as currently conducted, and the use thereof by the Borrower and its Subsidiaries does not conflict with the rights of any Person, except to the extent that such failure to own, license or possess or such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, no Person is infringing or violating any such Intellectual Property rights owned by the Borrower or any of its Subsidiaries, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of the Borrower or any Subsidiary as currently conducted or as contemplated to be conducted does not infringe upon, or violate any rights held by any Person, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened that could reasonably be expected to have a Material Adverse Effect.

(c)Material Licenses. Set forth on Schedule 3.08 is a complete and accurate list, as of the Closing Date, of all Material Licenses of the Borrower and each of its Subsidiaries, showing the parties and subject matter, and the remaining term thereof. Each of the Borrower and its Subsidiaries is in compliance in all material respects with each Material License and no investigation or proceeding is pending or, to the knowledge of the Loan Party, threatened in writing, that would reasonably be expected to result in the suspension, revocation or non-renewal of any such Material License.

(d)Purchase Agreement. The Borrower is in compliance with the terms of the Purchase Agreement and no litigation or proceeding is pending or, to the knowledge of the Borrower, threatened in writing, against the Borrower for any breach of violation by the Borrower of the terms of the Purchase Agreement.

SECTION 3.09 Taxes. The Borrower and its Subsidiaries have filed all federal, state, provincial, territorial and other tax returns and reports required to be filed, and have paid all federal, state, provincial, territorial and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with IFRS or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.10 Disclosure. (a) The Borrower has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which the Borrower or any of its Subsidiaries is subject, and all other matters known to it, that, either individually or in the aggregate, could

reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Borrower to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material).

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 3.11 Compliance with Laws, Etc. Each of the Borrower and its Subsidiaries is in compliance with all Requirements of Law and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (i) such Requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12 ERISA Compliance.

(a)Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws.

(b)There are no pending or, to the knowledge of the Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(c)No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(d)Except as could not reasonably be expected to have a Material Adverse Effect, the present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of the Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, could not reasonably be expected to have an adverse effect.

(e)To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. Except as could not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any Subsidiary has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. Except as could not reasonably be expected to have a Material Adverse Effect, the present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

SECTION 3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) is aware of or has received notice of any claim, suit, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, suit, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Borrower, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of the Borrower or any Subsidiary.

SECTION 3.14 Margin Regulations. Neither the Borrower nor any of its Subsidiaries is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.15 Investment Company Act. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.16 Sanctions; Anti-Money Laundering; Anti-Corruption.

(a)None of the Borrower, any of its Subsidiaries or any director, officer, employee, agent, or affiliate of the Borrower or any of its Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (i) the target of any sanctions administered or enforced by the United States (including without limitation the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the U.S. Departments of State or Commerce), the United Nations Security Council, the European Union and member states thereof, the United Kingdom (including without limitation Her Majesty's Treasury), the government of Canada, or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in or operating from a country or territory that is the target of Sanctions (including the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

(b)The Borrower, its Subsidiaries and their respective directors, officers and employees and, to the knowledge of the Borrower, the agents of the Borrower and its Subsidiaries, are and have been in compliance with all Sanctions, Anti-Money Laundering Laws, and with Anti-Corruption Laws. The Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws. There are no pending or, to the knowledge of the Borrower, threatened claims, actions, suits, inquiries, investigations, or proceedings involving the Borrower, its Subsidiaries, or their respective directors, officers, and employees with respect to any Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws.

SECTION 3.17 Solvency. The Borrower and its Subsidiaries on a consolidated basis are, before and immediately upon giving effect to the incurrence of the Loans hereunder, Solvent.

SECTION 3.18 Collateral Documents.

(a)The Pledge and Security Agreement and Collateral Assignments, upon execution and delivery thereof by the parties thereto, will, under the governing law thereof, create in favor of the Agent for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein to the extent intended to be created thereby.

(b)(i) when UCC financing statements in the appropriate form are filed in respect of the applicable Loan Parties in the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate, to the extent perfection can be obtained by filing UCC financing statements, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the relevant Loan Parties in the Collateral described therein (including, in the case of Intellectual Property, all state trademark registrations, common law trademarks and any applications for the registration of any of the foregoing, but excluding the Collateral described in the following clauses (ii) through (iv)) and, subject to Section 9-315 of the UCC, the proceeds thereof, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02), (ii) in the case of the Pledged Collateral, when the original stock certificates representing the Pledged Collateral are delivered to the Agent and UCC financing statements in the appropriate form are filed in respect of the applicable Loan Parties in the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate, to the extent perfection can be obtained by the deposit of the original stock certificates and the filing of UCC financing statements, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the relevant Loan Parties in such Pledged Collateral and, subject to Section 9-315 of the UCC, the proceeds thereof, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02), (iii) in the case of any deposit or securities accounts included in the Collateral (which, for the avoidance of doubt, excludes Excluded Accounts), to the extent perfection can be obtained by entering into a Control Agreement, when a Control Agreement is entered into with respect to such deposit or securities accounts, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the applicable Loan Parties in such deposit or securities accounts, as applicable, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02) and (iv) in the case of United States patent, United States copyright, and United States federal trademark registrations, and applications for the issuance or registration of any of the foregoing upon the recordation of a short-form security agreement in form and substance reasonably satisfactory to the Agent with the United States Patent and Trademark Office, or the United States Copyright Office, as applicable, together with the filing of UCC financing statements (together with any schedules the Agent requests that the Borrower includes to itemize such Intellectual Property included as Collateral) in the appropriate form in respect of the applicable Loan Parties in the offices of secretaries of state of those

states specified in paragraph 1(a) of the Perfection Certificate, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the applicable Loan Parties organized in the United States in such Intellectual Property in which a security interest may be perfected by such filing in the United States, in each case, prior and superior in right to any other Person (except for Liens permitted under Section 6.02 that have priority as a matter of law) (it being understood that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, may be necessary to perfect a Lien on patents, patent applications, and trademark and copyright registrations and applications for registration acquired, obtained or initiated by, or granted to, the Loan Parties after the date hereof).

ARTICLE IV CONDITIONS

SECTION 4.01 Closing Date. The obligation of each Lender to make Borrowings hereunder is subject to the satisfaction (or waiver in accordance with Section 9.02) of the following conditions (and, in the case of each document specified in this Section to be received by the Agent, such document shall be in form and substance satisfactory to the Agent and each Lender):

(a)Executed Counterparts. The Agent shall have received (i) from each party hereto a counterpart of this Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement), (ii) from each party to the Guaranty Agreement a counterpart of the Guaranty Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Guaranty Agreement) that such party has signed a counterpart of the Guaranty Agreement), (iii) from each party to the Pledge and Security Agreement a counterpart of the Pledge and Security Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Pledge and Security Agreement) that such party has signed a counterpart of the Pledge and Security Agreement), and (iv) from each party to the Notice of Assignment (as defined in the Pledge and Security Agreement) pertaining to the Purchase Agreement, a counterpart of such Notice of Assignment signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

(b)Certificates. The Agent shall have received a certificate of a Responsible Officer of each Loan Party (or other person duly authorized by the constituent documents of such Loan Party) dated the Closing Date and certifying:

(i)that attached thereto is a true and complete copy of the Organizational Documents of such Loan Party as in effect on the Closing Date;

(ii)that attached thereto is a true and complete copy of resolutions (or equivalent authorizing actions) duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member), authorizing the execution, delivery and performance of the Loan Documents to which such Loan Party is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Closing Date; and

(iii)as to the incumbency and specimen signature of each officer or other duly authorized person executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party;

(c)Good Standing Certificates. The Agent shall have received a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of the relevant jurisdiction) of each Loan Party as of a recent date from the applicable Governmental Authority (or other similar official or registry).

(d)Opinion of Counsel to Borrower. The Agent shall have received (i) an opinion of Norton Rose Fulbright US LLP, counsel to the Loan Parties, as it pertains to matters of New York and Delaware law, (ii) an opinion of Saul Ewing Arnstein & Lehr LLP, counsel to the Borrower and its Subsidiaries as it pertains to Pennsylvania law, and (iii) Norton Rose Fulbright Canada LLP, counsel to the Canadian Parent as it pertains to matters of Ontario law, in each case, addressed to the Agent and the Lenders and dated the Closing Date, in form and substance satisfactory to the Agent (and the Borrower hereby instructs such counsel to deliver such opinion to such Persons).

(e)Collateral Matters. The Agent shall have received:

(i)the Perfection Certificate signed on behalf of the Borrower (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Perfection Certificate) that such party has signed a counterpart of the Perfection Certificate) dated as of the Closing Date,

(ii)in respect of the Borrower and each of its Subsidiaries, the results of searches for any UCC financing statements, tax Liens or judgment Liens, as applicable, filed against the Borrower, its Subsidiaries or their respective property, which results shall not show any such Liens (other than Liens permitted pursuant to Section 6.02),

(iii)evidence reasonably satisfactory to the Agent that arrangements are in place for the filing of financing statements in respect of each Loan Party (other than the Canadian Parent) on Form UCC 1 in each of the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate,

(iv)evidence reasonably satisfactory to the Agent that arrangements are in place for all original stock certificates representing all of the Equity Interests required to be pledged pursuant to the Pledge and Security Agreement, accompanied by undated stock transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank, to be delivered to the Agent,

(v)evidence reasonably satisfactory to the Agent that arrangements are in place for all original promissory notes and other instruments required to be pledged pursuant to the Pledge and Security Agreement, accompanied by note transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank, to be delivered to the Agent, and

(vi)a certificate of a Responsible Officer of the Borrower certifying that attached thereto are true, complete and correct copies of (A) each Material License as in effect on the Closing Date and (B) the Purchase Agreement.

(f)KYC Information.

(i)Upon the reasonable request of any Lender made at least five days prior to the Closing Date, the Borrower shall have provided to such Lender the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least three days prior to the Closing Date.

(ii)At least five days prior to the Closing Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, it shall deliver a Beneficial Ownership Certification.

(g)Fees and Expenses. The Borrower shall have paid all fees, costs and expenses (including legal fees and expenses) agreed in writing to be paid by it to the Agent and the Lenders in connection herewith (including pursuant to the Fee Letters) to the extent due (and, in the case of expenses (including legal fees and expenses), to the extent that statements for such expenses shall have been delivered to the Borrower at least three days prior to the Closing Date).

(h)Officer's Certificate. The Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming satisfaction of the conditions set forth in this Section and compliance with the conditions set forth in clauses (b) and (c) of the first sentence of Section 4.02.

(i)Solvency Certificates. The Agent shall have received, from each of the Borrower, the American Parent and the Canadian Parent, a certificate, substantially in the form of Exhibit C, executed by a Financial Officer of each of the Borrower, the American Parent and the Canadian Parent, in each case, certifying that such Person and its Subsidiaries are (after giving effect to the Loans made on the Closing Date), on a consolidated basis, Solvent (collectively, the "Solvency Certificates").

Without limiting the generality of Section 8.03(c), for purposes of determining satisfaction of the conditions specified in this Section, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

The Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

SECTION 4.02 Conditions to All Borrowings. The obligation of each Lender to make a Borrowing (including its initial Borrowing and any Borrowing under an Incremental Facility) is additionally subject to the satisfaction of the following conditions:

(a)the Agent shall have received a written Borrowing Request in accordance with the requirements hereof;

(b)the representations and warranties of the Borrower set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Borrowing (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date); and

(c)no Default shall have occurred and be continuing or would result from such Borrowing or from the application of proceeds thereof.

Each Borrowing Request by the Borrower hereunder and each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on and as of the date of the applicable Borrowing as to the matters specified in clauses (b) and (c) above in this Section 4.02.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements. The Borrower will furnish to the Agent and each Lender:

(a)as soon as available, and in any event within 120 days after the end of each fiscal year of the Canadian Parent, (i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants, which report and opinion shall be prepared in accordance with generally accepted auditing standards to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, Shareholders' Equity and cash flows of the Canadian Parent and its Subsidiaries on a consolidated basis in accordance with IFRS consistently applied and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, in each case, prepared in cooperation by the management of the Borrower and an independent public accountant, and in a form substantially consistent with the financials of the Canadian Parent, certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b)as soon as available, but in any event within 60 days after the end of the first three fiscal quarters of each fiscal year of the Canadian Parent (commencing with the fiscal quarter ending March 31, 2021) (i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal quarter and for the portion of the Canadian Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, in each case, setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, and in a form substantially consistent with the financials of the Canadian Parent, certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Canadian Parent and its Subsidiaries and the Borrower and its Subsidiaries, as applicable, on

a consolidated basis in accordance with IFRS or GAAP, as applicable, consistently applied, subject only to normal year-end audit adjustments and the absence of notes; and

(c)as soon as available, but in any event at least 60 days (120 days in respect of the annual management budget for the 2022 fiscal year) after the end of each fiscal year of the Borrower, annual management budgets prepared by management of the Borrower and a summary of material assumptions used to prepare such management budgets.

SECTION 5.02 Certificates; Other Information. The Borrower will deliver to the Agent and each Lender:

(a)concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate in the form of Exhibit D signed by a Responsible Officer of the Borrower (each, a "Compliance Certificate") (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.12, and (iii) providing supplemental information pertaining to Collateral and property of the Loan Parties as required pursuant to Section 5.15(c);

(b)promptly after the same are publicly available, copies of each annual report, proxy or financial statement or other report or communication sent to the shareholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements that any Loan Party may file or be required to file with the SEC or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, and not otherwise required to be delivered pursuant hereto;

(c)promptly after receipt thereof by any Loan Party, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of the Borrower or any Subsidiary thereof;

(d)promptly following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party, or any audit of any of them as the Agent or any Lender (through the Agent) may from time to time reasonably request; and

(e)promptly following any request therefor, (i) such other information regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party, or compliance with the terms of the Loan Documents, as the Agent or any Lender (through the Agent) may from time to time reasonably request, including without limitation, but subject to security controls, available backup information regarding the location of any cash included in any measurement of Liquidity; or (ii) information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act or other Anti-Money Laundering Laws.

Documents required to be delivered pursuant to Section 5.01(a) or (b) or Section 5.02(b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and

Retrieval system (EDGAR) or SEDAR; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided that: (A) upon written request by the Agent, the Borrower shall deliver paper copies of such documents to the Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender and (B) the Borrower shall notify the Agent and each Lender (by electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

SECTION 5.03 Quarterly Lender Calls. Borrower and the Canadian Parent shall participate in conference calls for Lenders to discuss financial and other information regarding the Borrower and its Subsidiaries and their business, at times mutually agreed by the Agent and the Borrower, each acting reasonably; provided that such calls shall be limited once per quarter and shall be held within ten Business Days following the earlier of (a) the delivery of the Compliance Certificate pursuant to Section 5.02(a) or (b) the date on which a Compliance Certificate was required to be delivered pursuant to Section 5.02(a) or (b).

SECTION 5.04 Notices. The Borrower shall promptly notify the Agent and each Lender of:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation, inquiry, claim or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(d) notice of any action, suit, investigation, inquiry, claim or proceeding arising under any Environmental Law or of any noncompliance by the Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) any material change in accounting or financial reporting practices by the Borrower or any Subsidiary;

(f) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect;

(g) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(h)(i) any material breach or default by the Borrower or any of its Subsidiaries under a Material License or the Purchase Agreement or (ii) any dispute, claim, legal action, arbitration or other proceeding that is pending or has been threatened in writing, involving or affecting the validity, renewal or compliance with a Material License or compliance by the Borrower with the terms of the Purchase Agreement.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth the details of the occurrence requiring such notice and stating what action the Borrower has taken and proposes to take with respect thereto.

SECTION 5.05 Preservation of Existence, Etc. The Borrower will, and will cause each of its Subsidiaries to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 6.03 or 6.04; (b) take all reasonable action to maintain all rights, licenses (including the Material Licenses), permits, privileges and franchises necessary or desirable in the normal conduct of its business, except other than in the case of Material Licenses to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve and renew all of its registered Intellectual Property rights, and protect all of its unregistered Intellectual Property rights, used in the operation of its business, the non-preservation, non-renewal or non-protection of which could reasonably be expected to have a Material Adverse Effect.Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, (a) maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and
(b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.07 Maintenance of Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Borrower and its Subsidiaries) as are customarily carried under similar circumstances by such Persons. If any portion of any Material Real Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then, to the extent required by Applicable Laws, the Borrower shall, or shall cause the applicable Subsidiary to, (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance sufficient to comply with all applicable rules and regulations promulgated pursuant to any applicable flood insurance Laws and (ii) deliver to the Agent and the Lenders as requested evidence of such compliance in such form, on such terms and in such amounts acceptable to the Agent and the Lenders. Any such insurance shall name the Agent as additional insured or loss payee, as applicable.

SECTION 5.08 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay, discharge or otherwise satisfy as the same shall become due and payable, all of its obligations and liabilities, including Tax liabilities, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to:

(a)comply with all Requirements of Law and all orders, writs, injunctions and decrees applicable to it or to its business or property, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(b)(i) take all reasonable measures within its control to conduct its business in a way that prevents the distribution of Marijuana to minors, (ii) prevent revenue from the sale of Marijuana going to criminal enterprises, gangs, cartels or any other illegal organization, activity, or conspiracy, (iii) prevent unlawful diversion of Marijuana from any Legalized Marijuana State to any other U.S. state (including any other Legalized Marijuana State), (iv) prevent Marijuana Activities from being used as a cover or pretext for the trafficking of other drugs or other illegal activity, and (v) prevent drugged driving and the exacerbation of other adverse public health consequences associated with Marijuana use.

SECTION 5.10 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Subsidiaries to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the facilities or operations of the Borrower or any of its Subsidiaries, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up and otherwise remediate all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Borrower or any of its Subsidiaries.

SECTION 5.11 Books and Records. The Borrower will, and will cause each of its Subsidiaries to, maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

SECTION 5.12 Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, permit representatives and independent contractors of the Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Borrower and at such reasonable times during normal business hours as may be reasonably requested; provided that, other than with respect to such visits and inspections during the continuation of an Event of Default, (a) only the Agent on behalf of the Lender may exercise rights under this Section and (b) the Agent shall not exercise such rights more often than once during any calendar year; provided, further, that when an Event of Default exists the Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing under this Section at the expense of the Borrower and at any time during normal business hours and without advance notice. The Agent and the Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower’s accountants.

SECTION 5.13 Use of Proceeds. The Borrower will, and will cause each of its Subsidiaries to, use the proceeds of the Loans (a) to fund the contingent payment due on the acquisition of Ilera Healthcare, (b) to pay transaction fees and expenses in connection with this Agreement and the other Loan Documents and the incurrence of the Loans, (c) if applicable, to pay Specified Distributions and (d) for working capital and general corporate purposes of the Borrower and its Subsidiaries not in contravention of any Law or of any Loan Document.

SECTION 5.14 Sanctions; Anti-Money Laundering Laws; Anti-Corruption Laws. The Borrower will maintain in effect policies and procedures designed to promote compliance by the Borrower, its Subsidiaries, and their respective directors, officers, employees, and agents with Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws.

SECTION 5.15 Additional Guarantors and Collateral Matters.

(a)The Borrower shall cause each Subsidiary of the Borrower organized or acquired after the Closing Date to become a Loan Party within sixty (60) days (or such later time as the Agent may agree) following the date of acquisition or organization, by (i) executing and delivering a supplement to the Guaranty Agreement, a supplement to the Pledge and Security Agreement, a supplement to the Perfection Certificate and each schedule thereto and such other documents as the Agent may reasonably request and (ii) taking such other actions as are necessary to deliver certificates, documents, opinions and statements substantially consistent with those certificates, instruments, documents, opinions and statements delivered on or before the Closing Date pursuant to Section 4.01(b) through (f).; provided that, with respect to Newco and notwithstanding the forgoing or anything in the Loan Documents to the contrary, upon obtaining CRC Approval, the Borrower shall use its commercially reasonable efforts to cause Newco to become a Loan Party and to take the actions prescribed in the foregoing by no later than March 15, 2023 (or such later date as the Agent may agree).

(b)The Borrower shall, and shall cause each of its Subsidiaries, to (i) notify the Agent promptly upon its acquiring or obtaining any Material Real Property after the Closing Date and shall satisfy the Material Real Property Requirement with respect to such Material Real Property within seventy five (75) days (or such later time as the Agent may agree) of the date of acquiring or obtaining such Material Real Property and (ii) notify the Agent promptly upon entering into any lease agreements with respect to real property and shall, within seventy five (75) days of such date (or such later time as the Agent may agree), deliver a counterpart of each party to a Notice of Assignment (as defined in the Pledge and Security Agreement) with respect to such leased properties, signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

(c)The Borrower shall, and shall cause each of its Subsidiaries, to deliver or cause to be delivered to the Agent (i) concurrent with the delivery of the Compliance Certificate delivered pursuant to Section 5.02, a Perfection Certificate Supplement (as defined in the Pledge and Security Agreement) or a certification of a Responsible Officer of Borrower stating that the Perfection Certificate (as supplemented by delivery of any previous Perfection Certificate Supplement) remain true and accurate since last delivered to the Agent either on or before the Closing Date or pursuant to this clause
(c) and (ii) all such information as the Agent or the Required Lenders shall reasonably request regarding Collateral.

(d)The Borrower shall, and shall cause each of its Subsidiaries, to execute any and all further documents, financing statements, agreements and instruments (including, without limitation, legal opinions, corporate documents, corporate authorizations, title insurance policies and other insurance documents and endorsements and/or lien searches), and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under Applicable Law, or that the Required Lenders or the Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and first priority of the security interests created or intended to be created by the Collateral Documents. In addition, from time to time, the Borrower shall, and shall cause each of its Subsidiaries, at its cost and expense, promptly secure the Obligations by pledging, charging, or creating, or causing to be pledged, charged or created, perfected security interests with respect to such of

its assets and properties as the Agent or the Required Lenders shall designate (it being understood that it is the intent of the parties that the Obligations shall be secured by substantially all the assets of the Borrower and its Subsidiaries (including real and other properties acquired subsequent to the Closing Date)). Such security interests and Liens will be created under the Collateral Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance satisfactory to the Agent or the Required Lenders. The Borrower agrees to provide such evidence as the Agent or the Required Lenders shall reasonably request as to the perfection and priority status of each such security interest and Lien.

(e)On or prior to the date that is sixty (60) days (or such later date as the Agent may agree) after the later of (a) the date of acquisition or opening of any new deposit account or securities account maintained in the United States (in each case, other than any Excluded Accounts) by the Borrower or any of its Subsidiaries (or if later, sixty (60) days after the date such Person became a Subsidiary of the Borrower (or such later time as the Agent may agree)), or (b) the date any deposit account or securities account maintained in the United States ceases to be an Excluded Account (or, in each case, such later date reasonably agreed to by the Agent in its sole discretion), the Borrower or such Subsidiary shall enter into, and cause each depository or securities intermediary to enter into, Control Agreements with respect to such deposit account or securities account (other than any Excluded Accounts).; provided that, with respect to the Blocked Account, the Borrower shall enter into, and cause the depository intermediary to enter into a Control Agreement with respect to such deposit account by no later than March 15, 2023 (or such later date as the Agent may agree).

SECTION 5.16 Post-Closing Obligations. The Borrower shall, and shall cause each of its Subsidiaries to, satisfy the requirements set forth on Schedule 5.16 in the time periods set forth therein. The parties acknowledge and agree that notwithstanding anything herein to the contrary, all conditions, representations, warranties and covenants of the Loan Documents with respect to the taking of such actions are qualified by the non-completion of such actions until the earlier of the time at which they are completed or required to be completed in accordance with this Section 5.16.

ARTICLE VI
NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness. The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a)Indebtedness under the Loan Documents;

(b)Indebtedness outstanding on the date hereof and listed on Schedule 6.01;

(c)Guarantees of the Borrower or any Subsidiary in respect of Indebtedness otherwise permitted hereunder of the Borrower or any Subsidiary Guarantor;

(d)obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments, investments, assets or property held or reasonably anticipated by such

Person, or changes in the value of securities issued by such Person, and not for speculative purposes;

(e)Indebtedness in respect of capital leases, Synthetic Lease Obligations and Purchase Money Obligations, provided that, the aggregate amount of all such Indebtedness at any time outstanding shall not exceed $40,000,000;

(f)Indebtedness of the Borrower or any Subsidiary as an account party in respect of commercial letters of credit;

(g)Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(h)Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business;

(i)Indebtedness consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(j)Indebtedness in an aggregate principal amount not exceeding $2,500,000 at any time outstanding, *provided* that, prior to the incurrence of any Indebtedness pursuant to this clause (j) that is owed to the Canadian Parent or any of its Subsidiaries (other than the Borrower and its Subsidiaries), the borrower and lender with respect to such Indebtedness shall have executed and delivered to the Agent either an intercompany subordination agreement or, to the extent required by the Pledge and Security Agreement, an intercompany note, in each case, reasonably satisfactory to the Agent;

(k)Indebtedness arising as a direct result of judgments, orders, awards or decrees against any Loan Party, in each case not constituting an Event of Default;

(l)unsecured Indebtedness representing any Taxes to the extent such Taxes are being contested by any Loan Party in good faith by appropriate proceedings and adequate reserves are being maintained by such Loan Party in accordance with Applicable Accounting Principles;

(m)unsecured Indebtedness in respect of obligations of the Borrower or any Subsidiary of the Borrower to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money; and

(n)Indebtedness that is either (i) assumed at the time of a Permitted Acquisition or (ii) incurred for the purposes of financing a Permitted Acquisition, provided that, in each case, (A)to the extent such Indebtedness is secured, it is not secured by any assets other than those assets that were acquired through such Permitted Acquisition (including, for avoidance of doubt, a limited recourse pledge of the Equity Interests of the relevant Subsidiary acquired in such Permitted Acquisition) or owned by a Subsidiary acquired through such Permitted Acquisition, (B)to the extent such Indebtedness is guaranteed, it is not guaranteed by any of the Loan Parties other than any Subsidiaries that are acquired as part of such Permitted Acquisition, and (C)

before and after giving effect to the incurrence or assumption of such Indebtedness and the related Permitted Acquisition as if such actions had occurred at the beginning of the most recently ended fiscal two fiscal quarter period, (I) the Financial Covenants on a pro forma basis would each be satisfied as of the last day of the most recently ended fiscal quarter and (II) the Consolidated Leverage Ratio on a pro forma basis as of the last day of the most recently ended fiscal quarter would be equal to or less than 2.50:1.00; ~~and~~

(o)Indebtedness incurred by the Borrower or another Subsidiary arising from the Permitted Sale and Leaseback Transaction;

(p)without any duplication of any Permitted Sale Leaseback Transaction, Indebtedness in the form of a mortgage financing in respect of the Fulton Property in an aggregate amount not exceeding $25,000,000 at any time outstanding; and

(q)~~(o)~~ any refinancings, refundings, renewals or extensions of Indebtedness incurred under clause (b), (j)~~ and~~, (n), (o) and (p); *provided* that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to premiums, original issue discount, or other amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (ii) to the extent such Indebtedness incurred under clauses (b), (j)~~ and~~, (n), (o) or (p) is secured, such Indebtedness incurred under this clause ~~(o)~~(q) refinancing, refunding, renewing or extending such Indebtedness shall not be secured by any assets other than those assets securing the original Indebtedness that is subject to such refinancing, refunding, renewal or extension and (iii) to the extent such Indebtedness incurred under clauses (b), (j) ~~and~~, (n), (o) or (p) is guaranteed, such Indebtedness incurred under this clause (~~o~~q) refinancing, refunding, renewing or extending such Indebtedness shall not be guaranteed by any Loan Party other than those Loan Parties guaranteeing the original Indebtedness that is subject to such refinancing, refunding, renewal or extension.

SECTION 6.02 Liens. The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a)Liens in favor of the Borrower or any of its Subsidiaries or created under the Loan Documents;

(b)Liens existing on the date hereof and listed on Schedule 6.02 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by Sections 6.01~~SECTION 6.01(o)~~(q), (iii) the direct or any contingent obligor with respect thereto is not changed and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 6.01~~SECTION 6.01(o)~~(q);

(c)Liens for Taxes or other governmental charges not yet due or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with Applicable Accounting Principles, or for property Taxes on property that any Loan Party has determined to abandon if the sole recourse for such Tax, assessment, charge, levy or claim is to such property;

(d)carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other like Liens arising in the ordinary course of business and which, if they secure obligations that are then due and unpaid and are overdue for more than thirty (30) days are being contested in good faith by appropriate proceedings for which adequate reserves have been established with respect thereto on the books of the applicable Person;

(e)Liens securing Indebtedness permitted under SECTION 6.01(e); provided that
(i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness (except for additions and accessions to such assets, the proceeds and products thereof and customary security deposits) and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, plus related transaction costs, of the property being acquired on the date of acquisition; provided that, in the case of clause (e)(i), individual financings provided by one lender may be cross collateralized to other financings provided by such lender or its affiliates;

(f)Liens imposed by Requirements of Law or pledges or deposits in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) public utility services provided to the Borrower or a Subsidiary;

(g)deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h)easements, rights-of-way, restrictions and other similar encumbrances affecting real property that, in the aggregate, do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries;

(i)Liens securing judgments for the payment of money, or orders, attachments, decrees or awards, in each case not constituting an Event of Default under SECTION 7.01(j);

(j)any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary (or that is merged or amalgamated into the Borrower or any Subsidiary of the Borrower) after the date hereof prior to the time such Person becomes a Subsidiary (or that is merged or amalgamated into the Borrower or any Subsidiary of the Borrower); provided that
(i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary (provided, however, that such Liens may include a limited recourse pledge of the Equity Interests of the relevant acquired Subsidiary) and
(iii) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (other than increases relating to transaction costs of such extensions, renewals and replacements);

(k)Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) that are customary in the banking industry;

(l)any interest or title of a lessor, sublessor, licensor or sublicensor under leases or non-exclusive licenses permitted by this Agreement that are entered into in the ordinary course of business;

(m)leases, non-exclusive licenses, subleases or non-exclusive sublicenses granted to others in the ordinary course of business that do not (i) interfere in any material respect with the ordinary conduct of the business of the Borrower and its Subsidiaries, or (ii) secure any Indebtedness;

(n)Liens securing Indebtedness permitted under Section 6.01(n);

(o)Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(p)Liens incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and;

(q)Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Loan Party in the ordinary course of business in accordance with the past practices of such Loan Party;

(r)bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, sweep accounts and netting arrangements and similar arrangements of the Loan Parties consisting of the right to apply the funds held therein to satisfy overdraft or similar obligations incurred in the ordinary course of business of such person; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness, and Liens granted in the ordinary course of business by the Borrower or any of its Subsidiaries to any bank with whom it maintains accounts to the extent required by the relevant bank's (or custodian's or trustee's, as applicable) standard terms and conditions, in each case, which are within the general parameters customary in the banking industry;

(s)Liens (i) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted pursuant to SECTION 6.06 to be applied against the purchase price for such Investment, (ii) Liens on deposits or other amounts held in escrow to secure contractual payments (contingent or otherwise) payable by the Borrower or its Subsidiaries to a seller after the consummation of a Permitted Acquisition or other permitted Investment, and (iii) Liens attaching solely to cash earnest money deposits in connection with an Investment permitted by SECTION 6.06;

(t)Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;

(u)(i) deposits of cash with the owner or lessor of premises leased or operated by the Borrower or any of its Subsidiaries and (ii) cash collateral on deposit with banks or other financial institutions issuing letters of credit (or backstopping such letters of credit) or other

equivalent bank guarantees issued naming as beneficiaries the owners or lessors of premises leased or operated by the Borrower or any of its Subsidiaries, in each case, in the ordinary course of business of the Borrower and such Subsidiaries to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises;

(v)statutory Liens incurred or pledges or deposits made in favor of a Governmental Authority to secure the performance of obligations of any Loan Party under Environmental Laws to which any assets of such Loan Party are subject; ~~and~~

(w)Liens securing Indebtedness and other obligations in an aggregate amount not exceeding $5,000,000 at any time outstanding.;

(x)Liens arising out of the Permitted Sale Leaseback Transaction, so long as such liens attach only to the Fulton Property and any accessions and additions thereto or proceeds and products thereof and related the Fulton Property; and

(y)any real property mortgage in respect of the Fulton Property securing Indebtedness permitted by Section 6.01(p).

SECTION 6.03 Fundamental Changes. The Borrower will not, nor will it permit any Subsidiary to, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a)any Subsidiary may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Subsidiary Guarantor is merging with another Subsidiary, a Subsidiary Guarantor shall be the continuing or surviving Person;

(b)any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Subsidiary; provided that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee shall either be the Borrower or another Subsidiary Guarantor;

(c)the Borrower and its Subsidiaries may make Dispositions permitted by Section 6.04;

(d)any Investment permitted by Section 6.06 may be structured as a merger, consolidation or amalgamation; and

(e)any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that (i) such dissolution, liquidation or winding up, as applicable, would not reasonably be expected to have a Material Adverse Effect and (ii) any property or assets owned by such Subsidiary prior to dissolution are disposed of through a Disposition permitted pursuant to Section 6.04.

SECTION 6.04 Dispositions. The Borrower will not, and will not permit any Subsidiary to, make any Disposition or enter into any agreement to make any Disposition, except:

(a)Dispositions of property no longer used or useful in the business, or obsolete or worn out property in the ordinary course of business;

(b)Dispositions of inventory in the ordinary course of business;

(c)Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d)Dispositions of property by any Subsidiary to the Borrower or to a Subsidiary, provided that if the transferor of such property is a Subsidiary Guarantor, the transferee must be either the Borrower or a Subsidiary Guarantor;

(e)Dispositions permitted by Section 6.03;

(f)leases, non-exclusive licenses, subleases or non-exclusive sublicenses granted in the ordinary course of business and on ordinary commercial terms that do not interfere in any material respect with the business of the Borrower and its Subsidiaries;

(g)Restricted Payments permitted by Section 6.05 and Investments permitted by Section 6.06; ~~and~~

(h)Dispositions by the Borrower and its Subsidiaries not otherwise permitted under this Section; provided that such Disposition must (a) be for the fair market value, (b) with respect to any aggregate consideration received in respect thereof in excess of $1,000,000, at least 75% of consideration for such Disposition must consist of cash or Cash Equivalents (with any securities, notes or other obligations or assets received by the Borrower or any Subsidiary from such transferee that are converted by such person into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within one hundred eighty (180) days following the closing of the applicable disposition, treated as cash) and (c) the aggregate book value of all property Disposed of pursuant to this clause (i) in any fiscal year shall not exceed $3,000,000.; and

(i)Dispositions pursuant to the Permitted Sale and Leaseback Transaction. SECTION 6.05 Restricted Payments. The Borrower will not, and will not permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a)each Subsidiary may make Restricted Payments to the Borrower and any other Subsidiary of the Borrower that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b)the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(c)the Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests;

(d)the Borrower may declare or pay cash dividends to its sole shareholder, the American Parent, and purchase, redeem or otherwise acquire for cash its Equity Interests from its sole shareholder, the American Parent:

(i)in any amount if, before and after giving effect thereto as if such cash dividend had occurred at the beginning of the most recently ended fiscal quarter, (A) the Financial Covenants on a pro forma basis would each be satisfied as of the last day of the most recently ended fiscal quarter and (B) the Consolidated Leverage Ratio on a pro forma basis as of the last day of the most recently ended fiscal quarter would be equal to or less than 2.50:1.00, or

(ii)if the conditions of clause (d)(i) above are not satisfied, in an amount that does not exceed $1,250,000 in the aggregate per fiscal quarter;

provided, that the proceeds of any such payment, purchase, redemption or otherwise, pursuant to this clause (d) shall not, directly or indirectly, be paid to, through distribution, dividend, loan, investment, or payment of any kind, to any direct or indirect shareholder of the Canadian Parent;

(e)the Borrower and each Subsidiary may pay withholding or similar taxes payable by any future, present or former employee, director or officer (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) in connection with any repurchases of Equity Interests or the exercise of stock options;

(f)the Borrower may make Specified Distributions using a portion of proceeds of the Loans; and

(g)the Borrower may make Restricted Payments in an amount required for the Canadian Parent or Affiliate to pay quarterly and annual Taxes due in an amount which does not materially exceed the tax liabilities that would have been payable by the Borrower and its Subsidiaries on a stand-alone basis.

SECTION 6.06 Investments. The Borrower will not, and will not permit any Subsidiary to, make any Investments, except:

(a)Investments held by the Borrower or such Subsidiary in the form of Cash Equivalents;

(b)(i) Investments in Subsidiaries in existence on the Closing Date, and (ii) other Investments in existence on the Closing Date and identified on Schedule 6.06, and any refinancing, refunding, renewal or extension of any such Investment that does not increase the amount thereof;

(c)Investments of the Borrower in any Subsidiary Guarantor and Investments of any Subsidiary in the Borrower or in another Subsidiary of the Borrower, provided that if the Subsidiary making such Investment is a Subsidiary Guarantor, then the Subsidiary that is receiving such Investment must also be a Subsidiary Guarantor;

(d)Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e)Investments consisting of the indorsement by the Borrower or any Subsidiary of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;

(f)to the extent constituting an Investment, transactions otherwise permitted by Sections 6.01, 6.03 and 6.05;

(g)Permitted Acquisitions; ~~and~~

(h)other Investments not exceeding $2,000,000 (or, in the case of Investments in Subsidiaries of the Canadian Parent that are not Loan Parties, $2,500,000, provided that any such Investments must be in the form of a Loan, the obligations for which are represented by a promissory note with terms and conditions reasonably satisfactory to the Agent and, notwithstanding the amount thereof or any other term of this Agreement or another Loan Document, pledged to the Agent as Collateral for the benefit of the Lenders) in the aggregate in any fiscal year of the Borrower.; and

(i)to the extent constituting an investment, any of the transactions and all related actions contemplated by the Lodi and Maplewood Transaction.

SECTION 6.07 Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (a) transactions between or among the Borrower and any of its Wholly-Owned Subsidiaries or between and among any Wholly-Owned Subsidiaries, (b) Restricted Payments permitted by Section 6.05, (c) director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements and severance agreements, in each case approved by the Board of Directors of the Borrower or direct or indirect parent entity of the Borrower or the applicable Subsidiary, (d) transactions in respect of agreements and arrangements in effect on the Closing Date and set forth on Schedule 6.07 and any amendment or modification with respect to such agreement, arrangement or transaction, and the performance of obligations thereunder, so long as such amendment or modification is not materially adverse to the interests of the Lenders, (e) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Borrower or its Subsidiaries in accordance with the terms of this Agreement; provided that such agreement was not entered into in contemplation of such acquisition, merger or amalgamation, or any amendment thereto (so long as any such amendment is not disadvantageous to the Lenders in any material respect in the good faith judgment of the Borrower when taken as a whole as compared to such agreement as in effect on the date of such acquisition or merger) ~~and~~, (f) that certain management services agreement dated March 1, 2020 by and among IHC Management LLC, Ilera Healthcare LLC and TerrAscend NJ LLC, and (g) the transactions and all related actions constituting the Lodi and Maplewood Transaction.

SECTION 6.08 Certain Restrictive Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that, directly or indirectly, limits the ability of (i) any Subsidiary to make Restricted Payments to the Borrower or to otherwise transfer property to the Borrower, (ii) any Subsidiary to Guarantee Indebtedness of the Borrower or (iii) the Borrower or any Subsidiary to create, incur, assume or suffer to exist Liens on property of such Person to secure the Obligations; provided that this Section 6.08 shall not prohibit:

(a)covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby (other than Liens securing the Obligations);

(b)customary restrictions on cash or other deposits;

(c)net worth provisions in leases and other agreements entered into by a Loan Party in the ordinary course of business;

(d)contractual encumbrances or restrictions existing on the Closing Date and identified on Schedule 6.08;

(e)any prohibition or limitation that (I) exists pursuant to applicable Requirements of Law, (II) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.04, stock sale agreement, purchase agreements, or acquisition agreements (including by way of merger, amalgamation, acquisition or consolidation) entered into by Borrower or any of its Subsidiaries solely to the extent pending the consummation of such transaction, which covenant or restriction is limited to the assets that are the subject of such agreements, or (III) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of Borrower or any of its Subsidiaries;

(f)any documents relating to Indebtedness permitted hereunder that are, taken as a whole, in the good faith judgment of the Borrower, not materially more restrictive with respect to Borrower or any Subsidiary than (I) the restrictions contained in this Agreement or (II) restrictions in effect on the Closing Date (pursuant to documents included on Schedule 6.08);

(g)customary provisions restricting placing a lien on or sublicensing, or assignment of any license;

(h)customary provisions restricting assignment of any agreement entered into by a Subsidiary in the ordinary course of business;

(i)customary restrictions and conditions contained in any software license;

(j)any agreement in effect at the time such Subsidiary becomes a Subsidiary, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of the Borrower and such agreement's restrictions are not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired;

(k)customary provisions in partnership agreements, limited liability company organizational governance documents and other similar agreements entered into in the ordinary course of business that restrict the transfer of ownership interests in such partnership, limited liability company or similar person.

SECTION 6.09 Changes in Fiscal Periods

. The Borrower will not permit the last day of its fiscal year to end on a day other than December 31 or change the Borrower's method of determining its fiscal quarters.

SECTION 6.10 Changes in Nature of Business. The Borrower will not, and will not permit any Subsidiary to, engage to any material extent in any business other than those businesses conducted by the Borrower and its Subsidiaries on the date hereof or any business reasonably related, ancillary,

complimentary or incidental thereto, necessary or appropriate for, or representing a reasonable expansion thereof.

SECTION 6.11 Restriction on Use of Proceeds. The Borrower will not use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose.

SECTION 6.12 Financial Covenants.

(a)Minimum Liquidity. The Borrower will not, and will not permit any Subsidiary to, permit Liquidity as of 5:00 pm (New York city time) on the last day of each fiscal quarter (starting with the quarter ending June 30, 2021) to be less than the greater of (x) $7,700,000 and (y) 6.4% of all Loans outstanding as of such date.

(b)Consolidated Interest Coverage Ratio. If an ICR Period shall exist, then, within five (5) Business Days after the commencement of such ICR Period, the Borrower shall deposit into the Blocked Account, as additional collateral for the benefit of the Agent, an amount of cash equal to the ICR Required Payment Amount. If and when an ICR Period ends, provided no Event of Default shall then exist, Agent shall promptly release the funds on deposit in the Blocked Account to the Borrower.

~~(b) Consolidated Interest Coverage Ratio. The Borrower will not permit the Consolidated~~ Interest Coverage Ratio as of the end of any fiscal quarter of the Borrower, starting with the fiscal quarter ~~ending on June 30, 2021, to be less than the ratio set forth below opposite such fiscal quarter:~~

~~Fiscal Quarters Ending~~	~~Minimum Consolidated Interest Coverage Ratio~~
~~June 30, 2021 through December 31, 2021~~	~~2.50:1.00~~
~~March 31, 2022 through June 30, 2022~~	~~1.50:1.00~~
~~September 30, 2022~~	~~2.00:1.00~~
~~December 31, 2022 through Maturity Date~~	~~2.50:1.00~~

~~Notwithstanding the foregoing or any other provision of this Credit Agreement, including~~ Section 5.02(a), the Consolidated Interest Coverage Ratio for the period ended September 30, 2022 shall not be applicable, and shall not be required to be calculated or reported by the Borrower on any Compliance Certificate or for any other purposes, provided that, on or prior to December 15, 2022, either (i) the Borrower shall have furnished to the Agent and the Lenders a proposal for certain enhancements and amendments under the Credit Agreement that is acceptable to the Required Lenders, and Borrower and the Agent (on behalf of the Required Lenders) shall have entered into a further amendment to the Credit Agreement in respect of such matters (the "Subsequent Amendment") or (ii) such Subsequent Amendment shall not have been entered into and the Consolidated Interest Coverage Ratio for the period ended September, 30, 2022 (as it is, or as amended with the consent of the Required Lenders), shall apply as from December 15, 2022 and the Borrower shall, no later than such date, deliver a Compliance Certificate setting forth reasonably detailed calculations demonstrating compliance with the ~~Consolidated Interest Coverage Ratio for the period ended September 30, 2022.~~

SECTION 6.13 Sanctions; Anti-Corruption Use of Proceeds. The Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such

proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the Anti-Corruption Laws, or (b) (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the target of Sanctions, or (ii) in any other manner that would result in any Person (including any Person participating in the Loans, whether as Agent, Placement Agent, Lender, underwriter, advisor, investor, or otherwise) breaching Sanctions or becoming the target of any Sanctions.

SECTION 6.14 Federal Enforcement Priorities. The Borrower will not, and will not permit any Subsidiary to, permit any of its directors, officers, employees, consultants, agents or representatives to (a) engage in violence or the use of firearms (except as may be required or permitted for security purposes under applicable state law governing Marijuana Activities), or permit the use of violence or firearms, in the conduct of any Marijuana Activities, (b) grow or permit the growth of Marijuana on any public lands, or (c) possess or use, or permit the possession or use, of Marijuana on federal property.

ARTICLE VII EVENTS OF DEFAULT

SECTION 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a)the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b)the Borrower shall fail to pay any interest on any Loan, or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three or more Business Days;

(c)any representation or warranty made or deemed made by or on behalf of any Loan Party, as applicable, in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect in any respect) when made or deemed made (subject to, if curable, a grace period of 15 days following the earlier of (x) knowledge by the Borrower or (y) written notice from the Agent);

(d)the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.04(a), 5.05 (with respect to the Borrower's existence) or 5.13 or in Article VI;

(e)the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified

in clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of fifteen (15) or more days after receipt by the Borrower of written notice thereof from the Agent;

(f)(i) any Loan Party shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than $5,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) the Borrower or any Subsidiary shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (f)(ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such documents;

(g)an involuntary case or proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief or any analogous case, proceeding, step or procedure in any jurisdiction (including any application for winding-up or dissolution) in respect of any Loan Party or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, interim receiver, receiver and manager, monitor, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, and, in any such case, such case, proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(h)any Loan Party shall (i) voluntarily commence any case or proceeding or file any petition seeking liquidation, reorganization or other relief or any analogous case, proceeding, step or procedure in any jurisdiction (including any application for winding-up or dissolution) under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, interim receiver, receiver and manager, monitor, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such case or proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i)any Loan Party shall become unable or admit in writing its inability or fail generally to pay its debts as they become due;

(j)there is entered against any Loan Party (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding
$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either

case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k) an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that could reasonably be expected to have a Material Adverse Effect;

(l) any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any party to a Loan Document contests in writing the validity or enforceability of any provision of such Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(m) any Loan Party is criminally indicted or convicted under any Requirement of Law, that may reasonably be expected to lead to a forfeiture of any property of such Loan Party having a fair market value in excess of $1,000,000; or

(n) the Borrower shall fail to make the Final Payment (as defined in the Purchase Agreement) and any Deferred Amount (as defined in the Purchase Agreement), in each case on the respective due dates therefor (as such dates may be amended by agreement of the parties in accordance with the terms and conditions of the Purchase Agreement) in accordance with the Purchase Agreement;

then, and in every such event (other than an event with respect to the Borrower described in clause (g), (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times:

(i) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and, to the extent applicable, the Make-Whole Amount and Prepayment Premium, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and

(ii) exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and Applicable Law;

provided that, in case of any event with respect to the Borrower described in clause (g), (h) or (i) of this Section, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and, to the extent applicable, the Make-Whole Amount, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 7.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the

Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations, including, without limitation, all proceeds of the Collateral, shall be applied by the Agent as follows:

(i)first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 9.03 and amounts payable under the Administrative Agency Fee Letter) payable to the Agent in its capacity as such;

(ii)second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel payable under Section 9.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii)third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv)fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v)fifth, to the payment in full of all other Obligations, in each case ratably among the Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi)finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE VIII AGENCY

SECTION 8.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Acquiom Agency Services LLC to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 8.02 Merger or Consolidation. Any corporation or association into which Acquiom Agency Services LLC may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which Acquiom Agency Services LLC is a party, will be and become the successor Agent under this Agreement and will have and succeed to the rights, powers, duties,

immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

SECTION 8.03 Exculpatory Provisions.

(a)The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

(i)shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii)shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law;

(iii)shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity

(iv)shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder; and

(v)shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Agent shall use its best efforts to resume performance as soon as practicable under the circumstances.

(b)The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 7.01 and 9.02), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent in writing by the Borrower or a Lender. In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall take such action with respect to such Default or Event of Default as shall reasonably be directed by the Required Lenders, provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take

such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders.

(c)The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, sufficiency or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent, (vi) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Loan Document unless requested by the Required Lenders in writing and it receives indemnification satisfactory to it from the Lenders or (vii) the value or rating of any Collateral.

SECTION 8.04 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05 Delegation of Duties.

(a)The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(b)Any corporation or other entity into which the Agent may be merged or converted or with which the Agent may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Agent, shall be the successor to the Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.06 Resignation of Agent.

(a)The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, (i) the Required Lenders shall have the right, with the prior written consent of the Borrower (which consent is not required if an Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to appoint, as applicable, a successor Agent (which shall be a Lender or such other Person appointed by the Required Lenders). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b)If no such successor shall have been so appointed by applicable Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the applicable Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c)With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring collateral agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments owed to the retiring or removed Agent), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

SECTION 8.07 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges and agrees that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges and agrees that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder and for other information in the Agent's possession which has been requested by a Lender and for which such Lender pays the Agent's expenses in connection therewith, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information

concerning the affairs, financial condition, or business of any Loan Party or any of its Affiliates that may come into the possession of the Agent or any of its Affiliates.

SECTION 8.08 No Other Duties. Anything herein to the contrary notwithstanding, the Placement Agent listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Lender hereunder.

SECTION 8.09 Indemnity of the Agent. **THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE AGENT AND ITS AFFILIATES AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST SUCH INDEMNIFIED PERSON IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY ACTION TAKEN OR OMITTED BY THE AGENT UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF SUCH INDEMNIFIED PERSON), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL CLAIMS, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS RESULTING FROM SUCH INDEMNIFIED PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN EACH CASE, AS DETERMINED BY A FINAL NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION.**
WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF ANY OUT-OF- POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT, OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, TO THE EXTENT THAT THE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

SECTION 8.10 Certain Rights of the Agent. If the Administrative Agent or Collateral Agent shall request instructions from the Required Lenders with respect to any action or actions (including the failure to act) in connection with this Agreement or the other Loan Documents, such Administrative Agent or Collateral Agent, as applicable, shall be entitled to refrain from such act or taking such act unless and until it shall have received instructions from such Lenders, and such Administrative Agent or Collateral Agent, as applicable, shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent or Collateral Agent as a result of the Administrative Agent or Collateral Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders where required by the terms of this Agreement or the other Loan Documents.

SECTION 8.11 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a)to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Section 9.03) allowed in such judicial proceeding; and

(b)to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, receiver and manager, monitor, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Section 9.03.

SECTION 8.12 Certain ERISA Matters.

(a)Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i)such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii)the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such "Qualified Professional Asset Manager" made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the

Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84- 14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv)such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b)In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a)is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.13 Collateral and Guaranty Matter.

(a)The Agent (acting at the direction of the Required Lenders) is authorized on behalf of the Lenders, without the necessity of any notice to or further consent from such Lenders, from time to time, to take any actions with respect to any Collateral or security instruments which may be necessary to perfect and maintain the Liens upon the Collateral granted pursuant to the Pledge and Security Agreement. The Agent (acting at the direction of the Required Lenders) is further authorized (but not obligated) on behalf of the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time, to take any action in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Loan Documents or Applicable Law. By accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, each Lender hereby agrees to the terms of this clause (a).

(b)The Lenders hereby, and any other Lender by accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, irrevocably authorize the Agent to, and the Agent shall, upon request of the Borrower release any Lien granted to or held by the Agent upon any Collateral (a) upon termination of this Agreement and the payment in full of all outstanding Loans and all other Obligations (other than contingent indemnity obligations for which no claims have been made); (b) constituting property sold or to be sold or Disposed of as part of or in connection with any Disposition permitted under this Agreement or any other Loan Document; (c) constituting property in which no Loan Party owned an interest at the time the Lien was granted or at any time thereafter other than as a result of a transaction prohibited hereunder; or (d) constituting property leased to any Loan Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Loan Party to be, renewed or extended. Upon the request of the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 8.11. At the written request and sole expense of the Borrower, which written request shall also include a certification from a Responsible Officer certifying to the Lenders, the Agent that such release is permitted under this Section 8.11 and that such transaction is in compliance with this Agreement and the other Loan Documents (which certification the Agent may, but is not obligated to, rely on), the Collateral Agent shall promptly provide the releases of Collateral permitted to be released under this Section 8.11 subject to evidence of such

transaction and release documentation reasonably satisfactory to the Required Lenders, the Agent except that, with the Required Lender's prior written consent, the Agent may, but shall not be obligated, to provide such releases for such property to be sold but not yet sold or such property subject to a lease that is about to expire but not yet expired. Upon any of the Collateral constituting personal property being Disposed of as permitted under this Agreement, then such Collateral shall be automatically released from the Liens created under the applicable security instrument; provided, that (x) the Agent shall use commercially reasonable efforts to provide any evidence of such Lien release reasonably requested by the Borrower in accordance with this Section.

(c)Notwithstanding anything contained in any of the Loan Documents to the contrary, the Loan Parties, the Agent and each Lender hereby agree that no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty Agreement, it being understood and agreed that all powers, rights and remedies hereunder, under the Guaranty and under the Pledge and Security Agreement may be exercised solely by the Agent (acting at the direction of the Required Lenders), as applicable, on behalf of the Lenders in accordance with the terms hereof and the other Loan Documents. By accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, each Lender not party hereto hereby agrees to the terms of this clause (c).

SECTION 8.14 Credit Bidding.

(a)The Agent, on behalf of itself and the Lenders, shall have the right, acting at the direction of the Required Lenders, to credit bid and purchase for the benefit of the Agent and the Lenders all or any portion of Collateral at any sale thereof conducted by the Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Agent (whether by judicial action or otherwise) in accordance with Applicable Law.

(b)Each Lender hereby agrees that, except as otherwise provided in any Loan Documents or with the written consent of the Agent and the Required Lenders, it will not take any enforcement action, accelerate obligations under any Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar Dispositions of Collateral.

SECTION 8.15 Agent Actions. With respect to any term or provision of this Agreement or any other Loan Document that requires the consent, approval, satisfaction, discretion, determination, decision, action or inaction or any similar concept of or by the Agent, or that allows, permits, requires, empowers or otherwise provides that any matter, action, decision or similar may be taken, made or determined by the Agent (including any provision that refers to any document or other matter being satisfactory or acceptable to the Agent) without expressly referring to the requirement to obtain consent or input from any Lenders, or to otherwise notify any Lender, or without providing that such matter is required to be satisfactory or acceptable to the Required Lenders, such term or provision shall be interpreted to refer to the Agent exercising its discretion, it being understood and agreed that the Agent shall be entitled to confirm that any matter is satisfactory or acceptable to the Required Lenders to the extent that it deems such confirmation necessary or desirable.

SECTION 8.16 Force Majeure. The Agent shall not be (i) required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or under any other Loan Document or (ii) responsible or liable for any failure or delay in the performance of its obligations hereunder or under any other Loan Document arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental

authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

ARTICLE IX MISCELLANEOUS

SECTION 9.01 Notices; Public Information.

(a)Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email as follows:

(i)if to the Borrower, to WDB Holding PA, Inc., c/o TerrAscend Corp. at 489 Fifth Avenue, 29th Fl, New York, NY 10017, Attention of Keith Stauffer, Chief Financial Officer (Telephone No. (717) 343-5386; Email: kstauffer@terrascend.com), with a copy to: TerrAscend Corp. at 3610 Mavis Road, PO Box 43125, Mississauga, Ontario L5C 1W2, Attention of Jason Marks, Chief Legal Officer (Telephone No. (609) 937-6390; Email: jmarks@terrascend.com);

(ii)if to the Agent, to Acquiom Agency Services LLC at 150 South Fifth Street, Suite 2600, Minneapolis, MN 55402, Attention of Jennifer Anderson (Telephone No. (612) 509-2321; Email: loanagency@srsacquiom.com), with a copy to: Stroock & Stroock & Lavan LLP at 180 Maiden Lane, New York, NY 10038, Attention of Alex Cota (Telephone No. (212) 806-5531; Email: acota@stroock.com); and

(iii)if to a Lender, to it at its address (or email address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b)Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender’s receipt of an acknowledgement from the intended recipient (such as by the “return receipt requested” function, as available, return e-mail or other

written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c)Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d)Platform.

(i)The Borrower agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii)The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e)Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates (including the Canadian Parent), or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of the Borrower or any of its Affiliates hereunder and under the other Loan Documents (collectively, "Borrower Materials") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its Affiliates or their respective securities for purposes of U.S. federal and other applicable securities Laws and as not containing material information that has not been generally disclosed (within the meaning of Canadian securities Laws) with respect to the Borrower or its Affiliates or their respective securities (provided, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 9.12); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (iv) the Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as

being suitable only for posting on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders.

SECTION 9.02 Waivers; Amendments.

(a)No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b)Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Required Lenders, and acknowledged by the Agent, or by the Borrower and the Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(i)no such amendment, waiver or consent shall:

(A)extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default shall not constitute an extension or increase of any Commitment of any Lender);

(B)reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of the Borrower to pay interest at the Default Rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(C)postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(D)change Section 2.11(b) or Section 2.12 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(E)waive any condition set forth in Section 4.01 without the written consent of each Lender;

(F)change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or

percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, in each case, without the written consent of each Lender, or

(G)require the consent of the Required Lenders if such amendment, waiver or consent is to a provision of either Fee Letter but such amendment, waiver or consent shall require the consent of the Placement Agent (with respect to the Placement Agent Fee Letter) and the Agent (with respect to the Administrative Agency Fee Letter),

(ii)no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of the Agent, unless in writing executed by the Agent, in each case in addition to the Borrower and the Lenders required above, and

(iii)no Lender shall receive an amendment or similar fee as consideration for, or in connection with, such amendment, waiver or consent unless the Borrower shall have sought consent from all Lenders holding outstanding Loans at such time and offered all such Lenders the same fee, provided that the Borrower shall only be obligated to pay such fee to those Lenders that actually consent to such amendment, waiver or consent.

In addition, notwithstanding anything in this Section to the contrary, if the Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Agent within ten Business Days following receipt of notice thereof.

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a)Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Placement Agent (including the reasonable fees, charges and disbursements of counsel for the Placement Agent), in connection with the diligence of the Loan Parties, their Subsidiaries and activities, and the preparation, negotiation, execution, delivery of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), provided, that the Borrower's obligation to make payment pursuant to this clause (i) with respect to expenses incurred prior to the Closing Date shall be subject to any arrangements separately agreed to between the Placement Agent and the Borrower prior to the date hereof, (ii) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (iii) all out-of-pocket expenses incurred by the Agent or any Lender (including the fees, charges and disbursements of any counsel for the Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, (iv) all reasonable and documented out-of-pocket costs and expenses, if any, of the Agent or any lender if an Event of Default has occurred and is continuing, or otherwise in connection with any workout, restructuring, reorganization or debt modification or exchange transaction, any enforcement of, or exercise or protection of rights or remedies

(whether through negotiations, legal proceedings, or otherwise) under, this Agreement and the other Loan Documents (including the fees, charges and disbursements of any counsel for the Agent or any Lender),
(v) any financial or other professional advisors, consultants, and third party service providers retained, appointed or engaged by or on behalf of the Required Lenders, and (vi) any financial or other professional advisors, consultants, and third party service providers retained, appointed or engaged by or on behalf of the Agent.

(b)Indemnification by the Borrower. The Borrower shall indemnify the Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto, or (v) any claim (including, without limitation, any environmental claims), investigation, litigation or other proceeding (whether or not the Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with any Loan, any Loan Document, or any way connected with any Loan, any Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (and in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of such Indemnitee); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower against an Indemnitee for bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of the Borrower and that is brought by an Indemnitee against another Indemnitee (other than against the Placement Agent or the Agent in their capacities as such). Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. No Loan Party shall, without the prior written consent of each Indemnitee affected thereby, settle any threatened or pending claim or action that would give rise to the right of any Indemnitee to claim indemnification hereunder unless such settlement (x) includes a full and unconditional release of all liabilities arising out of such claim or action against such Indemnitee at any time (including future, prospective and unmatured claims or actions), (y) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnitee and (z) does not require any payment to be made, and does not result in any obligation regarding any payment (including any payment of any costs or expenses) to be imposed or require such obligation to be incurred or assumed, and does not require any actions to be taken or refrained from being taken by any Indemnitee other than the execution of the related settlement agreement, if any.

(c)Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clauses (a) or (b) of this Section to be paid by it to the

Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.11(e).

(d)Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e)Payments. All amounts due under this Section shall be payable promptly (and in no event, not later than thirty days) after demand therefor.

(f)Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 9.04 Successors and Assigns.

(a)Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender (and any other attempted assignment or transfer by any party hereto shall be null and void), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (e) of this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i)Minimum Amounts.

(A)in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or

contemporaneous assignments to and/or by related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in clause (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B)in any case not described in clause (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $2,500,000, unless each of the Agent and, so long as no Event of Default has occurred and is continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii)Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii)Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section and, in addition:

(A)the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five Business Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of any Facility; and

(B)the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv)Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v)No Assignment to Certain Persons. No such assignment shall be made to the Borrower, the Canadian Parent or any of the Canadian Parent's Subsidiaries.

Subject to acceptance and recording thereof by the Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the

assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c)Register. The Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and, to the extent the Borrower is disregarded for U.S. federal income tax purposes, the Borrower's regarded owner for U.S. federal income tax purposes), shall maintain at its address referred to in Section 9.01 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and interest owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (but a Lender shall solely be permitted to inspect such portions of the Register that disclose information relating to such Lender's Loans and amounts owning to it, and not to any other Lender), at any reasonable time and from time to time upon reasonable prior notice. The Borrower hereby agrees that the Agent acting as its agent solely for the purpose set forth above in this clause (c), shall not subject the Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower with respect to the Agent acting as its agent solely for the purpose set forth above in this clause (c).

(d)Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 9.03(b) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 9.02(b)(i) through (v) that adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(g) (it being understood that the documentation required under Section 2.14(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.15 as if it were an assignee under clause (b) of this Section; and

(B) shall not be entitled to receive any greater payment under Section 2.13 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's

request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.12 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower (and, to the extent the Borrower is disregarded for U.S. federal income tax purposes, the Borrower's regarded owner for U.S. federal income tax purposes), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register. The Borrower hereby agrees that each Lender acting as its agent solely for the purpose set forth above in this clause (d) shall not subject such Lender to any fiduciary or other implied duties, all of which are hereby waived by the Borrower with respect to such Lender acting as it agent solely for the purpose set forth above in this clause (d).

(e)Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f)Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Agent and such Lender.

(g)Affiliated Lenders. Notwithstanding anything to the contrary contained in this Agreement, the aggregate Outstanding Amount of Loans that are held by Affiliated Lenders at any time may not exceed 25% of the aggregate Outstanding Amount of all Loans.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.13, 9.03, 9.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a)Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(b)Electronic Execution. Delivery of an executed counterpart of a signature page of this Agreement by facsimile, electronic mail (e.g., "pdf" or "tif") or any other electronic means complying with the U.S. federal ESIGN Act of 2000 or the New York State Electronic Signatures and Records Act or other transmission method shall be effective as delivery of a manually executed counterpart of this Agreement and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by Applicable Law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, the other Loan Documents and any document to be signed in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include electronic signatures, deliveries or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each of the parties hereto represents and warrants to the other parties hereto that it has the corporate capacity and authority to execute this Agreement through electronic means and there are no restrictions for doing so in that party's constitutive documents.

SECTION 9.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights

of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09 Governing Law; Jurisdiction; Etc.

(a)Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b)Jurisdiction. The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity, whether in contract or in tort or otherwise, against the Agent, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c)Waiver of Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d)Waiver of Defense of Illegality. The Borrower irrevocably waives any defense based on federal law or that the transactions contemplated by this Agreement are void as against public policy or based on illegality under federal law, including without limitation, Federal Marijuana Laws.

(e)Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO
(A)CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND

(B)ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Treatment of Certain Information; Confidentiality. Each of the Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto;
(e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as (or no less restrictive than) those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder;
(g) with the consent of the Borrower; or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower who did not acquire such information as a result of a breach of this Section. In addition, the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries; provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies the Borrower that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act.

SECTION 9.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or

reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

SECTION 9.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Agent or any Lender, or the Agent or any Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver, interim receiver, receiver and manager, monitor or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 9.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between the Borrower and its Subsidiaries and the Placement Agent, the Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Placement Agent, the Agent, or any Lender has advised or is advising the Borrower or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Placement Agent, the Agent and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Placement Agent, the Agent and the Lenders, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Placement Agent, the Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person; (ii) none of the Placement Agent, the Agent and the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Placement Agent, the Agent and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Placement Agent, the Agent and the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by Law, the Borrower hereby waives and releases any claims that it may have against any of the Placement

Agent, the Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a)In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b)As used in this Section 9.18, the following terms have the following meanings: "BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i)a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

(ii)a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii)a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

SECTION 9.18 Judgment Currency. For the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of any Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Agent or any Lender from any Loan Party in the Agreement Currency, each Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Agent or any Lender in such currency, the Agent or such Lender, as the case may be, agrees to return the amount of any excess to the applicable Loan Party (or to any other Person who may be entitled thereto under applicable law).

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

Schedule 2.01

Commitments and Lenders

Name of Initial Lender	Initial Commitment
Capstone Holdings Inc.	$25,000,000
Millstreet Credit Fund LP	$14,500,000
Mercer QIF Fund PLC - Mercer Investment Fund 1	$7,500,000
Graticule Asia Macro Master Fund Ltd.	$20,000,000
AFC Gamma, Inc.	$10,000,000
DG Value Partners II Master Fund, LP	$5,935,000
DG Value Partners Fund, LP	$1,065,000
DG Value Partners II Master Fund, LP - Class C	$1,800,000
Eisenreich Family Foundation	$150,000
AE 2015 Grantor CLAT	$450,000
2016 Alan Shamah Discretionary Trust	$400,000
The Sam and Helene Wieder Family Trust	$50,000
PPG Hedge Fund Holdings LLC	$150,000
IG Mackenzie Floating Rate Income Fund	$1,750,000
IG Mackenzie Strategic Income Fund	$70,000
IG Mackenzie Canadian High Yield Income Fund	$250,000
iProfile Fixed Income Private Pool	$420,000
Mackenzie Corporate Bond Fund	$260,000
Mackenzie Diversified Alternatives Fund	$175,000
Mackenzie Floating Rate Income ETF	$1,500,000
Mackenzie Floating Rate Income Fund	$1,750,000
Mackenzie Global Credit Opportunities Fund	$100,000
Mackenzie Global High Yield Fixed Income ETF	$90,000
Mackenzie North American Corporate Bond Fund	$450,000
Mackenzie Strategic Income Fund	$720,000
Mackenzie Unconstrained Bond ETF	$540,000
Mackenzie Unconstrained Fixed Income Fund	$1,925,000
VR Global Partners LP	$5,000,000
MYDA Advantage, LP	$4,500,000
J&G Realty, LLC	$3,000,000
Tricia M. Hedberg Revocable Trust u/a July 18, 2006	$2,000,000
Intrepid Income Fund	$1,800,000
Thomas E. Bernard	$1,700,000
Mera I, LLC	$1,000,000
KJH Senior Loan Fund	$1,000,000
Jason Klarreich	$900,000
1000 South Elmora Associates LLC	$700,000
Cedarview Opportunities Master Fund, LP	$500,000
James Dworkin	$300,000
Keith Stauffer	$250,000
Renato Negrin	$250,000
Joel A. Klarreich	$100,000
TOTAL	$120,000,000

Schedule 3.06

Litigation

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

Schedule 3.08

Material Licenses

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

Schedule 5.16

Post-Closing Obligations

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), insurance certificates evidencing the insurance coverage and endorsements required by Section 5.07.

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree) (i) short-form security agreement(s) in form and substance reasonably satisfactory to the Agent, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such short-form security agreement(s)) that such party has signed a counterpart of such short-form security agreement(s)), with respect to the Intellectual Property pledged in favor of the Agent pursuant to the Pledge and Security Agreement on the Closing Date and (ii) recordation of such short-form security agreement(s) with the United States Patent and Trademark Office, or the United States Copyright Office, as applicable.

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), Borrower shall (i) provide evidence that the limited liabity company agreements and limited partnership agreements, as applicable, for each of the following Subsidiaries shall have been amended to opt into Article 8 of the applicable Uniform Commerical Code and (ii) have delivered certificates representing the Equity Interests for each of the following Subsidiaries, accompanied by undated stock transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank.

IHC Management LLC Ilera Healthcare
LLC Ilera Dispensing LLC IHC Real
Estate GP, LLC IHC Real Estate LP
Ilera Security LLC
235 Main Street Mercersburg LLC Ilera InvestCo I, LLC
Ilera Dispensing 2 LLC Ilera Dispensing 3
LLC

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), American Parent shall deliver to the Agent an intercompany note (which such note may, at the American Parent's option, take the form of an intercompany global note) representing intercompany obligations of the Borrower owed to the American Parent, together with an instrument of transfer executed in blank, in each case, reasonably acceptable to the Agent.

Within sixty (60) days of the Closing Date (or such later time as the Agent may agree), the Borrower shall have delivered a counterpart of each party to each Notice of Assignment (as defined in the Pledge and Security Agreement) with respect to each of the leased properties identified on paragraph 2(f) of the Perfection Certificate, signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

Within sixty (60) days of the Closing Date (or such later time as the Agent may agree), a Control Agreement, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Control Agreement) that such party has signed a counterpart of such Control Agreement), with respect to each account pledged in favor of the Agent pursuant to the Pledge and Security Agreement on the Closing Date (which, for the avoidance of doubt, excludes any Excluded Accounts).

Schedule 5.16

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

Within seventy five (75) days of the Closing Date (or such later time as the Agent may agree), the Borrower shall have delivered a mortgage with respect to each Material Real Property owned by the Borrower or any of its Subsidiaries as of the Closing Date, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such mortgage agreement) that such party has signed a counterpart of such mortgage agreement) and evidence reasonably satisfactory to the Agent that all Material Real Property Requirements with respect to such Material Real Property have been completed.

~~278804512 v3~~
~~CAN_DMS: \136738400\21~~

Schedule 6.01

Indebtedness

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

Schedule 6.02

Liens

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

Schedule 6.06

Investments

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

Schedule 6.07

Transactions with Affiliates

278804512 v3

CAN_DMS: \136738400\21

Schedule 6.08

Restrictive Agreements

278804512 v3

CAN_DMS: \136738400\21

EXHIBIT A

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (an "Assignor") and the Assignee identified in item 2 below (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.Assignor: _

2.Assignee: _

[Assignee is an [Affiliate][Approved Fund] of [*identify Lender*]]

3.Borrower: WDB Holding PA, Inc.

4.Agent: Acquiom Agency Services LLC, as the administrative agent under the Credit Agreement

5.Credit Agreement: The Credit Agreement dated as of December 18, 2020 among WDB Holding PA, Inc., the Lenders parties thereto and Acquiom Agency Services LLC, as Administrative Agent,

6.Assigned Interest:

Aggregate	Amount of	Percentage

Amount of Loans for all Lenders[1]	Loans Assigned[8]	Assigned of Loans[2]
$	$	%
$	$	%
$	$	%

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

7.Trade Date:

3

[Page break]

[1] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/ Loans of all Lenders thereunder.
[3] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _, 20 4

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By:_ Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:_ Title:

Consented to and Accepted:

ACQUIOM AGENCY SERVICES LLC,
as Agent

By: _
Title:

Consented to:

WDB HOLDING PA, INC.,
as Borrower

By: _
Title:

[4] To be inserted by the Agent and which shall be the Effective Date of recordation of transfer in the register therefor.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1.Representations and Warranties.

1.1Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 9.04 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (viii) [is an Affiliate of the Borrower][is not an Affiliate of the Borrower]; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2.Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts that have accrued to but excluding the Effective Date and to the Assignee for amounts that have accrued from and after the Effective Date. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3.General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

EXHIBIT B-1
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-2
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

EXHIBIT B-3
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

EXHIBIT B-4
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-4
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

EXHIBIT C-1
[FORM OF]

US SOLVENCY CERTIFICATE

December 18, 2020 Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 4.01(i) of the Credit Agreement.

Solely in my capacity as a Financial Officer of the [Borrower][American Parent] and not individually (and without personal liability), I hereby certify, that as of the date hereof, after giving effect to the Loans made on the Closing Date:

1.The fair value of the property of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities, including contingent liabilities, of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis.

2.The present fair saleable value of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, is not less than the amount that will be required to pay the probable liability of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, on their debts as they become absolute and matured.

3.The [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, do not intend to, and do not believe that they will, incur debts or liabilities beyond the [Borrower][American Parent]'s and its Subsidiaries', on a consolidated basis, ability to pay such debts and liabilities as they mature.

4.The [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the date hereof.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, I have executed this Certificate as of the date first written above.

[_],
as [Borrower][American Parent]

By: _
Name:
Title:

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

EXHIBIT C-2

[FORM OF]

CANADIAN SOLVENCY CERTIFICATE

December 18, 2020

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 4.01(i) of the Credit Agreement.

Solely in my capacity as a Financial Officer of the Canadian Parent and not individually (and without personal liability), I hereby certify, that as of the date hereof, after giving effect to the Loans made on the Closing Date:

1. The property of the Canadian Parent is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due.

2. The Canadian Parent is able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities generally become due.

3. The Canadian Parent and its Subsidiaries, on a consolidated basis, do not intend to, and do not believe that they will, incur debts or liabilities beyond the Canadian Parent's and its Subsidiaries', on a consolidated basis, ability to pay such debts and liabilities as they mature.

4. The Canadian Parent and its Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the date hereof.

5. The Canadian Parent has not ceased paying its current obligations in the ordinary course of business as they generally become due.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, I have executed this Certificate as of the date first written above.

TERRASCEND CORP.,
as Canadian Parent

By: _
Name:
Title:

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

EXHIBIT D

[FORM OF]

COMPLIANCE CERTIFICATE

[●], 20[●]

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 5.02(a) of the Credit Agreement.

The undersigned, [●], hereby certifies, on behalf of myself and on behalf of the TerrAscend Corp. (the "Canadian Parent"), that (i) I am the duly elected [●] of the Canadian Parent, (ii) makes the certification in the first paragraph below as it pertains to the financial statements described in clause (i) thereof and (iii) makes the certifications in paragraphs two through four below.

The undersigned, [●], hereby certifies, on behalf of myself and on behalf of WDB Holdings Pa, Inc. (the "Borrower"), that (i) I am the duly elected [●] of the Borrower, (ii) makes the certification in the first paragraph below as it pertains to the financial statements described in clause (ii) thereof and (iii) makes the certifications in paragraphs two through four below.

1.I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the financial statements attached hereto as Schedule I, consisting of [(i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants, which report and opinion have been prepared in accordance with generally accepted auditing standards to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, Shareholders' Equity and cash flows of the Canadian Parent and its Subsidiaries on a consolidated basis in accordance with IFRS consistently applied and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, in each case, prepared in cooperation by the management of the Borrower and an independent public accountant][(i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such fiscal quarter and for the portion of the Canadian Parent's fiscal year then ended, and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such

fiscal quarter and for the portion of the Borrower's fiscal year then ended],[5] in each case, setting forth in comparative form, as applicable, the figures for the [previous fiscal year][corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year],[6] which present fairly in all material respects the financial condition, results of operations, Shareholders' Equity (with respect to the Canadian Parent only) and cash flows of the Canadian Parent and its Subsidiaries and the Borrower and its Subsidiaries, as applicable, on a consolidated basis in accordance with IFRS or GAAP, as applicable, consistently applied[, subject only to normal year-end audit adjustments and the absence of notes][7].

2.Schedule II attached hereto sets forth the reasonably detailed calculations demonstrating compliance with Section 6.12.

3.Schedule III attached hereto provides supplemental information pertaining to Collateral and property of the Loan Parties as required pursuant to Section 5.15(c).

4.[No Default or Event of Default exists as of the date hereof.][As of the date hereof, there exists a [Default][Event of Default] pertaining to [●]].[8]

[Remainder of page intentionally blank]

[5] Include first set of bracketed language for delivery of annual financial statements and include second set of bracketed language for delivery of quarterly financial statements.
[6] Include first set of bracketed language for delivery of annual financial statements and include second set of bracketed language for delivery of quarterly financial statements.
[7] Include bracketed language only for delivery of quarterly financial statements.

~~278804512 v3~~278808399 v1

CAN_DMS: \136738400\21

The foregoing certifications, together with [the computations set forth in Schedules II hereto and] the financial statements attached hereto as Schedule I and in support hereof, are made and delivered this
_day of _, 20_.

WDB HOLDINGS PA, INC.,
as Borrower

By: _
Name:
Title:

TERRASCEND CORP.,
as Canadian Parent

By: _
Name:
Title:

Schedule I:

FINANCIAL STATEMENTS

[see attached]

~~278804512 v3~~278808399 v1
CAN_DMS: \136738400\21

Schedule II:

FINANCIAL COVENANT CALCULATIONS

[see attached]

Schedule III:

RMATION PERTAINING TO COLLATERAL AND PROPERTY OF THE LOAN PARTIES

Summary report: Litera Compare for Word 11.2.0.54 Document comparison done on 12/15/2022 5:24:04 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://NAACTIVE.COOLEY.COM/NAACTIVE/278823554/1	
Modified DMS: iw://NAACTIVE.COOLEY.COM/NAACTIVE/278823554/6	
Changes:	
Add	76
~~Delete~~	69
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	1
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	146

AMENDMENT NO. 4 TO CREDIT AGREEMENT

AMENDMENT NO. 4 TO CREDIT AGREEMENT, dated March [__], 2023 (this "Fourth Amendment"), is made by and among WDB Holding PA, Inc., a Pennsylvania corporation (the "Borrower"), the Loan Parties party hereto and Acquiom Agency Services LLC, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent").

RECITALS:

WHEREAS, reference is hereby made to the Credit Agreement, dated as of December 18, 2020, as amended by Amendment No. 1 thereto, dated as of April 28, 2022, Amendment No. 2, dated as of November 11, 2022, and Amendment No. 3, dated as of December 15, 2022 (as further amended, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Existing Credit Agreement", and as amended by this Fourth Amendment, the "Amended Credit Agreement"), by and among the Borrower, the Lenders from time to time party thereto, the Administrative Agent and the Collateral Agent (capitalized terms used but not defined herein having the meaning provided in the Amended Credit Agreement);

WHEREAS, the Borrower has requested that the Lenders consent to certain amendments to the Credit Agreement on the terms set forth herein, which amendments are permitted with the consent of the Lenders as required by Section 9.02(b) of the Existing Credit Agreement;

WHEREAS, the Administrative Agent has received consent to the amendments contemplated hereby from such Lenders and, accordingly, on behalf of such Lenders, consents, on the terms and subject to the conditions set forth below, to this Fourth Amendment; and

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties signatory hereto agree as follows:

SECTION 1.Defined Terms. Capitalized terms used in this Fourth Amendment, including in the preamble and the recitals hereto, and not otherwise defined herein, shall have the meanings assigned to such terms in the Amended Credit Agreement.

SECTION 2.Amendments to Existing Credit Agreement. Subject to the satisfaction of the conditions set forth in Section 3 and in reliance upon the representations and warranties of the Loan Parties set forth in Section 6, the Existing Credit Agreement is hereby amended in its entirety to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth on Exhibit A hereto.

SECTION 3.Conditions to Effectiveness. This Fourth Amendment shall not become effective until each of the following conditions precedent have been satisfied (such date referred to herein as the "Fourth Amendment Effective Date"):

(a)*Fourth Amendment*. The Administrative Agent shall have received this Fourth Amendment, duly executed by the Loan Parties.

(b)*Authorization*. All necessary corporate, limited liability, or other company action has been taken by each of the Loan Parties to enter into and perform its obligations under this Fourth Amendment and all other instruments and agreements required to be executed and delivered by any Loan Party hereunder.

(c)*Certificates*. The Administrative Agent shall have received a certificate of a Responsible Officer of each Loan Party (or other person duly authorized by the constituent documents of such Loan Party) dated the Closing Date and certifying that (i) attached thereto is a true and complete copy of the Organizational Documents of such Loan Party as in effect on the Fourth Amendment Effective Date (or certifying that there have been no changes to such Loan party's Organizational Documents since last delivered to the Administrative Agent), (ii) that attached thereto is a true and complete copy of resolutions (or equivalent authorizing actions) duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member), authorizing the execution, delivery and performance of the Fourth Amendment, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Fourth Amendment Effective Date; and (iii) as to the incumbency and specimen signature of each officer or other duly authorized person executing the Fourth Amendment or any other document delivered in connection herewith on behalf of such Loan Party.

(d)*Legal Opinion.* The Administrative Agent shall have received an opinion of Cooley LLP, counsel to the Loan Parties, as it pertains to matters of New York and Delaware law, in form and substance consistent with the opinion of Cooley LLP delivered previously to the Administrative Agent.

(e)*Good Standing Certificates.* The Administrative Agent shall have received a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of the relevant jurisdiction) of each Loan Party as of a recent date from the applicable Governmental Authority (or other similar official or registry).

(f)*Costs and Expenses*. The Borrower shall reimburse the Administrative Agent, the Collateral Agent and the Lenders for all reasonable and documented legal fees and other reasonable out-of-pocket expenses incurred in connection with the amendment to the Credit Agreement described herein.

Upon the occurrence of the Fourth Amendment Effective Date, the Administrative Agent shall provide a notice to the Parent, the Borrower, the Guarantors and the Lenders confirming that the Fourth Amendment Effective Date has occurred.

SECTION 4.Consent Fee. The Borrower agrees to pay to the Administrative Agent, for the account of the Lenders on a pro rata basis, a consent fee (the "Consent Fee") equal to 1.00% of the outstanding principal amount of the Loans existing as of the Fourth Amendment Effective Date.

The Consent Fee shall be payable on the first applicable date that the Loans are prepaid in accordance with Section 2.05(b)(v) of the Amended Credit Agreement.

SECTION 5.Representations and Warranties. The Borrower and each other Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders on the date hereof that:

(a)the execution, delivery and performance of this Fourth Amendment is within its corporate or other organizational powers and has been duly authorized by all necessary corporate or other organizational action of it;

(b)this Fourth Amendment has been duly executed and delivered by it and is a legal, valid and binding obligation of it, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing; and

(c)the representations and warranties of the Borrower contained in Article III of the Credit Agreement are true and correct in all material respects on and as of the date hereof (except in those cases where such representation or warranty expressly relates to an earlier date, in which case such representations and warranties were true and correct in all material respects as of such date).

SECTION 6.Reaffirmation. Each Loan Party consents to the amendment of the Credit Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Fourth Amendment, each Loan Document to which such Loan Party is a party is, and the obligations of such Loan Party contained in the Credit Agreement, this Fourth Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Fourth Amendment. For greater certainty and without limiting the foregoing, each Loan Party hereby reaffirms (i) its grant to the Collateral Agent, for the benefit of the Lenders, of a continuing security interest in and Lien upon the Collateral of such Loan Party, whether now owned or hereafter acquired or arising, and wherever located, all as provided in the Loan Documents, and further acknowledges and agrees that the Loan Documents continue to secure the Obligations, as modified pursuant to this Fourth Amendment, to the same extent as prior to giving effect to this Fourth Amendment, and (ii) its obligations under the Guaranty Agreement shall remain in full force and effect after giving effect to this Fourth Amendment and the obligations under this this Fourth Amendment constitute "Obligations" for the purposes of the Guarantee in accordance with the terms therein.

SECTION 7.Amendment, Modification and Waiver. This Fourth Amendment may not be amended, modified or waived except as permitted by Section 9.02 of the Credit Agreement.

SECTION 8.Entire Agreement. This Fourth Amendment and the other Loan Documents constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. On and after the Fourth Amendment Effective Date, each reference in the Credit Agreement to "this Fourth Amendment", "hereunder," "hereof" or words of like import referring the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement,"

"thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement.

SECTION 9.Governing Law and Waiver of Right to Trial by Jury. THIS FOURTH AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF, OR RELATING TO THIS FOURTH AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. The jurisdiction, waiver of venue, waiver of defense of illegality, service of process and waiver of right to trial by jury provisions in Section 9.09(b) through (e) and Section 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION 10.Severability. To the extent permitted by law, any provision of this Fourth Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 11.Counterparts; Electronic Signature. This Fourth Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Delivery of an executed counterpart of a signature page of this Fourth Amendment by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of an original executed counterpart of this Fourth Amendment.

SECTION 12.Loan Document; No Novation. On and after the Fourth Amendment Effective Date, this Fourth Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents (it being understood that for the avoidance of doubt this Fourth Amendment may be amended or waived solely by the parties hereto as set forth in 7 above). This Fourth Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents.

SECTION 13.Lender Direction. The Administrative Agent is authorized and directed to execute and deliver this Fourth Amendment on the date hereof on behalf of the Lenders required to provide their consent pursuant to Section 9.02(b) of the Existing Credit Agreement.

SECTION 14.No Course of Dealing. This Fourth Amendment shall not establish a course of dealing or be construed as evidence of any willingness on any Lender's part to grant other or future amendments, extensions or modifications, should any be requested.

[*signature pages to follow*]

282637503 v3

IN WITNESS WHEREOF, each of the undersigned has caused this Fourth Amendment to be duly executed by their respective authorized officers as of the day and year first above written.

WDB HOLDING PA, INC., as Borrower

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

TERRASCEND CORP., as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

TERRASCEND USA, INC., as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

IHC MANAGEMENT LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA HEALTHCARE LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA DISPENSING LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

IHC REAL ESTATE GP, LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

IHC REAL ESTATE LP, as a Loan Party

By: IHC Real Estate GP, LLC, its General Partner

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA SECURITY LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

235 MAIN STATE MERCERSBURG LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA INVESTCO I, LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA DISPENSING 2 LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ILERA DISPENSING 3 LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

GUADCO LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

KCR HOLDINGS LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

PA STORE 299 LLC, as a Loan Party

By: /s/ Keith Stauffer
Name: Keith Stauffer
Title: Authorized Signatory

ACQUIOM AGENCY SERVICES LLC, as Administrative Agent and as Collateral Agent

By: /s/ Shon McCraw-Davis
Name: Shon McCraw-Davis
Title: Director

CREDIT AGREEMENT

dated as of December 18, 2020
between
WDB HOLDING PA, INC.,

The LENDERS Party Hereto, and
ACQUIOM AGENCY SERVICES LLC,

as Administrative Agent and Collateral Agent SEAPORT GLOBAL SECURITIES LLC,
as Placement Agent

TABLE OF CONTENTS

Page

SCHEDULES
SCHEDULE 2.01 - Commitments and Lenders SCHEDULE 3.06 - Litigation
SCHEDULE 3.08 - Material Licenses SCHEDULE 5.16 - Post-Closing Obligations
SCHEDULE 6.01 - Indebtedness SCHEDULE 6.02 - Liens
SCHEDULE 6.06 - Investments
SCHEDULE 6.07 - Transactions with Affiliates SCHEDULE 6.08 - Restrictive Agreements

EXHIBITS

EXHIBIT A - Assignment and Assumption
EXHIBIT B-1 - Form of U.S. Tax Compliance Certificate EXHIBIT B-2 - Form of U.S. Tax Compliance Certificate EXHIBIT B-3 - Form of U.S. Tax Compliance Certificate EXHIBIT B-4 - Form of U.S. Tax Compliance Certificate EXHIBIT C-1 - Form of US Solvency Certificate EXHIBIT C-2 - Form of Canadian Solvency Certificate EXHIBIT D - Form of Compliance Certificate

CREDIT AGREEMENT dated as of December 18, 2020 (this "Agreement"), between WDB HOLDING PA, INC., a Delaware corporation (the "Borrower"), the LENDERS party hereto, and ACQUIOM AGENCY SERVICES LLC, as administrative agent (in such capacity, including any successor thereto, the "Administrative Agent") and as collateral agent (in such capacity, including any successor thereto, the "Collateral Agent").

The Borrower has requested that the Lenders extend credit to the Borrower, and the Lenders are willing to do so on the terms and conditions set forth herein. In consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01 Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

"Acquisition" means, as to any Person, the purchase or other acquisition (in one transaction or a series of transactions, including through a merger) of all of the Equity Interests of another Person or all or substantially all of the property, assets or business of another Person or of the assets constituting a business unit, line of business or division of another Person.

"Additional Lender" has the meaning specified in Section 2.16(d).

"Administrative Agency Fee Letter" means that certain letter agreement, dated as of the Closing Date, by and among the Canadian Parent and Acquiom Agency Services LLC, in its capacity as Administrative Agent and Collateral Agent, as amended, amended and restated, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"Administrative Questionnaire" means an administrative questionnaire in a form supplied by the Agent or such form provided by a Lender and otherwise acceptable to the Agent.

"Affiliate" means, with respect to a specified Person, another Person that directly or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Affiliated Lender" means each Lender that is an Affiliate of any Loan Party.

"Agent" means Acquiom Agency Services LLC, in its capacity as Administrative Agent and Collateral Agent, as applicable, under any of the Loan Documents. For the avoidance of doubt, any reference herein or in any other Loan Document to the Administrative Agent (and any provision benefitting, or granting any right or power to, the Administrative Agent) shall, unless the context requires otherwise, be construed as a reference to (and provision benefitting, or granting any right or power to) the Administrative Agent and the Collateral Agent.

"Agent's Office" means the Agent's address and, as appropriate, account as set forth in Section 9.01, or such other address or account as the Agent may from time to time notify to the Borrower and the Lenders.

"Agent Parties" has the meaning specified in Section 9.01(d)(ii).

"Agreement" has the meaning specified in introductory paragraph hereof. "American Parent" means TerrAscend USA, Inc., a Delaware corporation.

"Anti-Corruption Laws" means the U.S. Foreign Corrupt Practices Act of 1977, the UK Bribery Act 2010, the Corruption of Foreign Public Officials Act (Canada), or any other applicable anti-corruption or anti-bribery Laws.

"Anti-Money Laundering Laws" means applicable anti-money laundering Laws. "Applicable Accounting Principles" means, subject to Section 1.03, (i) with respect to the Borrower and its Subsidiaries, GAAP, and (ii) with respect to the Canadian Parent, IFRS.

"Applicable Law" means, as to any Person, all applicable Laws binding upon such Person or to which such a Person is subject.

"Applicable Percentage" means, with respect to any Lender, (a) on or prior to the Closing Date, the percentage of the total Commitments of all Lenders represented by such Lender's Commitments at such time and (b) thereafter, the percentage of the total Outstanding Amount of Loans of all Lenders represented by the aggregate Outstanding Amount of Loans of such Lender at such time.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Assumption" means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 9.04) or Preferred Assignee, as applicable, and accepted by the Agent, in substantially the form of Exhibit A or any other form approved by the Agent.

"Attributable Indebtedness" means, as of any date of determination, (a) in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with Applicable Accounting Principles, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with Applicable Accounting Principles if such lease were accounted for as a capital lease; provided, for avoidance of doubt, that Attributable Indebtedness shall not include any obligations in respect of operating leases (including operating leases recorded as right of use assets, and related lease liabilities in respect of operating leases).

"Basel III" means, collectively, those certain:

(a)agreements on capital requirements, a leverage ratio and liquidity standards contained in "Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems," "Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring" and "Guidance for National Authorities Operating the Countercyclical Capital Buffer," published by the Basel Committee on Banking Supervision in December 2010, each as amended, supplemented or restated;

(b)the rules for global systemically important banks contained in "Global systemically important banks: assessment methodology and the additional loss absorbency

requirement – Rules text" published by the Basel Committee on Banking Supervision in November 2011, as amended, supplemented or restated; and

(c)any further guidance or standards published by the Basel Committee on Banking Supervision relating to "Basel III".

"Beneficial Ownership Certification" means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" means 31 C.F.R. § 1010.230.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Blocked Account" means the commercial deposit account established by the Borrower in respect of which the Agent will have exclusive control for withdrawal purposes pursuant to a Control Agreement.

"Borrower" has the meaning specified in the introductory paragraph.

"Borrower Financial Statements" means the unaudited consolidated financial statements of the Borrower and its Subsidiaries, in form and a substance reasonably acceptable to the Agent and the Lenders, as at and for the nine-month period ended September 30, 2020 furnished to the Agent and the Lenders on December 15, 2020.

"Borrower Materials" has the meaning specified in Section 9.01(e). "Borrowing" means a borrowing consisting of simultaneous Loans.

"Borrowing Request" means a request for a Borrowing, which in each case shall be in such form as the Agent may approve, signed by a Responsible Officer of the Borrower.

"Business Day" means any day that is not a Saturday, Sunday or other day that is a legal holiday under the laws of the State of New York or is a day on which banking institutions in such state are authorized or required by Law to close.

"Canadian Parent" means TerrAscend Corp., an Ontario corporation.

"Canadian Parent Financial Statements" means the annual financial statements of the Canadian Parent for the fiscal years ended December 31, 2019 and December 31, 2018 filed on SEDAR on April 23, 2020.

"Capitalized Lease" means each lease that has been or is required to be, in accordance with Applicable Accounting Principles, recorded as a capital lease or financing lease.

"Cash Equivalents" means:

(a)direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America or Canada (or by any agency thereof to the

extent such obligations are backed by the full faith and credit of the United States of America or Canada), in each case maturing within one year from the date of acquisition thereof;

(b)investments in commercial paper maturing within 270 days from the date of acquisition thereof and having, at such date of acquisition, the highest credit rating obtainable from a Credit Rating Agency;

(c)investments in certificates of deposit, banker's acceptances and time deposits maturing within 180 days from the date of acquisition thereof issued or guaranteed by or placed with, and money market deposit accounts issued or offered by, any domestic office of any commercial bank organized under the laws of the United States of America, Canada or any state, province or territory thereof, as applicable, that has a combined capital and surplus and undivided profits of not less than
$500,000,000;

(d)fully collateralized repurchase agreements with a term of not more than 30 days for securities described in clause (a) above and entered into with a financial institution satisfying the criteria described in clause (c) above; and

(e)money market funds that (i) comply with the criteria set forth in SEC Rule 2a-7 under the Investment Company Act of 1940, (ii) are rated AAA and Aaa (or equivalent rating) by at least two Credit Rating Agencies and (iii) have portfolio assets of at least $5,000,000,000.

"Casualty Event" shall mean any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Borrower or any of its Subsidiaries.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Change of Control" means an event or series of events by which (a) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 –Take-Over Bids and Issuer Bids adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) beneficially owns, directly or indirectly, more than 50% or more of the Equity Interests of the Canadian Parent entitled to vote for members of the board of directors or equivalent governing body of the Canadian Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right),
(b) any person or group of persons, acting jointly or in concert (as such expression is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) acquires the power to direct, or cause the direction of, management, business or policies of the Canadian Parent, whether through the ability to exercise voting power, by contract or otherwise, (c) the American Parent ceases to directly own 100% of the Equity Interests of the Borrower (except pursuant to a transfer of Equity Interests of the

Borrower to another wholly-owned Subsidiary of the Canadian Parent in connection with which all such Equity Interests of the Borrower are pledged to the Agent for the benefit of the Lenders by such acquiring Subsidiary), (d) the Canadian Parent ceases to indirectly own 100% of the Equity Interests of the Borrower, or (e) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) succeed in having a sufficient number of nominees elected to the board of directors of the Canadian Parent that such nominees, when added to any existing director remaining on the board of directors of the Canadian Parent, will constitute a majority of the board of directors of the Canadian Parent.

"Closing Date" means the first date all the conditions precedent in Section 4.01 are satisfied or waived in accordance with Section 9.02.

"Code" means the Internal Revenue Code of 1986, as amended from time to time. "Collateral" means, collectively, the "Collateral" as defined in the Pledge and Security Agreement and the Collateral Assignments.

"Collateral Assignments" means Collateral Assignments (as such Collateral Assignments may be amended, supplemented or otherwise modified from time to time), entered into or to be entered into, as the context requires, by the Loan Parties party thereto in favor of the Agent, assigning each Loan Party's (other than either Parent Guarantor's) rights under the Collateral identified therein.

"Collateral Documents" means the Pledge and Security Agreement, the Collateral Assignments, any mortgages or other documents delivered pursuant to the Material Real Property Requirement, and all security agreements, intellectual property security agreements, control agreements, financing statements (together with any schedules the Agent requests that the Borrower includes to itemize state and common law trademarks included as Collateral), and other instruments and documents required to be delivered by a Loan Party in connection with any of the foregoing or pursuant to Section 5.15.

"Commitments" mean the Initial Commitments and the Incremental Commitments. "Communications" has the meaning specified in Section 9.01(d)(ii).
"Compliance Certificate" has the meaning specified in Section 5.02(a).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"Consolidated EBITDA" means for any period, Consolidated Net Income for such period,

plus,

without duplication and to the extent deducted in determining Consolidated Net Income for such period, the sum of (a) interest expense (including, without limitation, any interest component in respect of lease obligations, right of use assets and any revaluation thereof), (b) provision for taxes based on income and deferred tax obligations, (c) depreciation expense, (d) amortization expense, (e) unusual or non-recurring charges, expenses or losses, provided that amounts pursuant to this clause (e) shall not exceed 15% of Consolidated EBITDA for each quarter (such

15% cap to be calculated prior to giving effect to this clause (e)), and (f) unrealized losses on changes in fair value of biological assets, (g) fair value changes in biological assets included in inventory sold, (h) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period, but including purchase accounting adjustments under ASC 805 under GAAP), (i) impairments, (j) restructuring costs, (k) purchase accounting adjustments, (l) financing transaction costs, (m) share based compensation, (n) revaluation of warrants and derivative liabilities, (o) unrealized loss on investments, (p) expenses and payments that are covered by indemnification, reimbursement, guaranty or purchase price adjustment provisions in any agreement entered into by Borrower or any of its Subsidiaries to the extent such expenses and payments have been reimbursed pursuant to the applicable indemnity, guaranty or acquisition agreement in such period or an earlier period if not added back to Consolidated EBITDA in such earlier period, and (q) transaction integration costs in connection with any Acquisition or other permitted Investment; provided that the aggregate amount of add-backs permitted to be made pursuant to this clause (q) in any two fiscal quarter period shall not exceed $2,000,000,

minus,

without duplication and to the extent included in determining Consolidated Net Income for such period, the sum of (i) unusual or non-recurring gains and non-cash income, (ii) any other noncash income or gains increasing Consolidated Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period), (iii) unrealized gains on changes in fair value of biological assets, and (iv) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis.

For the purpose of calculating Consolidated EBITDA for any period, if during such period the Borrower or any Subsidiary shall have consummated an Acquisition, Consolidated EBITDA for such period shall be calculated after giving pro forma effect thereto as if such Acquisition occurred on the first day of such period.

"Consolidated Interest Coverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated EBITDA for the most recently ended two fiscal quarter period (multiplied by two) to (b) Consolidated Interest Expense for the most recently ended two fiscal quarter period (multiplied by two); provided that, for the period ending ~~March 31~~June 30, 2023 and for any subsequent date of determination, the Consolidated Interest Coverage Ratio shall be calculated giving pro forma effect to the Lodi and Maplewood Transaction as if such transaction occurred on the first day of the period ended on or before the occurrence of such event.

"Consolidated Interest Expense" means annualized total sum of (a) cash interest expense (including that attributable to Capitalized Leases) and (b) any interest component (cash or otherwise) of lease obligations, right of use assets and any revaluation thereof to the extent such interest component is included in clause (a) of the definition of Consolidated EBITDA, net of (c) total cash interest income of the Borrower and its Subsidiaries on a consolidated basis for such period with respect to all outstanding Indebtedness of the Borrower and its Subsidiaries (including all commissions, discounts and other fees

and charges owed with respect to letters of credit and bankers' acceptance financing and net costs under Swap Contracts in respect of interest rates to the extent that such net costs are allocable to such period).

"Consolidated Leverage Ratio" means, as of any date of determination, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the most recently ended two fiscal quarter period (multiplied by two).

"Consolidated Net Income" means, for any period, the consolidated net income (or loss) of the Borrower and its Subsidiaries on a consolidated basis; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of the Borrower or is merged into or consolidated with the Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of the Borrower) in which the Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by the Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of the Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any Contractual Obligation (other than under any Loan Document) or requirement of Law applicable to such Subsidiary.

"Consolidated Total Debt" means, as of any date of determination, the aggregate balance sheet amount of all Indebtedness of the Borrower and its Subsidiaries (or, if higher, the par value or stated face amount of all such Indebtedness (other than zero coupon Indebtedness)) on a consolidated basis as of such date.

"Contractual Obligation" means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. "Controlling" and "Controlled" have meanings analogous thereto.

"Control Agreement" shall mean, with respect to any deposit account or securities account, an agreement, in form and substance reasonably satisfactory to the Agent and the Loan Party maintaining such account, among the Agent, the financial institution or other Person at which such account is maintained and the Loan Party maintaining such account, effective to grant "control" (within the meaning of Articles 8 and 9 under the applicable UCC jurisdiction) over such account to the Agent.

"Controlled Substances Act" means Title 21 of the United States Code, as amended from time to time.

"CRC Approval" means approval by the New Jersey Cannabis Regulatory Commission to the change of ownership of the Lodi Assets and the Maplewood Assets.

"Credit Rating Agency" means a nationally recognized credit rating agency that evaluates the financial condition of issuers of debt instruments and then assigns a rating that reflects its assessment of the issuer's ability to make debt payments.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, arrangement, rearrangement, receivership,

insolvency, reorganization, or similar laws providing debtor relief or otherwise affecting the enforcement of creditors' rights generally, including any proceeding under corporate law or other law whereby a corporation seeks a stay or a compromise of the claims of its creditors against it, of the United States, Canada, or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

"Default Rate" means an interest rate (before as well as after judgment) equal to (a) with respect to overdue principal, the applicable interest rate plus 2.00% per annum and (b) with respect to any other overdue amount (including fees and overdue interest), the interest rate applicable to Loans plus 2.00% per annum.

"Disposition" or "Dispose" means the sale, transfer, license, lease or other disposition of any property by any Person (including any sale and leaseback transaction and any issuance of Equity Interests by a Subsidiary of such Person), including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

"Disqualified Equity Interest" means any Equity Interest that, by its terms (or the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (a) matures or is mandatorily redeemable (other than solely for Equity Interests that are not Disqualified Equity Interests), pursuant to a sinking fund obligation or otherwise (except as a result of a change of control (including a Change of Control) or asset sale so long as any rights of the holders thereof upon the occurrence of a change of control (including a Change of Control) or asset sale event shall be subject to the prior repayment in full of the Loans and all other Obligations that are accrued and payable and the termination of the Commitments), (b) is redeemable at the option of the holder thereof, in whole or in part, (c) provides for scheduled payments of dividends in cash, or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is ninety-one days after the Maturity Date; provided that if such Equity Interests are issued pursuant to a plan for the benefit of employees of the Borrower or any Subsidiary or by any such plan to such employees, such Equity Interests shall not constitute Disqualified Equity Interests solely because they may be required to be repurchased by the Borrower or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations or as a result of such employee's termination, death or disability.

"Dollar" and "$" mean lawful money of the United States.

"Earn-Out" shall mean, with respect to an acquisition of any assets or property by the Borrower or any of its Subsidiaries constituting an acquisition of all or substantially all of the assets of, or any business line, unit or division of, any Person or any facility, or of a majority of the outstanding Equity Interests of any Person, that portion of the purchase consideration therefor and that portion of all other payments and liabilities (whether payable in cash or by exchange of Equity Interests or of any property or otherwise), directly or indirectly, payable by any Loan Party in exchange for, or as part of, or in connection with, such acquisition that is deferred for payment to a future time after the consummation of such acquisition, and includes any and all payments representing the purchase price and any assumptions of Indebtedness, and other agreements to make any payment the amount of which is, or the terms of payment of which are, in any respect subject to or contingent upon the revenues, income, cash flow or profits (or the like) of any person or business but excluding any working capital or purchase price adjustments.

"Eligible Assignee" means any Person that meets the requirements to be an assignee under Section 9.04(b)(iii), (v) and (vi) (subject to such consents, if any, as may be required under Section 9.04(b)(iii)).

"Environmental Laws" means any and all federal, state, provincial, territorial, local, and foreign statutes, Laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions, including all common law, relating to pollution or the protection of health, safety or the environment, natural resources, or the release of any materials into the environment, including those related to Hazardous Materials, air emissions, discharges to waste or public systems and health and safety matters.

"Environmental Liability" means any liability or obligation, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), directly or indirectly, resulting from or based upon (a) actual or alleged violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment, disposal or permitting or arranging for the disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement or operation of law pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"Equity Interests" means, as to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, and the rules and regulations promulgated thereunder.

"ERISA Affiliate" means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code or Section 302 of ERISA).

"ERISA Event" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by the Borrower or any ERISA Affiliate to satisfy the minimum funding standards (within the meaning of Sections 412 or 430 of the Code or Section 302 of ERISA) applicable to such Pension Plan, whether or not waived; (c) the incurrence by the Borrower or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is "insolvent" (within the meaning of Section 4245 of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan;
(g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is, or is expected to be, in "at-risk" status (within the meaning of Section 430 of the Code or

Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; (j) the engagement by the Borrower or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon the Borrower pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

"Event of Default" has the meaning specified in Article VII.

"Excluded Accounts" means the following deposit accounts: (a) accounts holding solely cash collateral for a third party that constitutes a Lien permitted under Section 6.02 hereof, and
(b) accounts with amounts on deposit (in cash or Cash equivalents) that do not exceed an average daily balance of $300,000 individually and $500,000 for all such accounts in the aggregate at any one time. For the avoidance of doubt, the Blocked Account shall not be considered an Excluded Account.

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case,
(i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender,
U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by the Borrower under Section 2.15(b)) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.14, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 2.14(g), (d) Taxes that would not have been imposed but for such Recipient (i) not dealing at "arm's length" (for purposes of the ITA) with a Loan Party, or (ii) being a "specified shareholder" (as defined in subsection 18(5) of the ITA) of a Loan Party or not dealing at arm's length with any such specified shareholder, except where the non-arm's length relationship arises or where the Recipient is (or is deemed to be) a specified shareholder of any Loan Party or does not deal at arm's length with a specified shareholder of any Loan Party, solely on account of the Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or enforced this Agreement or any other Loan Document,
(e) any withholding Taxes imposed under FATCA and (f) Other Connection Taxes.

"Existing Maturity Date" has the meaning specified in Section 2.16(a). "Extending Lender" has the meaning specified in Section 2.16(b). "Facility" means the Initial Facility and each Incremental Facility.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory

legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"Federal Funds Effective Rate" means, for any day, the greater of (a) the rate calculated by the Federal Reserve Bank of New York based on such day's Federal funds transactions by depositary institutions (as determined in such manner as the Federal Reserve Bank of New York shall set forth on its public website from time to time) and published on the next succeeding Business Day by the Federal Reserve Bank of New York as the Federal funds effective rate and (b) 0%.

"Federal Marijuana Law" means any U.S. federal laws, civil, criminal or otherwise, that are directly or indirectly related to the cultivation, harvesting, production, marketing, labeling, warning, instructing about, distribution, sale and possession of cannabis, Marijuana or related substances or products containing cannabis, Marijuana or related substances, including the prohibition on drug trafficking under the Controlled Substances Act (21 U.S.C. § 801, et seq.), the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957 and 1960.

"Federal Reserve Board" means the Board of Governors of the Federal Reserve System of the United States.

"Fee Letters" means the Administrative Agency Fee Letter and the Placement Agent Fee Letter.

"Financial Covenants" means those financial covenants set forth in Section 6.12.

"Financial Officer" means, as to any Person, the chief financial officer, principal accounting officer, treasurer or controller of such Person.

"Foreign Lender" means any Lender or Agent that is not a "U.S. Person".

"Foreign Plan" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by the Borrower or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

"Fourth Amendment Effective Date" has the meaning specified in the Amendment No.4 to the Credit Agreement dated March 15, 2023 among the Borrower, the Loan Parties party thereto and the Agent.

"Fulton Property" means the real property located at 3786 N. Hess Road, Waterfall, Fulton County, PA 16689.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans, bonds and similar extensions of credit in the ordinary course of its activities.

"GAAP" means, subject to Section 1.03, United States generally accepted accounting principles as in effect as of the date of determination thereof.

"Governmental Authority" means the government of the United States of America, the government of Canada, including Health Canada, or any other nation, or of any political subdivision

thereof, whether state, provincial, territorial or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantee" means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the "primary obligor") in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part) or (b) any Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien); provided that the term "Guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term "Guarantee" as a verb has a corresponding meaning.

"Guarantor" means each Parent Guarantor, each Subsidiary Guarantor and each other Person that guarantees all or any part of the Obligations.

"Guaranty Agreement" means a Guaranty Agreement, in form and substance reasonably satisfactory to the Agent, dated as of the date hereof, made by each Subsidiary of the Borrower and each of the Parent Guarantors in favor of the Agent for the benefit of the Lenders, guaranteeing the Obligations, as such Guaranty Agreement may be amended, supplemented or modified from time to time.

"Hazardous Materials" means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes, and other substances, materials, or wastes of any nature capable of causing harm to human health or the environment, or which are regulated under or with respect to which liability or standards of conduct are imposed pursuant to any Environmental Law.

"ICR Period" means, commencing with the fiscal quarter ending on ~~March 31~~June 30, 2023, any period during which the Consolidated Interest Coverage Ratio has declined below 2.00:1.00 as demonstrated by the Compliance Certificate delivered together with financial statements pursuant to Sections 5.01(a) and (b). An ICR Period shall end (i) upon the Consolidated Interest Coverage Ratio being greater than or equal to 2.00:1.00 as of the last day for each of two (2) consecutive fiscal quarters as demonstrated by the Compliance Certificate delivered together with the financial statements pursuant to Section 5.02(a), or (ii) upon the prepayment of outstanding Loans on a pro rata basis by Borrower causing the Consolidated Interest Coverage Ratio as of the last day of each two (2) consecutive fiscal quarters, calculated on a pro forma basis for each such fiscal quarter after giving effect to such prepayment, to be greater than or equal to 2.00:1.00. For the avoidance of doubt, the Borrower may elect

to apply the funds on deposit in the Blocked Account (and the Agent shall authorize the release the funds from the Blocked Account for such purpose) to prepay outstanding Loans in accordance with the foregoing.

"ICR Required Payment Amount" means the difference between (a) the Consolidated EBITDA that would be required to cause the Consolidated Interest Coverage Ratio to equal 2.00:1.00 and (b) the actual Consolidated EBITDA, in each case as of the last day of the fiscal quarter ending immediately prior to the commencement of the ICR Period or the immediately preceding fiscal quarter during the ICR Period, as applicable.

"IFRS" means international accounting standards within the meaning of IAS Regulation 1606/2002 to the extent applicable to the relevant financial statements.

"Incremental Commitment" has the meaning specified in Section 2.17(a).

"Incremental Commitment Effective Date" has the meaning specified in Section 2.17(c).

"Incremental Facility" means the Incremental Commitments and all Borrowings thereunder.

"Incremental Lender" has the meaning specified in Section 2.17(b).

"Indebtedness" means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with Applicable Accounting Principles:

(a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b) all direct or contingent obligations of such Person (i) arising under letters of credit (including standby and commercial) securing financing accommodation, bankers' acceptances and bank guaranties, (ii) arising under surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person and (iii) in connection with any Earn-Out including, without limitations, the Buyer's obligations to pay the Final Payment (as defined in the Purchase Agreement) but only to the extent that the amount of such Earn-Out is a definitive and binding obligation and is no longer contingent;

(c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(f) all Attributable Indebtedness;

(g) all obligations of such Person in respect of Disqualified Equity Interests; and

(h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any Indebtedness of any Person for purposes of clause (e) that is expressly made non-recourse or limited-recourse (limited solely to the assets securing such Indebtedness) to such Person shall be deemed to be equal to the lesser of (i) the aggregate principal amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Indemnitee" has the meaning specified in Section 9.03(b). "Information" has the meaning specified in Section 9.12.

"Initial Commitment" means with respect to each Lender, the commitment of such Lender to make a Loan on the Closing Date in the amount of such Lender's Initial Commitment set forth on Schedule 2.01, as such commitment shall be terminated pursuant to Section 2.06.

"Initial Facility" means the Initial Commitments and all Borrowings thereunder. "Initial Lender" means each Person listed on Schedule 2.01.

"Initial Loan" means a loan made by an Initial Lender to the Borrower pursuant to Section 2.01 of this Agreement.

"Intellectual Property" means any trademarks, service marks, and any other identifiers of source or origin, trade names, domain names, copyrights, patents, industrial designs, trade secrets, know-how and all other intellectual property rights and similar or equivalent rights anywhere in the world.

"Interest Payment Date" means the last Business Day of each March, June, September and December and the Maturity Date, commencing with March 31, 2021.

"Investment" means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor incurs Indebtedness of the type referred to in clause (h) of the definition of "Indebtedness" in respect of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment but giving

effect to any returns or distributions of capital or repayment of principal actually received in case by such Person with respect thereto.

"IRS" means the United States Internal Revenue Service.

"Joinder Agreement" means a joinder or similar agreement entered into by any Person (including any Lender) under Section 2.17 pursuant to which such Person shall provide an Incremental Commitment hereunder and (if such Person is not then a Lender) shall become a Lender party hereto.

"Laws" means, collectively, all international, foreign, federal, state, provincial, territorial and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

"Legalized Marijuana State" means any U.S. state, territory, or locality whose Requirements of Law permit or authorize any form of Marijuana Activities.

"Lenders" means the Initial Lender and any other Person that shall have become party hereto pursuant to an Assignment and Assumption or a Joinder Agreement, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption.

"Lien" means any mortgage, pledge, hypothecation, collateral assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

"Liquidity" means, as of any date of determination, the sum of (a) the amount of cash and Cash Equivalents of the Borrower and the Subsidiaries that is held in a deposit account or a securities account, as applicable, pledged in favor of the Agent pursuant to the Pledge and Security Agreement and, with effect from the date a Control Agreement in respect of such account is required to be delivered pursuant to this Agreement, subject to a Control Agreement, (b) up to $2,500,000 of cash that is, as of such date, held on-site or in transit from a dispensary location of the Borrower or one of its Subsidiaries to a bank to be deposited in a deposit account that is, with effect from the date a Control Agreement in respect of such account is required to be delivered pursuant to this Agreement, subject to a Control Agreement, so long as such cash is being held and/or transited in the ordinary course and consistent with past practices of the Borrower and its Subsidiaries and is expected to be deposited in such account within no more than five (5) Business Days and (c) any commitments for loans which constitute Indebtedness permitted under this Agreement and are available to be drawn by the Borrower or any of its the Subsidiaries, it being understood that such amount shall exclude any cash or Cash Equivalents identified on a balance sheet as "restricted" (other than cash restricted in favor of the Agent and the Lenders).

"Loan" means an Initial Loan and any loan under an Incremental Facility made pursuant to Section 2.17.

"Loan Documents" means, collectively, this Agreement, the Guaranty Agreement, the Pledge and Security Agreement, any Joinder Agreement, the Collateral Assignments, any promissory

notes issued pursuant to Section 2.10(b), the Fee Letters, the Perfection Certificate, and any other agreements, instruments, certificates, reports or other documents entered into in connection herewith.

"Loan Party" means Borrower and each Guarantor.

"Lodi Assets" means the assets comprising the alternative treatment center located at 200 Route 17 South, Lodi, NJ 07644, which provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non-cannabis products to individuals over the age of 21 and medical marijuana patients in the state of New Jersey.

"Lodi and Maplewood Transaction" means the series of transactions in which TerrAscend NJ LLC, a New Jersey corporation contributes its interest in the Lodi Assets and the Maplewood Assets to Newco.

"Make-Whole Amount" means as of the date of the applicable prepayment, an amount equal to the excess of (i) the present value at the prepayment date, refinancing date or acceleration date of (1) the principal amount of such Loans on the No Call Expiration Date, *plus* (2) all required remaining scheduled interest payments due on such Loans from such prepayment date, refinancing date or acceleration date through the No Call Expiration Date, assuming that the rate of interest will be equal to the rate of interest in effect on the date of notice of prepayment, refinancing or acceleration, other than accrued but unpaid interest to such prepayment, refinancing or acceleration date, computed using a discount rate equal to the Treasury Rate plus 50 basis points per annum discounted on a semi-annual bond equivalent basis, *plus* (3) the Prepayment Premium payable as if such prepayment, refinancing or acceleration occurred on the day immediately following the No Call Expiration Date, over (ii) the outstanding principal amount of such Loan as at the applicable date.

"Maplewood Assets" means the assets comprising the alternative treatment center located at 1865 Springfield Ave, Maplewood, NJ 07040, which provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non-cannabis products to individuals over the age of 21 and medical marijuana patients in the state of New Jersey.

"Margin Stock" means margin stock within the meaning of Regulations T, U and X. "Marijuana" means "marihuana" as defined in the Controlled Substances Act, its consituents and any compound, mixture, preparation, substance or product derived therefrom.

"Marijuana Activities" means those activities that include, but are not limited to, (a) the acquisition, cultivation, manufacture, extraction, testing, inspection, possession, sale (at retail or wholesale), dispensing, donation, distribution, transportation, packaging, labeling, warning, instructing about, monitoring, reporting or disposing of Marijuana and (b) activities by which a Person receives, holds, transfers (in exchange for any form of value, by gift or otherwise), deposits or distributes monetary proceeds from the sale of Marijuana.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect on, the operations, business, properties, liabilities (actual or contingent) or condition (financial or otherwise) of the Borrower and its Subsidiaries taken as a whole; or (b) a material adverse effect on (i) the ability of the Borrower or either of the Parent Guarantors to perform its Obligations, (ii) the legality, validity, binding effect or enforceability against any Loan Party of any Loan Document to which it is a party, (iii) the rights, remedies and benefits available to, or conferred upon, the Agent or any Lender

under any Loan Documents or (iv) the validity, perfection or priority of a Lien in favor of Agent for the benefit of the Lenders on a material portion of the Collateral.

"Material License" means any license, permit, approval, entitlement, consent, agreement or similar permission from a Governmental Authority that is required for Borrower or any of its Subsidiaries to conduct Marijuana Activities (for which it is actually conducting such Marijuana Activities) in a specific state, territory, geographic region, and/or local jurisdiction. For purposes of this definition only, neither the U.S. Federal government nor any agency thereof shall constitute a Governmental Authority.

"Material Real Property" means any parcel or related parcels of real property with a fair market value in excess of $2,500,000; provided that, notwithstanding the foregoing or anything to the contrary in the Loan Documents, the Fulton Property shall not be considered "Material Real Property" for the purposes of the Loan Documents or any other purpose.

"Material Real Property Requirement" means, with respect to any Material Real Property owned by the Borrower or any of its Subsidiaries, the requirement that (a) the Borrower or applicable Subsidiary Guarantor execute and deliver to the Agent a mortgage in form and substance reasonably acceptable to the Agent, (b) the Borrower or the applicable Subsidiary Guarantor deliver a mortgagee title policy (or binding pro forma therefor) covering Agent's interest under the applicable mortgage, in form and amount and by a title insurer reasonably acceptable to the Agent, and such title policy shall include endorsements as reasonably requested by Agent and to be fully paid and subject to no other conditions on such effective date, (c) such assignments of leases, estoppel letters, attornment agreements, consents, waivers and releases as Agent may reasonably require with respect to other Persons having an interest in the such Material Real Property, (d) unless Agent otherwise agrees, either (i) a current, as-built survey of the Material Real Property, meeting the 2016 minimum standard detail requirements for ALTA/ACSM land title surveys, including, but not limited to, (w) a metes-and-bounds property description, (x) a flood plain certification, (y) certification by a licensed surveyor reasonably acceptable to Agent and (z) any other optional table A items as reasonably requested by Agent or (ii) existing surveys with respect to a particular piece of Material Real Property that are in the possession of the Borrower or the applicable Subsidiary accompanied by a no-change survey affidavit, or similar document, in form and substance sufficient for a title insurer to issue any applicable survey related endorsement coverage as reasonably requested by Agent; and (e) flood zone determinations and, if the Material Real Property is within a special flood hazard area, an acknowledged borrower notice, and flood insurance in compliance (including as to amount) with all applicable flood insurance Laws and in a commercially reasonable amount, with endorsements and by an insurer reasonably acceptable to Agent.

"Maturity Date" means December 18, 2024 subject to extension in accordance with Section 2.16 (except that, if such date is not a Business Day, the Maturity Date shall be the next preceding Business Day).

"Maximum Rate" has the meaning specified in Section 9.14.

"Mississauga Disposal" shall mean the Disposition by the Canadian Parent of the building located at 3610 Mavis Road, Mississauga, Ontario, Canada.

"Mississauga Property" means the building located at 3610 Mavis Road, Mississauga, Ontario, Canada.

"Multiemployer Plan" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to

make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

"Multiple Employer Plan" means a Plan with respect to which the Borrower or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

"Net Cash Proceeds" shall mean with respect to any Disposition or Casualty Event, the proceeds consisting of cash and Cash Equivalents, net of (i) selling expenses (including reasonable broker's fees or commissions, legal fees, transfer and similar taxes and the Borrower's good faith estimate of income taxes paid or payable in connection with such sale), (ii) amounts provided as a reserve, in accordance with Applicable Accounting Principles, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposition (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Cash Proceeds); provided that that any non-cash consideration received in connection with any transaction, which is subsequently converted to cash or Cash Equivalents, shall become Net Cash Proceeds only at such time as it is so converted; provided further that if (x) subject to no Event of Default having occurred and be continuing, the Borrower notifies the Agent within ten Business Days of receiving such Net Cash Proceeds that it intends to reinvest such proceeds in assets of a kind used or usable in the business of the Borrower and its Subsidiaries reinvests such proceeds in assets of a kind used or usable in the business of the Borrower and its Subsidiaries and (y) either (I) the Borrower consummates any such reinvestment within 180 days of receipt of such proceeds or (II) if the Borrower or applicable Subsidiary enters into a contractual obligation to reinvest such Net Cash Proceeds within 180 days following receipt thereof, within 365 days following receipt thereof, such proceeds shall not constitute Net Cash Proceeds except to the extent not so used at the end of such 180-day period (or 365 day period, if applicable), at which time such proceeds shall be deemed to be Net Cash Proceeds.

"Net Sale Proceeds" shall mean, with respect to the Mississauga Disposal, the proceeds consisting of cash and Cash Equivalents, net of (i) selling expenses (including reasonable broker's fees or commissions, legal fees, transfer and similar taxes and the Canadian Parent's good faith estimate of income taxes paid or payable in connection with such sale), (ii) amounts provided as a reserve, in accordance with Applicable Accounting Principles, against any liabilities under any indemnification obligations or purchase price adjustment associated with such Disposal (provided that, to the extent and at the time any such amounts are released from such reserve, such amounts shall constitute Net Sale Proceeds); provided that that any non-cash consideration received in connection with any transaction, which is subsequently converted to cash or Cash Equivalents, shall become Net Sale Proceeds only at such time as it is so converted, and (iii) any amount required to repay and satisfy in full any indebtedness or other obligations secured by the Mississauga Property.

"Newco" means ~~a newly formed~~APOTHECARIUM DISPENSING LLC, a New Jersey limited liability company, a Subsidiary of the Borrower formed for the purposes of owning the Lodi Assets and the Maplewood Assets.

"No Call Expiration Date" means the date that is the 30 month anniversary of the Closing Date.

"Non-Extending Lender" has the meaning specified in Section 2.16(b). "Notice Date" has the meaning specified in Section 2.16(b).

"Obligations" means all advances to, and debts, liabilities, obligations, covenants and duties of, the Borrower arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against the Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the foregoing, the Obligations include (a) the obligation to pay principal, interest, charges, expenses, fees, indemnities and other amounts payable by the Borrower under any Loan Document and (b) the obligation of the Borrower to reimburse any amount in respect of any of the foregoing that the Agent or any Lender, in each case in its sole discretion, may elect to pay or advance on behalf of the Borrower.

"OFAC" has the meaning specified in Section 3.16(a). "OID" has the meaning specified in Section 2.09(c).

"Organizational Documents" means (a) as to any corporation or unlimited liability company, the charter or certificate or articles of incorporation or amalgamation, as applicable, and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction),
(b) as to any limited liability company, the certificate or articles of formation or organization and operating or limited liability agreement and (c) as to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.15(b)).

"Outstanding Amount" means, with respect to Loans on any date, the aggregate outstanding principal amount thereof after giving effect to any borrowings and prepayments or repayments of Loans occurring on such date.

"Parent Guarantors" means each of the Canadian Parent and the American Parent. "Participant" has the meaning specified in Section 9.04(d).

"Participant Register" has the meaning specified in Section 9.04(d).

"PATRIOT Act" means the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)).

"PBGC" means the Pension Benefit Guaranty Corporation.

"Pension Plan" means any employee pension benefit plan within the meaning of Section 3(2) of ERISA (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is subject to the provisions Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code or Section 302 of ERISA and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4062 or Section 4069 of ERISA be deemed to be) an "employer" as defined in Section 3(5) of ERISA.

"Perfection Certificate" means a certificate, dated as of the date hereof, regarding the property and assets owned by the Loan Parties, in form and substance reasonably acceptable to the Agent, as such certificate may be supplemented from time to time pursuant to the terms of this Agreement and the Pledge and Security Agreement.

"Permitted Acquisition" means the purchase or other acquisition of all or substantially all of the business, a line of business or a business unit (whether by the acquisition of Equity Interests, assets or any combination thereof) of any Person that, upon the consummation thereof, will be a Wholly-Owned Subsidiary (including, without limitation, as a result of a merger, amalgamation or consolidation) and the purchase or other acquisition by the Borrower or any Subsidiary of all or substantially all of the property and assets of any Person (including any Investment which serves to increase the Borrower's or its Subsidiary's respective equity ownership in any Subsidiary); provided that, with respect to each purchase or other acquisition made pursuant to SECTION 6.06(g), such purchase or other acquisition shall be approved by the target's Board of Directors; and provided, further that:

(a)the Borrower and its Subsidiaries and any such newly created or acquired Subsidiary shall comply with any applicable requirements of SECTION 5.15;

(b)immediately before and after giving before and after giving effect to such purchase or other acquisition, no Event of Default shall have occurred and be continuing; and

(c)with respect to any transaction involving total consideration of more than $10,000,000, the Borrower shall have provided the Agent (for distribution to the Lenders) at least five Business Days prior to the date of consummation of such transaction (i) a reasonably detailed description of all material information relating thereto and copies of all material documentation (or substantially final drafts of) pertaining to such transaction and (ii) to the extent provided to the Borrower or any of its Subsidiaries in connection with such Permitted Acquisition, available financial statements of the target prepared within the previous twelve (12) month period.

"Permitted Sale and Leaseback Transaction" means the sale by the Borrower of the Fulton Property to a bona fide third party purchaser and thereafter the lease of the Fulton Property by the Borrower or a Subsidiary thereof from such purchaser for use for substantially the same purpose or purposes as the Borrower was using the real property for at the time of the sale.

"Person" means any natural person, corporation, limited liability company, unlimited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

"Placement Agent" means Seaport Global Securities LLC.

"Placement Agent Fee Letter" means the letter agreement, dated October 8, 2020, between the Canadian Parent and the Placement Agent.

"Plan" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of the Borrower or any Subsidiary, or any such plan to which the Borrower or any Subsidiary is required to contribute on behalf of any of its employees or with respect to which the Borrower has any liability.

"Platform" means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

"Pledge and Security Agreement" means a Pledge and Security Agreement, in form and substance reasonably satisfactory to the Agent, dated as of the date hereof, made by, the Borrower, each Subsidiary of the Borrower and the American Parent in favor of the Agent for the benefit of the Lenders securing the Obligations, as such Pledge and Security Agreement may be amended, supplemented or modified from time to time.

"Pledged Collateral" has the meaning specified in the Pledge and Security Agreement. "Preferred Assignee" means any Person that is designated by the Borrower in writing and meets the requirements to be an assignee under Section 9.04(b)(v)(A) and (vi).

"Prepayment Notice" means a notice by the Borrower to prepay Loans, which shall be in such form as the Agent may approve.

"Prepayment Premium" has the meaning specified in Section 2.05(d)(i)(B).

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Public Lender" has the meaning specified in Section 9.01(e).

"Purchase Agreement" means that certain Securities Purchase and Exchange Agreement, dated as of August 1, 2019 as amended as of December 27, 2019 and September , 2020 (as further amended, supplemented, restated or otherwise modified from time to time), by and among (i) the Canadian Parent, (ii) the Borrower, as buyer, (iii) Ilera Holdings LLC, Mera I LLC and Mera II LLC, as sellers (the "Sellers"), and (iv) Osagie Imasogie, as sellers' agent (the "Sellers' Agent").

"Purchase Money Obligation" shall mean, for any person, the obligations of such person in respect of Indebtedness incurred for the purpose of financing all or any part of the purchase price of any fixed or capital assets or the cost of installation, construction or improvement of any fixed or capital assets and any refinancing thereof, *provided, however,* that such Indebtedness is incurred within one hundred eighty (180) days after the acquisition, installation, construction, repair, replacement, exchange or improvement of such fixed or capital assets by such person.

"Recipient" means (a) the Agent or (b) any Lender, as applicable. "Register" has the meaning specified in Section 9.04(c).

"Regulation D" means Regulation D of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation T" means Regulation T of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation U" means Regulation U of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Regulation X" means Regulation X of the Federal Reserve Board, as in effect from time to time and all official rulings and interpretations thereunder or thereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Reportable Event" means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

"Required Lenders" means, at any time, Lenders having Loans representing more than 50% of the aggregate Outstanding Amount of Loans of all Lenders at such time; provided that, notwithstanding anything to the contrary contained in this Agreement, the aggregate Outstanding Amount of Loans held by Lenders that are Affiliated Lenders shall be excluded for purposes of making a determination of Required Lenders.

"Requirements of Law" means all Laws (including Environmental Laws), excluding (a) Federal Marijuana Law to the extent its then effective provisions forbid or restrict the conduct of Marijuana Activities and (b) any other U.S. federal law which by extension would be violated solely because a Marijuana Activity violates the then effective provisions of any Federal Marijuana Law.

"Resignation Effective Date" has the meaning specified in Section 8.06(a). "Responsible Officer" means (a) the chief executive officer, president, executive vice president or a Financial Officer of the Borrower, (b) solely for purposes of the delivery of incumbency certificates and certified Organizational Documents and resolutions pursuant to Section 4.01, any vice president, secretary or assistant secretary of the Borrower and (c) solely for purposes of Borrowing Requests, prepayment notices and notices for Commitment terminations or reductions given pursuant to Article II, any other officer or employee of the Borrower so designated from time to time by one of the officers described in clause (a) in a notice to the Agent (together with evidence of the authority and capacity of each such Person to so act in form and substance satisfactory to the Agent). Any document delivered hereunder that is signed by a Responsible Officer of the Borrower shall be conclusively presumed to have been authorized by all necessary corporate, partnership or other action on the part of the Borrower and such Responsible Officer shall be conclusively presumed to have acted on behalf of the Borrower.

"Restricted Payment" means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interest of any Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Equity Interest, or

on account of any return of capital to such Person's shareholders, partners or members (or the equivalent Persons thereof).

"Sanctions" has the meaning specified in Section 3.16(a).

"SEC" means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"SEDAR" means the System for Electronic Document Analysis and Retrieval (SEDAR) administered by the Canadian Securities Administrators and available at www.sedar.com.

"Sellers" has the meaning specified in the definition of "Purchase Agreement". "Sellers' Agent" has the meaning specified in the definition of "Purchase Agreement". "Shareholders' Equity" means, as of any date of determination, consolidated shareholders' equity of the Borrower and its Subsidiaries as of such date determined in accordance with Applicable Accounting Principles.

"Solvency Certificates" has the meaning specified in Section 4.01(i).

"Solvent" means, as to any Person as of any date of determination, that on such date (a) the fair value of the property of such Person is greater than the total amount of liabilities, including contingent liabilities, of such Person, (b) the present fair saleable value of such Person is not less than the amount that will be required to pay the probable liability of such Person on its debts as they become absolute and matured, (c) such Person does not intend to, and does not believe that it will, incur debts or liabilities beyond such Person's ability to pay such debts and liabilities as they mature and (d) such Person is not engaged in a business or a transaction, and is not about to engage in a business or a transaction, for which such Person's property would constitute an unreasonably small capital. In the case of the Canadian Parent, "Solvent" means as of any date of determination, that on such date: (i) its property is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due; (ii) it will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities generally become due; and (iii) it has not ceased paying its current obligations in the ordinary course of business as they generally become due. The amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

"Specified Distributions" means dividends, returns of capital or other distributions, in cash, by the Borrower using all or a portion of the proceeds of the Loans that are in excess of the first $100,000,000 of the Loans, *provided* that such dividends, returns of capital or other distribution shall not exceed $15,000,000 in the aggregate.

"Subsidiary" of a Person means a corporation, partnership, limited liability company, unlimited liability company, association or joint venture or other business entity of which a majority of the Equity Interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time owned or the management of which is controlled, directly, or indirectly through one or more intermediaries, by such Person. Unless otherwise specified, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of the Borrower.

"Subsidiary Guarantor" means (a) each Subsidiary of the Borrower party to the Guaranty Agreement as of the Closing Date and (b) each other Subsidiary of the Borrower that guarantees, pursuant to Section 5.15 or otherwise, all or any part of the Obligations.

"Swap Contract" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"Swap Termination Value" means, as to any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts,
(a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include a Lender or any Affiliate of a Lender).

"Synthetic Lease Obligation" means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Trade Date" has the meaning specified in Section 9.04(f)(i).

"Treasury Rate" means, with respect to a prepayment prior to the No Call Expiration Date, the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) that has become publicly available at least two Business Days prior to such prepayment date (or, if such Federal Reserve Statistical Release referred to in the previous parenthetical is no longer published, any publicly available source of similar market data)) most nearly equal to the period from such prepayment date to No Call Expiration Date; provided that if the period from such prepayment date to No Call Expiration Date is not equal to the constant maturity of the United States Treasury security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a twelve (12) month period) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from such prepayment date

to the No Call Expiration Date, is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

"UCC" shall mean the Uniform Commercial Code in effect from time to time in the State of New York; provided, however, that if by reason of mandatory provisions of law, the perfection or the effect of perfection or non-perfection of the security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for the purposes of the provisions hereof relating to such perfection or effect of perfection or non-perfection.

"United States" and "U.S." mean the United States of America.

"U.S. Person" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.14(g). "Wholly-Owned" means, as to a Subsidiary of a Person, a Subsidiary of such Person all of the outstanding Equity Interests of which (other than (a) director's qualifying shares and (b) shares issued to foreign nationals to the extent required by Applicable Law) are owned by such Person and/or by one or more Wholly-Owned Subsidiaries of such Person.

"Withholding Agent" means the Borrower and the Agent.

SECTION 1.02 Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." The word "or" is not exclusive. The word "year" shall refer (i) in the case of a leap year, to a year of three hundred sixty-six (366) days, and (ii) otherwise, to a year of three hundred sixty-five (365) days. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.Accounting Terms; Changes to GAAP.

(a)Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall be construed in conformity with GAAP. Financial statements and other information required to be delivered by the Borrower to the Lenders pursuant to Sections 5.01(a) and 5.01(b) shall be prepared in accordance with GAAP as in effect at the time of such preparation.

(b)Changes in Applicable Accounting Principles. If the Borrower notifies the Agent that the Borrower requests an amendment to any provision hereof to eliminate the effect of any change

occurring after the date hereof in Applicable Accounting Principles or in the application thereof on the operation of such provision (or if the Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in Applicable Accounting Principles or in the application thereof, then such provision shall be interpreted on the basis of Applicable Accounting Principles as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith.

(c)Changes to GAAP. The Canadian Parent may elect to report in GAAP *in lieu* of IFRS for financial reporting purposes and, to the extent such change would affect the computation or interpretation of any financial ratio, basket, requirement or other provision set forth in any Loan Document, and either the Borrower or the Required Lenders shall so request, the Agent and the Borrower shall negotiate in good faith to amend such ratio, basket, requirement or other provision to preserve the original intent in light of such change or the application thereof (subject to the approval of the Required Lenders not to be unreasonably withheld, conditioned or delayed); provided that, until so amended, (i) such ratio, basket, requirement or other provision shall continue to be computed or interpreted in accordance with IFRS or the application thereof prior to such change therein and (ii) the Borrower shall provide to the Agent and the Lenders a written reconciliation in form and substance reasonably satisfactory to the Agent, between calculations of such ratio, basket, requirement or other provision made before and after giving effect to such change thereof.

SECTION 1.04 Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

ARTICLE II
COMMITMENTS AND BORROWINGS

SECTION 2.01 Commitments. Subject to the terms and conditions set forth herein each Initial Lender severally agrees to make a Loan to the Borrower on the Closing Date in an aggregate principal amount equal to such Initial Lender's Initial Commitment. Subject to the terms and conditions set forth herein and in the applicable Joinder Agreement with respect to the applicable Incremental Facility, each Incremental Lender under the applicable Incremental Facility severally agrees to make a Loan to the Borrower on such applicable Incremental Commitment Effective Date in an aggregate principal amount equal to such Incremental Lender's Incremental Commitment under such Incremental Facility. Amounts borrowed under this Section 2.01 and repaid or prepaid may not be reborrowed.

SECTION 2.02 Loans and Borrowings.

(a)Borrowings. Each Loan shall be made as part of a Borrowing consisting of Loans made by the Lenders ratably in accordance with their respective Commitments as listed on Schedule 2.01, so long as no Default or Event of Default exists hereunder.

(b)Making of Loans. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; provided that any exercise of

such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c)Minimum Amounts. Each Borrowing shall be in an aggregate amount of $5,000,000 or a larger multiple of $100,000.

SECTION 2.03 Borrowing Requests.

(a)Notice by Borrower. Each Borrowing shall be made upon the Borrower's irrevocable notice to the Agent. Each such notice shall be in the form of a written Borrowing Request, appropriately completed and signed by a Responsible Officer of the Borrower, or may be provided telephonically or by electronic communication to the Agent (if promptly confirmed by such a written Borrowing Request consistent with such telephonic or electronic notice) and must be received by the Agent not later than 11:00 a.m. (New York City time) three Business Days prior to the date of the requested Borrowing.

(b)Content of Borrowing Requests. Each Borrowing Request for a Borrowing pursuant to this Section shall specify the following information in compliance with Section 2.02: (i) the aggregate amount of the requested Borrowing; (ii) the date of such Borrowing (which shall be a Business Day), (iii) the location and number of the Borrower's account to which funds are to be disbursed, and (iv) that no Default or Event of Default then exists hereunder. The Borrower shall provide a copy of each Borrowing Request to the Agent contemporaneously with the delivery thereof to the Lenders.

SECTION 2.04 Funding of Borrowings.

(a)Funding by Lenders. Each Lender shall make the amount of each Borrowing to be made by it hereunder available to the Agent in immediately available funds at the Agent's Office not later than 12:00 noon (New York City time) one Business Day prior to any Borrowing. The Agent will make all such funds so received available to the Borrower in like funds, by wire transfer of such funds in accordance with the instructions provided in the applicable Borrowing Request.

(b)Presumption by Agent. Unless the Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Agent such Lender's share of such Borrowing, the Agent may assume that such Lender has made such share available on such date in accordance with Section 2.04(a) and may, in reliance upon such assumption, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Agent, then the applicable Lender and the Borrower severally agree to pay to the Agent forthwith on demand such corresponding amount with interest thereon, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Agent, at (i) in the case of a payment to be made by such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation, and (ii) in the case of a payment to be made by the Borrower, the interest rate applicable to such Loans. If the Borrower and such Lender shall pay such interest to the Agent for the same or an overlapping period, the Agent shall promptly remit to the Borrower the amount of such interest paid by the Borrower for such period. If such Lender pays its share of the applicable Borrowing to the Agent, then the amount so paid shall constitute such Lender's Loan included in such Borrowing. Any payment by the Borrower shall be without prejudice to any claim the Borrower may have against a Lender that shall have failed to make such payment to the Agent.

SECTION 2.05 Prepayments.

(a)Optional Prepayments. The Borrower may at any time and from time to time prepay any Borrowing in whole or in part without premium or penalty except as set forth in Section 2.05(d)(i), subject to the requirements of this Section.

(b)Mandatory Prepayments.

(i)Indebtedness for Borrowed Money. In the event the Borrower or any Subsidiary shall receive proceeds from the issuance or incurrence of Indebtedness for borrowed money (other than any proceeds from issuance of Indebtedness for borrowed money expressly permitted pursuant to Section 6.01 of this Agreement), the Borrower shall, substantially simultaneously with the receipt of such proceeds by the Borrower or such Subsidiary, apply an amount equal to 100% of such proceeds to prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e), and to pay any prepayment premium required pursuant to Section 2.05(d)(i).

(ii)Asset Sales and Casualty Events. Not later than the tenth Business Day following the receipt of Net Cash Proceeds with respect to any Disposition consummated pursuant to Section 6.04(h) or any Casualty Event, the Borrower shall apply 100% of the Net Cash Proceeds received with respect thereto to prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e) and, solely with respect to Net Cash Proceeds from a Disposition consummated pursuant to Section 6.04(h), to pay any prepayment premium required pursuant to Section 2.05(d)(ii) below.

(iii)Change of Control. Not later than the fifth Business Day following the occurrence of a Change of Control, the Borrower shall prepay outstanding Loans on a pro rata basis, pay interest owed pursuant to Section 2.05(e) and pay the prepayment premium required pursuant to Section 2.05(d)(iii) below.

(iv)On the date of Amendment No. 2 to this Agreement ("Amendment No. 2"), but subject to the execution and effectiveness thereof, the Borrower makes an offer (the "Mandatory Offer") to all Lenders holding outstanding Loans to prepay $5,000,000 aggregate principal amount of Loans at a prepayment price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest to, but excluding, the prepayment date. The Mandatory Offer is made to all Lenders and is open for acceptance by all Lenders for five (5) Business Days following the date of Amendment No. 2 (the "Acceptance Period"). No later than the third (3rd) Business Day following the end of the Acceptance Period, the Borrower shall pay to each Lender that accepted (by confirmation to the Administrative Agent prior to the end of the Acceptance Period) such Mandatory Offer its *pro rata* share (based on the aggregate principal amount of Loans held by each accepting Lender) of the $5,000,000 aggregate principal amount prepayment, at the prepayment price set forth above.

(v)No later than ~~March 15,~~June 30, 2023, the Borrower shall prepay ~~$35,000,000~~an aggregate principal amount of Loans equal to (x) $35,000,000 (the "Scheduled Prepayment Amount") *less* (y) the aggregate principal amount of any prepayments of Loans made on or after the Fourth Amendment Effective Date pursuant to Section 2.05(a) or Section 2.05(vi), on a pro rata basis at a ~~prepayment~~ price equal to 103.22% of the principal amount prepaid, plus accrued and unpaid interest to, but excluding, the prepayment date; provided that, to the extent Newco does not become a Loan Party and no Scheduled Prepayment Amount has been paid, in each case, on or prior to April 30, 2023, the Scheduled Prepayment Amount shall be increased to $36,000,000; provided further, that, to the extent that Newco does not become a

Loan Party and no Scheduled Prepayment Amount has been paid, in each case, on or prior to May 31, 2023, the Scheduled Prepayment Amount shall be increased to $37,000,000. For the avoidance of doubt, the prepayment ~~premium~~premiums required pursuant to ~~Section~~Sections 2.05(d)(i) and 2.05(d)(iii) below shall not apply with respect to the prepayment of Loans pursuant to this Section 2.05(~~d~~b)(v).

(vi)If the mandatory prepayment required by Section 2.05(b)(v) has not been paid in full, not later than the tenth Business Day following the receipt of Net Sale Proceeds of the Mississauga Disposal, the Borrower shall apply an amount equal to the lesser of (i) 100% of the Net Sale Proceeds received by the Canadian Parent or (ii) the amount that Borrower is obligated to prepay pursuant to Section 2.05(b)(v) above, as applicable, to (x) prepay an amount of outstanding Loans on a pro rata basis at a price equal to 103.22% of the face amount of the principal amount prepaid, and (y) the payment of accrued and unpaid interest to, but excluding, the prepayment date. For the avoidance of doubt (i) the prepayment premiums required pursuant to Sections 2.05(d)(i) and 2.05(d)(iii) below shall not apply with respect to the prepayment of Loans pursuant to this Section 2.05(b)(vi); provided that, such mandatory prepayment shall not be required to be paid to the extent that the Borrower has made all of the prepayments due in accordance with Section 2.05(b)(v), and (ii) it is the intent of the parties that the aggregate amount payable by the Borrower (including prepayment of the principal amount of Loans, and payment of accrued but unpaid interest and any prepayment premium) pursuant to this Section 2.05(b)(vi) shall not be greater than the lesser of (i) the aggregate amount of Net Sale Proceeds received by the Canadian Parent, and (ii) the amount that Borrower is obligated to prepay pursuant to Section 2.05(b)(v) above.

(c)Notices. Borrower shall provide notice of each prepayment to be made pursuant to this Section 2.05 in the form of a written Prepayment Notice, appropriately completed and signed by a Responsible Officer of the Borrower, or may be given by telephone to the Agent (if promptly confirmed by such a written Prepayment Notice consistent with such telephonic notice) and must be received by the Agent (i) in the case of a prepayment made pursuant to Section 2.05(a) ~~or~~, Section 2.05(b)(i) or Section 2.05(b)(v), not later than 11:00 a.m. (New York City time) three Business Days before the date of prepayment, (ii) in the case of a prepayment made pursuant to Section 2.05(b)(ii) or Section 2.05(b)(vi), not later than 11:00 a.m. (New York City time) ten Business Days before the date of prepayment and (iii) in the case of a prepayment to be made pursuant to Section 2.05(b)(iii), promptly upon either Parent Guarantor, the Borrower or any of its Subsidiaries obtaining knowledge that such Change of Control has occurred or is reasonably likely to occur within five Business Days. Each Prepayment Notice shall specify (x) the prepayment date and (y) the principal amount of each Borrowing or portion thereof to be prepaid. Each Prepayment Notice shall be irrevocable. Promptly following receipt of any such notice relating to a Borrowing, the Agent shall advise the applicable Lenders of the contents thereof.

(d)Prepayment Premium.

(i)Any prepayment made pursuant to Section 2.05(a), (b)(i) or (b)(iii) above or as otherwise set forth in this Agreement:

(A)on or prior to the No Call Expiration Date, shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to the Make-Whole Amount, or

(B)after the date that is after the 18 month anniversary of the Closing Date, shall be accompanied by a premium, paid to the applicable Lenders on a

pro rata basis, on the principal amount so prepaid in accordance with the table set forth below (the "Prepayment Premium"):

Prepayment Date	**Prepayment Premium**
after the date that is the thirty (30) month anniversary of the Closing Date but on or prior to the date that is the forty-second (42) month anniversary of the Closing Date	3.22%
Thereafter	0%

(ii)Any prepayment made with the Net Cash Proceeds from a Disposition pursuant to Section 2.05(b)(ii) above on any date that is on or prior to the two year anniversary of the Closing Date, shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to 1.00% of the principal amount of Loans being prepaid.

(iii)Any prepayment pursuant to Section 2.05(b)(iii) above shall be accompanied by a premium, paid to the applicable Lenders on a pro rata basis, in an amount equal to 1.00% of the principal amount of Loans being prepaid.

(e)Amounts; Application. Each partial prepayment of any Borrowing made pursuant to Section 2.05(a) shall be in an amount that would be permitted in the case of a Borrowing as provided in Section 2.02. Each prepayment shall be applied ratably to the outstanding Loans and to each Lender on a pro rata basis. All prepayments pursuant to Section 2.05(a) and (b) shall be accompanied by interest accrued but unpaid interest up to, but not including, the date of the applicable repayment with respect to the applicable Loans being prepaid, to the extent required by Section 2.08.

(f)Lender Opt-Out. With respect to any prepayment of Loans pursuant to Section 2.05(b)(ii) ~~and~~, (iii), (v) and (vi), any Lender, at its option, may elect to decline such prepayment by notifying the Borrower any time on or after the day on which such Lender received notice of such prepayment pursuant to Section 2.05(c) and on or before the day that is two Business Days prior to the day on which such prepayment is to be made. Any amounts declined by a Lender pursuant to this Section 2.05(f) shall be retained by the Borrower or applicable Subsidiary.

SECTION 2.06 Termination of Commitments. The Initial Commitments shall automatically and permanently terminate on the Closing Date upon the funding of the Loans under the Initial Facility. The Incremental Commitments under such Incremental Facility shall automatically and permanently terminate on the applicable Incremental Commitment Effective Date upon the funding of the Loans under such Incremental Facility.

SECTION 2.07 Repayment of Loans. The Borrower shall repay each Lender on a pro rata basis the aggregate principal amount of all Loans outstanding under the Facility on the Maturity Date.

SECTION 2.08 Interest.

(a)Interest Rates. Subject to clause (b) of this Section, each Loan shall bear interest at 12.875% per annum.

(b)Default Interest. If any amount payable by the Borrower under this Agreement or any other Loan Document (including principal of any Loan, interest, fees and other amount) is not paid

when due, whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at a rate per annum equal to the applicable Default Rate. Upon the request of the Required Lenders, while any Event of Default exists, the Borrower shall pay interest on the principal amount of all Loans outstanding hereunder at a rate per annum equal to the applicable Default Rate and, for the avoidance of doubt, such Default Rate shall be deemed to have accrued since the occurrence of such Event of Default.

(c)Payment Dates. Interest on the unpaid principal amount of each Loan shall accrue from the date of such Loan (based on the amount of such Loan in United States dollars determined as of the date that such Loan was funded hereunder) until the Maturity Date at a rate per annum equal at all times to the interest rate pursuant to Section 2.08(a). Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein; provided that (i) interest accrued pursuant to clause (b) of this Section shall be payable on demand and (ii) in the event of any repayment or prepayment of any Loan, accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment. All accrued, unpaid interest shall be due and payable in full on the Maturity Date. The payment of interest shall be made to an account held by each Lender and designated by each Lender in writing in not less than five (5) Business Days prior to the date when the interest is due. Interest shall be payable in the lawful currency of the United States.

(d)Interest Computation. All interest hereunder shall be computed on the basis of a year of 365 days (or 366 days in a leap year) and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

SECTION 2.09 Fees.

(a)Agent Fees. The Borrower agrees to pay to the Agent for its own account the fees payable in the amounts and at the times agreed pursuant to the Administrative Agency Fee Letter or otherwise in writing between the Borrower and the Agent. Once due, all fees shall be fully earned and shall not be refundable under any circumstances (except to the extent set forth in the Administrative Agency Fee Letter). Acquiom Agency Services LLC (and any successor acting as Agent) and its Affiliates may accept fees and other consideration from the Borrower or any Affiliate of the Borrower for services in connection with this Agreement or otherwise without having to account for the same to the Lenders.

(b)Fee Computation. All fees payable under this Section shall be computed on the basis of a year of 360 days and in each case shall be payable for the actual number of days elapsed (including the first day but excluding the last day). Each determination by the Agent of a fee hereunder shall be conclusive absent manifest error.

(c)Original Issue Discount. The Borrower agrees that Initial Loans shall be issued with original issue discount (“OID”) of 1.875% of the amount of all of the Initial Commitments of the Lenders as of the Closing Date (prior to the termination of such Initial Commitments); provided that that all calculations of interest and fees in respect of the Initial Loans shall be calculated on the basis of their full stated principal amount. OID shall be in all respects fully earned as of the Closing Date.

SECTION 2.10 Evidence of Debt.

(a)Maintenance of Records. Each Lender shall maintain in accordance with its usual practice records evidencing the indebtedness of the Borrower to such Lender resulting from each Borrowing made by such Lender. The Agent shall maintain the Register in accordance with Section 9.04(c). The entries made in the records maintained pursuant to this clause (a) shall be prima

facie evidence absent manifest error of the existence and amounts of the obligations recorded therein. Any failure of any Lender or the Agent to maintain such records or make any entry therein or any error therein shall not in any manner affect the obligations of the Borrower under this Agreement and the other Loan Documents. In the event of any conflict between the records maintained by any Lender and the records maintained by the Agent in such matters, the records of the Agent shall control in the absence of manifest error.

(b)Promissory Notes. Upon the request of any Lender made through the Agent, the Borrower shall prepare, execute and deliver to such Lender a promissory note of the Borrower payable to such Lender (or, if requested by such Lender, to such Lender and its registered assigns) and a form approved by the Agent, which shall evidence such Lender's Loan in addition to such records.

(c)Subject to SECTION 2.14, all payments of monthly interest and principal shall be made by the Borrower to each Lender to the account or at the address of such Lender as specified by Agent, in United States Dollars in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any Taxes or other payments. The amount payable to each Lender and information regarding the account of each Lender shall be provided by Agent to Borrower in a not less than five (5) Business Days prior to the date any such payment is due and payable hereunder.

SECTION 2.11 Payments Generally; Several Obligations of Lenders.

(a)Payments by Borrower. All payments to be made by the Borrower hereunder and the other Loan Documents shall be made without condition or deduction for any counterclaim, defense, recoupment or setoff. Subject to SECTION 2.14, all payments of interest and principal shall be made by the Borrower to each Lender to the account or at the address of such Lender as specified by the Agent, in Dollars in immediately available funds, without counterclaim or setoff and free and clear of, and without any deduction or withholding for, any Taxes or other payments. The amount payable to each Lender and information regarding the account of each Lender shall be provided by the Agent to the Borrower at least five (5) Business Days prior to the date any such payment is due and payable hereunder. If any payment to be made by the Borrower shall fall due on a day that is not a Business Day, payment shall be made on the next succeeding Business Day and such extension of time shall be reflected in computing interest or fees, as the case may be; provided that, if such next succeeding Business Day would fall after the Maturity Date, payment shall be made on the immediately preceding Business Day. Except as otherwise expressly provided herein, all payments hereunder or under any other Loan Document shall be made in Dollars.

(b)Application of Insufficient Payments. Subject to Section 7.02, if at any time insufficient funds are received by and available to the Agent to pay fully all amounts of principal, interest, fees and other amounts then due hereunder, such funds shall be applied (i) first, to pay interest, fees and other amounts then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest, fees and other amounts then due to such parties, and (ii) second, to pay principal then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal then due to such parties.

(c)Presumptions by Agent. Unless the Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Agent for the account of the Lenders hereunder that the Borrower will not make such payment, the Agent may assume that the Borrower has made such payment on such date in accordance herewith and may, in reliance upon such assumption, distribute to the Lenders the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders severally agrees to repay to the Agent forthwith on demand the amount so distributed to such Lender, with interest thereon, for each day from and including the date

such amount is distributed to it to but excluding the date of payment to the Agent, at the greater of the Federal Funds Effective Rate and a rate determined by the Agent in accordance with banking industry rules on interbank compensation.

(d)Deductions by Agent. If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(b), 2.12 or 9.03(c), then the Agent may, in its discretion and notwithstanding any contrary provision hereof, (i) apply any amounts thereafter received by the Agent for the account of such Lender for the benefit of the Agent to satisfy such Lender's obligations to the Agent until all such unsatisfied obligations are fully paid or (ii) hold any such amounts in a segregated account as cash collateral for, and for application to, any future funding obligations of such Lender under any such Section, in the case of each of clauses (i) and (ii) above, in any order as determined by the Agent in its discretion.

(e)Several Obligations of Lenders. The obligations of the Lenders hereunder to make Loans and to make payments pursuant to Section 9.03(c) are several and not joint. The failure of any Lender to make any Loan or to make any such payment on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan or to make its payment under Section 9.03(c).

SECTION 2.12 Sharing of Payments. If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any of its Loans or other obligations hereunder resulting in such Lender receiving payment of a proportion of the aggregate amount of its Loans and accrued interest thereon or other such obligations greater than its pro rata share thereof as provided herein, then the Lender receiving such greater proportion shall (a) notify the Agent of such fact, and (b) purchase (for cash at face value) participations in the Loans and such other obligations of the other Lenders, or make such other adjustments as shall be equitable, so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans and other amounts owing them; provided that:

(i)if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest; and

(ii)the provisions of this subclause shall not be construed to apply to (x) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement or (y) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans to any assignee or participant, other than to the Borrower or any Subsidiary thereof (as to which the provisions of this subclause shall apply).

The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under Applicable Law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

SECTION 2.13 Increased Costs.

(a)If any Change in Law shall subject any Recipient to any Taxes (other than (i) Indemnified Taxes, (ii) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (iii) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto and the result thereof shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender or other Recipient, the Borrower will pay to such Lender or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)Capital Requirements. If any Lender determines that any Change in Law affecting such Lender or any lending office of such Lender or such Lender's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's capital or on the capital of such Lender's holding company, if any, as a consequence of this Agreement, the Commitments of such Lender or the Loans made by such Lender to a level below that which such Lender or such Lender's holding company could have achieved but for such Change in Law (taking into consideration such Lender's policies and the policies of such Lender's holding company with respect to capital adequacy), then from time to time the Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender or such Lender's holding company for any such reduction suffered.

(c)Certificates for Reimbursement. A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in clause (a) or (b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(d)Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that the Borrower shall not be required to compensate a Lender pursuant to this Section for any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies the Borrower of the Change in Law giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the nine-month period referred to above shall be extended to include the period of retroactive effect thereof).

SECTION 2.14 Taxes.

(a)Defined Terms. For purposes of this Section, the term "Applicable Law" includes FATCA.

(b)Payments Free of Taxes. Any and all payments by or on account of any obligation of the any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an

Indemnified Tax, then the sum payable by the applicable Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)Payment of Other Taxes by Borrower. The Loan Parties shall timely pay to the relevant Governmental Authority in accordance with Applicable Law, any Other Taxes.

(d)Indemnification by Borrower. The Loan Parties shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Agent), or by the Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e)Indemnification by the Lenders. Each Lender shall severally indemnify the Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Loan Party has not already indemnified the Agent for such Indemnified Taxes and without limiting the obligation of the Loan Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 9.04(d) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Agent to the Lender from any other source against any amount due to the Agent under this clause (e).

(f)Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, the Loan Party shall deliver to the Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Agent.

(g)Status of Lenders. (i) Any Recipient (including for all purposes of this Section 2.14(g)(i) any Agent) that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Agent, at the time or times reasonably requested by the Borrower or the Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Recipient, if reasonably requested by the Borrower or the Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by the Borrower or the Agent as will enable the Borrower or the Agent to determine whether or not such Recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in clauses (g)(ii)(A), (ii)(B) and (ii)(D) of this Section) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material

unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(i)Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Person,

(A)any Recipient that is a U.S. Person shall deliver to the Borrower and the Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Recipient under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), whichever of the following is applicable:

(1)in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2)executed copies of IRS Form W-8ECI;

(3)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code (a "U.S. Tax Compliance Certificate") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4)to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Agent to determine the withholding or deduction required to be made; and

(D)if a payment made to a Recipient under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Recipient shall deliver to the Borrower and the Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Agent as may be necessary for the Borrower and the Agent to comply with their obligations under FATCA and to determine that such Recipient has complied with such Recipient's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Recipient agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Agent in writing of its legal inability to do so.

(h)Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this clause (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this clause (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this clause (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This clause shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i)Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Agent or any assignment of rights by, or the replacement of, a Lender,

the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

SECTION 2.15 Mitigation Obligations; Replacement of Lenders.

(a)Designation of a Different Lending Office. If any Lender requests compensation under Section 2.13, or requires the Borrower to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14, then such Lender shall (at the request of the Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of such Lender, such designation or assignment
(i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.14, as the case may be, in the future, and (ii) would not subject such Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to such Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by any Lender in connection with any such designation or assignment.

(b)Replacement of Lenders. If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any Indemnified Taxes or additional amounts to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.14 and, in each case, such Lender has declined or is unable to designate a different lending office in accordance with clause (a) of this Section, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 9.04), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.13 or Section 2.14) and obligations under this Agreement and the related Loan Documents to an Eligible Assignee or Preferred Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that:

(i)the Borrower shall have paid to the Agent the assignment fee (if any) specified in Section 9.04;

(ii)such Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts);

(iii)in the case of any such assignment resulting from a claim for compensation under Section 2.13 or payments required to be made pursuant to Section 2.14, such assignment will result in a reduction in such compensation or payments thereafter; and

(iv)such assignment does not conflict with Applicable Law.

A Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling the Borrower to require such assignment and delegation cease to apply.

SECTION 2.16 Extension of Maturity Date.

(a)Request for Extension. The Borrower may, by notice to the Agent (who shall promptly notify the Lenders) not earlier than 45 days and not later than 35 days prior to the Maturity

Date then in effect hereunder (the "Existing Maturity Date"), request that each Lender extend such the Maturity Date for such Lender's Loans for an additional 364 days from the Existing Maturity Date.

(b)Lender Elections to Extend. Each Lender, acting in its sole and individual discretion, shall, by notice to the Agent given not earlier than 30 days prior to the Existing Maturity Date and not later than the date (the "Notice Date") that is 20 days prior to the Existing Maturity Date, advise the Agent whether or not such Lender agrees to such extension (each Lender that determines to so extend its Maturity Date, an "Extending Lender"; and each Lender that determines not to so extend its Maturity Date, a "Non-Extending Lender") shall notify the Agent of such fact promptly after such determination (but in any event no later than the Notice Date) and any Lender that does not so advise the Agent on or before the Notice Date shall be deemed to be a Non-Extending Lender. The election of any Lender to agree to such extension shall not obligate any other Lender to so agree.

(c)Notification by Agent. The Agent shall notify the Borrower of each Lender's determination under this Section no later than the date 15 days prior to the Existing Maturity Date (or, if such date is not a Business Day, on the next preceding Business Day).

(d)Additional Lenders. The Borrower shall have the right on or before the Existing Maturity Date to replace each Non-Extending Lender with, and add as "Lenders" under this Agreement in place thereof, one or more Eligible Assignees or Preferred Assignee (each, an "Additional Lender") as provided in Section 9.04 each of which Additional Lenders shall have entered into an Assignment and Assumption pursuant to which such Additional Lender shall, effective as of the Existing Maturity Date, assume the Outstanding Amount of Loans of such Non-Extending Lender set forth in such Assignment and Assumption (and, if any such Additional Lender is already a Lender, such Outstanding Amount of Loans so assigned and assumed shall be in addition to the Outstanding Amount of Loans of such Lender hereunder on such date).

(e)Minimum Extension Requirement. If (and only if) the total Outstanding Amount of Loans of the Lenders that have agreed so to extend their Maturity Date and the Outstanding Amount of Loans of the Additional Lenders shall be more than 50% of the Outstanding Amount of Loans of all Lenders immediately prior to the Existing Maturity Date, then, effective as of the Existing Maturity Date, the Maturity Date of each Extending Lender and of each Additional Lender (but not, or the avoidance of doubt, the Loans of Lenders that are not Extending Lenders or Additional Lenders) shall be extended to the date falling 364 days after the Existing Maturity Date (except that, if such date is not a Business Day, such Maturity Date as so extended shall be the next preceding Business Day) and each Additional Lender shall thereupon become a "Lender" for all purposes of this Agreement.

(f)Conditions to Effectiveness of Extensions. Notwithstanding the foregoing, the extension of the Maturity Date pursuant to this Section shall not be effective with respect to any Lender unless:

(i)no Default or Event of Default shall have occurred and be continuing on the date of such extension and after giving effect thereto;

(ii)the representations and warranties contained in this Agreement are true and correct on and as of the date of such extension and after giving effect thereto, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date); and

(iii)on or before the Maturity Date, (1) the Borrower shall have paid in full the principal of and interest on all of the Loans made by each Non-Extending Lender to the

Borrower hereunder and (2) the Borrower shall have paid in full all other amounts owing to such Non-Extending Lender hereunder.

(g)Amendment; Sharing of Payments. In connection with any extension of the Maturity Date, the Borrower, the Agent and each Extending Lender may make such amendments to this Agreement as the Agent determines to be reasonably necessary to evidence the extension. This Section shall supersede Sections 2.12 and 9.02.

SECTION 2.17 Incremental Commitments.

(a)Request for Incremental Facility. The Borrower may, by notice to the Agent (who shall promptly notify the Lenders), request the establishment of one or more new term loan commitments (each, an "Incremental Commitment") pursuant to an Incremental Facility up to an aggregate amount (for all such requests) that, when combined with the amount of the Initial Facility, shall not exceed $150,000,000; provided that (i) any such request for an Incremental Facility shall be in a minimum amount of the lesser of (x) $5,000,000 (or such lesser amount as may be approved by the Agent) and (y) the entire remaining amount available under this Section and (ii) in lieu of establishing an Incremental Facility, the Borrower may elect to increase the Initial Facility, provided that such increased portion shall be subject to the same terms and conditions of this Section 2.17 as if such increased portion were a separate Incremental Facility.

(b)Incremental Lenders. An Incremental Commitment may be provided by any existing Lender or other Person that is an Eligible Assignee (each such existing Lender or other Person that agrees to provide an Incremental Commitment, an "Incremental Lender"); provided that each Incremental Lender shall be subject to the consent (in each case, not to be unreasonably withheld or delayed) of the Agent. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to agree to provide an Incremental Commitment pursuant to this Section and any election to do so shall be in the sole discretion of such Lender.

(c)Terms of Incremental Commitments. The Agent and the Borrower shall determine the effective date for such Incremental Facility pursuant to this Section (an "Incremental Commitment Effective Date") and, if applicable, the final allocation of such Incremental Commitments among the Persons providing such Incremental Facility; provided that such date shall be a Business Day at least ten Business Days after delivery of the request for such Incremental Facility (unless otherwise approved by the Agent) and at least 30 days prior to the Maturity Date then in effect. Each Incremental Facility shall have the same terms (including, without limitation, Sections 2.05, 2.07 and 2.08) and conditions as the Initial Facility, other than (i) those terms and conditions set forth in this Section 2.17 that differ from those terms and conditions applicable to the Initial Facility and (ii) that Incremental Facilities shall be subject to original issue discount and/or upfront fees as agreed among the Borrower and the Persons providing such Incremental Facilities and such original issue discounts and/or upfront fees shall not be required to be the same as the OID applicable to the Initial Loans.

In order to effect such Incremental Facility, the Borrower, the applicable Incremental Lender(s) and the Agent (but no other Lenders or Persons) shall enter into one or more Joinder Agreements, each in form and substance satisfactory to the Borrower and the Agent, pursuant to which the applicable Incremental Lender(s) will provide the Incremental Commitment(s).

Effective as of the applicable Incremental Commitment Effective Date, subject to the terms and conditions set forth in this Section, each Incremental Commitment shall be a Commitment and Schedule 2.01 shall be updated accordingly to reflect such Incremental Commitment, each Incremental Lender providing such Incremental Commitment shall be, and have all the rights of, a Lender, and the

Loans made by it on such Incremental Commitment Effective Date pursuant to clause (e) of this Section shall be Loans, for all purposes of this Agreement.

(d)Conditions to Effectiveness. Notwithstanding the foregoing, the Incremental Commitments pursuant to this Section shall not be effective with respect to any Incremental Lender unless:

(i)no Default or Event of Default shall have occurred and be continuing on the Incremental Commitment Effective Date and after giving effect to the Borrowings under the Incremental Facility to be made on the Incremental Commitment Effective Date;

(ii)the representations and warranties contained in this Agreement are true and correct on and as of the Incremental Commitment Effective Date and after giving effect to such Incremental Facility, as though made on and as of such date (or, if any such representation or warranty is expressly stated to have been made as of a specific date, as of such specific date);

(iii)the Agent shall have received one or more Joinder Agreements contemplated above, providing for Incremental Commitments in the amount of such Incremental Facility; and

(iv)the Agent shall have received such legal opinions and other documents reasonably requested by the Agent in connection therewith.

As of such Incremental Commitment Effective Date, upon the Agent's receipt of the documents required by this clause (d), the Agent shall record the information contained in the applicable Joinder Agreement(s) in the Register and give prompt notice of the Incremental Commitments to the Borrower and the Lenders (including each Incremental Lender).

SECTION 2.18 Payment Protocols. The Agent shall, with one Business Day of any request by Borrower, whether in connection with a payment, prepayment or otherwise, furnish to the Borrower a true and complete copy of the Register. The Borrower shall be entitled to rely upon, and shall not incur any liability for relying upon, the Register in connection with any payment or prepayment or otherwise.

ARTICLE III REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Agent and the Lenders that:

SECTION 3.01 Existence, Qualification and Power. The Borrower and each Subsidiary (a) is duly organized or formed, validly existing and, as applicable, in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party, and (c) is duly qualified and is licensed and, as applicable, in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires such qualification or license, except, in each case referred to in clause (a) (other than with respect to the Borrower), (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.02 Authorization; No Contravention. The execution, delivery and performance by the Borrower of each Loan Document to which it is party have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of its

Organizational Documents, (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which the Borrower is a party or affecting the Borrower or the properties of the Borrower or any Subsidiary or
(ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which the Borrower or any Subsidiary or its property is subject or (c) violate any Requirements of Law.

SECTION 3.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with the execution, delivery or performance by, or enforcement against, the Borrower of this Agreement or any other Loan Document, except for (a) filings and recordings with respect to the Collateral to be made as of the Closing Date and (b) such approvals, consents, exemptions, authorizations, actions or notices that have been duly obtained, taken or made and in full force and effect.

SECTION 3.04 Execution and Delivery; Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by the Borrower. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, receivership, moratorium or other Laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.05 Financial Statements; No Material Adverse Effect.

(a)Financial Statements. (i) The Canadian Parent Financial Statements were prepared in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Canadian Parent and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with IFRS consistently applied throughout the period covered thereby, except as otherwise expressly noted therein. (ii) The Borrower Financial Statements were prepared in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and fairly present in all material respects the financial condition of the Borrower and its Subsidiaries as of the date thereof and their results of operations and cash flows for the period covered thereby in accordance with GAAP consistently applied throughout the period covered thereby, except as otherwise expressly noted therein.

(b)No Material Adverse Change. Since December 31, 2019, there has been no event or circumstance that, either individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.

SECTION 3.06 Litigation. There are no actions, suits, proceedings, claims, disputes or investigations pending or, to the knowledge of the Borrower, threatened, at Law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any Subsidiary or against any of their properties or revenues that (a) except as specifically disclosed in Schedule 3.06, either individually or in the aggregate could reasonably be expected to have a Material Adverse Effect or (b) purport to affect or pertain to this Agreement or any other Loan Document or any of the transactions contemplated hereby. There has been no change in the status, or financial effect on the Borrower or any Subsidiary, of the matters disclosed in Schedule 3.06 that, either individually or in the aggregate, has increased or could reasonably be expected to increase the likelihood that such matter(s) could have a Material Adverse Effect.

SECTION 3.07 No Default. Neither the Borrower nor any Subsidiary thereof is in default under or with respect to any Contractual Obligation that, either individually or in the aggregate, could

reasonably be expected to have a Material Adverse Effect. No Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

SECTION 3.08 Property.

(a)Ownership of Properties. Each of the Borrower and its Subsidiaries has good record and marketable title to, license to use, or valid leasehold interests in, or easements or other limited property interests in, as applicable, all property necessary or used in the ordinary conduct of its business, free and clear of all Liens, other than Liens permitted by Section 6.02, except to the extent a failure to have such good record and marketable title to, license to use, or valid leasehold interests in, or easements or other limited property interests in, as applicable, could not reasonably be expected to have a Material Adverse Effect.

(b)Intellectual Property. Each of the Borrower and its Subsidiaries owns, licenses or possesses the right to use all Intellectual Property rights that are reasonably necessary for the operation of their respective businesses, as currently conducted, and the use thereof by the Borrower and its Subsidiaries does not conflict with the rights of any Person, except to the extent that such failure to own, license or possess or such conflicts, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Borrower, no Person is infringing or violating any such Intellectual Property rights owned by the Borrower or any of its Subsidiaries, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. The conduct of the business of the Borrower or any Subsidiary as currently conducted or as contemplated to be conducted does not infringe upon, or violate any rights held by any Person, except to the extent that such infringements and violations, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened that could reasonably be expected to have a Material Adverse Effect.

(c)Material Licenses. Set forth on Schedule 3.08 is a complete and accurate list, as of the Closing Date, of all Material Licenses of the Borrower and each of its Subsidiaries, showing the parties and subject matter, and the remaining term thereof. Each of the Borrower and its Subsidiaries is in compliance in all material respects with each Material License and no investigation or proceeding is pending or, to the knowledge of the Loan Party, threatened in writing, that would reasonably be expected to result in the suspension, revocation or non-renewal of any such Material License.

(d)Purchase Agreement. The Borrower is in compliance with the terms of the Purchase Agreement and no litigation or proceeding is pending or, to the knowledge of the Borrower, threatened in writing, against the Borrower for any breach of violation by the Borrower of the terms of the Purchase Agreement.

SECTION 3.09 Taxes. The Borrower and its Subsidiaries have filed all federal, state, provincial, territorial and other tax returns and reports required to be filed, and have paid all federal, state, provincial, territorial and other taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except (a) Taxes that are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves are being maintained in accordance with IFRS or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.10 Disclosure. (a) The Borrower has disclosed to the Agent and the Lenders all agreements, instruments and corporate or other restrictions to which the Borrower or any of its Subsidiaries is subject, and all other matters known to it, that, either individually or in the aggregate, could

reasonably be expected to have a Material Adverse Effect. The reports, financial statements, certificates and other written information (other than projected or pro forma financial information) furnished by or on behalf of the Borrower to any Agent or any Lender in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (as modified or supplemented by other information so furnished), taken as a whole, do not contain any material misstatement of fact or omit to state any material fact necessary to make the statements therein (when taken as a whole), in the light of the circumstances under which they were made, not misleading; provided that, with respect to projected or pro forma financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time of preparation and delivery (it being understood that such projected information may vary from actual results and that such variances may be material).

(b) The information included in the Beneficial Ownership Certification is true and correct in all respects.

SECTION 3.11 Compliance with Laws, Etc. Each of the Borrower and its Subsidiaries is in compliance with all Requirements of Law and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which (i) such Requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted or (ii) the failure to so comply, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

SECTION 3.12 ERISA Compliance.

(a)Except as could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state Laws.

(b)There are no pending or, to the knowledge of the Borrower, threatened or contemplated claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(c)No ERISA Event has occurred, and neither the Borrower nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to have a Material Adverse Effect.

(d)Except as could not reasonably be expected to have a Material Adverse Effect, the present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of the Borrower or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, could not reasonably be expected to have an adverse effect.

(e)To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable Requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to have a Material Adverse Effect. Except as could not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any Subsidiary has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. Except as could not reasonably be expected to have a Material Adverse Effect, the present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of the Borrower or Subsidiary, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

SECTION 3.13 Environmental Matters. Except with respect to any matters that, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, neither the Borrower nor any Subsidiary (a) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (b) knows of any basis for any permit, license or other approval required under any Environmental Law to be revoked, canceled, limited, terminated, modified, appealed or otherwise challenged, (c) has or could reasonably be expected to become subject to any Environmental Liability, (d) is aware of or has received notice of any claim, suit, complaint, proceeding, investigation or inquiry with respect to any Environmental Liability (and no such claim, suit, complaint, proceeding, investigation or inquiry is pending or, to the knowledge of the Borrower, is threatened or contemplated) or (e) knows of any facts, events or circumstances that could give rise to any basis for any Environmental Liability of the Borrower or any Subsidiary.

SECTION 3.14 Margin Regulations. Neither the Borrower nor any of its Subsidiaries is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying Margin Stock, or extending credit for the purpose of purchasing or carrying Margin Stock, and no part of the proceeds of any Borrowing hereunder will be used to buy or carry any Margin Stock. Following the application of the proceeds of each Borrowing, not more than 25% of the value of the assets (either of the Borrower only or of the Borrower and its Subsidiaries on a consolidated basis) will be Margin Stock.

SECTION 3.15 Investment Company Act. Neither the Borrower nor any of its Subsidiaries is an "investment company" as defined in, or subject to regulation under, the Investment Company Act of 1940.

SECTION 3.16 Sanctions; Anti-Money Laundering; Anti-Corruption.

(a)None of the Borrower, any of its Subsidiaries or any director, officer, employee, agent, or affiliate of the Borrower or any of its Subsidiaries is an individual or entity ("person") that is, or is owned or controlled by persons that are: (i) the target of any sanctions administered or enforced by the United States (including without limitation the U.S. Department of the Treasury's Office of Foreign Assets Control ("OFAC") and the U.S. Departments of State or Commerce), the United Nations Security Council, the European Union and member states thereof, the United Kingdom (including without limitation Her Majesty's Treasury), the government of Canada, or other relevant sanctions authority (collectively, "Sanctions"), or (ii) located, organized or resident in or operating from a country or territory that is the target of Sanctions (including the Crimea region of Ukraine, Cuba, Iran, North Korea and Syria).

(b)The Borrower, its Subsidiaries and their respective directors, officers and employees and, to the knowledge of the Borrower, the agents of the Borrower and its Subsidiaries, are and have been in compliance with all Sanctions, Anti-Money Laundering Laws, and with Anti-Corruption Laws. The Borrower and its Subsidiaries have instituted and maintain policies and procedures designed to ensure continued compliance with Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws. There are no pending or, to the knowledge of the Borrower, threatened claims, actions, suits, inquiries, investigations, or proceedings involving the Borrower, its Subsidiaries, or their respective directors, officers, and employees with respect to any Sanctions, Anti-Money Laundering Laws, or Anti-Corruption Laws.

SECTION 3.17 Solvency. The Borrower and its Subsidiaries on a consolidated basis are, before and immediately upon giving effect to the incurrence of the Loans hereunder, Solvent.

SECTION 3.18 Collateral Documents.

(a)The Pledge and Security Agreement and Collateral Assignments, upon execution and delivery thereof by the parties thereto, will, under the governing law thereof, create in favor of the Agent for the benefit of the Lenders, a legal, valid and enforceable security interest in the Collateral described therein to the extent intended to be created thereby.

(b)(i) when UCC financing statements in the appropriate form are filed in respect of the applicable Loan Parties in the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate, to the extent perfection can be obtained by filing UCC financing statements, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the relevant Loan Parties in the Collateral described therein (including, in the case of Intellectual Property, all state trademark registrations, common law trademarks and any applications for the registration of any of the foregoing, but excluding the Collateral described in the following clauses (ii) through (iv)) and, subject to Section 9-315 of the UCC, the proceeds thereof, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02), (ii) in the case of the Pledged Collateral, when the original stock certificates representing the Pledged Collateral are delivered to the Agent and UCC financing statements in the appropriate form are filed in respect of the applicable Loan Parties in the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate, to the extent perfection can be obtained by the deposit of the original stock certificates and the filing of UCC financing statements, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the relevant Loan Parties in such Pledged Collateral and, subject to Section 9-315 of the UCC, the proceeds thereof, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02), (iii) in the case of any deposit or securities accounts included in the Collateral (which, for the avoidance of doubt, excludes Excluded Accounts), to the extent perfection can be obtained by entering into a Control Agreement, when a Control Agreement is entered into with respect to such deposit or securities accounts, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the applicable Loan Parties in such deposit or securities accounts, as applicable, as security for the Obligations, prior and superior in right to any other person (except for Liens permitted under Section 6.02) and (iv) in the case of United States patent, United States copyright, and United States federal trademark registrations, and applications for the issuance or registration of any of the foregoing upon the recordation of a short-form security agreement in form and substance reasonably satisfactory to the Agent with the United States Patent and Trademark Office, or the United States Copyright Office, as applicable, together with the filing of UCC financing statements (together with any schedules the Agent requests that the Borrower includes to itemize such Intellectual Property included as Collateral) in the appropriate form in respect of the applicable Loan Parties in the offices of secretaries of state of those

states specified in paragraph 1(a) of the Perfection Certificate, the Agent (for the benefit of the Lenders) shall have a fully perfected Lien on, and security interest in all right, title and interest of the applicable Loan Parties organized in the United States in such Intellectual Property in which a security interest may be perfected by such filing in the United States, in each case, prior and superior in right to any other Person (except for Liens permitted under Section 6.02 that have priority as a matter of law) (it being understood that subsequent recordings in the United States Patent and Trademark Office or the United States Copyright Office, as applicable, may be necessary to perfect a Lien on patents, patent applications, and trademark and copyright registrations and applications for registration acquired, obtained or initiated by, or granted to, the Loan Parties after the date hereof).

ARTICLE IV CONDITIONS

SECTION 4.01 Closing Date. The obligation of each Lender to make Borrowings hereunder is subject to the satisfaction (or waiver in accordance with Section 9.02) of the following conditions (and, in the case of each document specified in this Section to be received by the Agent, such document shall be in form and substance satisfactory to the Agent and each Lender):

(a)Executed Counterparts. The Agent shall have received (i) from each party hereto a counterpart of this Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to this Agreement) that such party has signed a counterpart of this Agreement), (ii) from each party to the Guaranty Agreement a counterpart of the Guaranty Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Guaranty Agreement) that such party has signed a counterpart of the Guaranty Agreement), (iii) from each party to the Pledge and Security Agreement a counterpart of the Pledge and Security Agreement signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Pledge and Security Agreement) that such party has signed a counterpart of the Pledge and Security Agreement), and (iv) from each party to the Notice of Assignment (as defined in the Pledge and Security Agreement) pertaining to the Purchase Agreement, a counterpart of such Notice of Assignment signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

(b)Certificates. The Agent shall have received a certificate of a Responsible Officer of each Loan Party (or other person duly authorized by the constituent documents of such Loan Party) dated the Closing Date and certifying:

(i)that attached thereto is a true and complete copy of the Organizational Documents of such Loan Party as in effect on the Closing Date;

(ii)that attached thereto is a true and complete copy of resolutions (or equivalent authorizing actions) duly adopted by the Board of Directors (or equivalent governing body) of such Loan Party (or its managing general partner or managing member), authorizing the execution, delivery and performance of the Loan Documents to which such Loan Party is a party and, in the case of the Borrower, the borrowings hereunder, and that such resolutions have not been modified, rescinded or amended and are in full force and effect on the Closing Date; and

(iii)as to the incumbency and specimen signature of each officer or other duly authorized person executing any Loan Document or any other document delivered in connection herewith on behalf of such Loan Party;

(c)Good Standing Certificates. The Agent shall have received a certificate as to the good standing (to the extent such concept or a similar concept exists under the laws of the relevant jurisdiction) of each Loan Party as of a recent date from the applicable Governmental Authority (or other similar official or registry).

(d)Opinion of Counsel to Borrower. The Agent shall have received (i) an opinion of Norton Rose Fulbright US LLP, counsel to the Loan Parties, as it pertains to matters of New York and Delaware law, (ii) an opinion of Saul Ewing Arnstein & Lehr LLP, counsel to the Borrower and its Subsidiaries as it pertains to Pennsylvania law, and (iii) Norton Rose Fulbright Canada LLP, counsel to the Canadian Parent as it pertains to matters of Ontario law, in each case, addressed to the Agent and the Lenders and dated the Closing Date, in form and substance satisfactory to the Agent (and the Borrower hereby instructs such counsel to deliver such opinion to such Persons).

(e)Collateral Matters. The Agent shall have received:

(i)the Perfection Certificate signed on behalf of the Borrower (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to the Perfection Certificate) that such party has signed a counterpart of the Perfection Certificate) dated as of the Closing Date,

(ii)in respect of the Borrower and each of its Subsidiaries, the results of searches for any UCC financing statements, tax Liens or judgment Liens, as applicable, filed against the Borrower, its Subsidiaries or their respective property, which results shall not show any such Liens (other than Liens permitted pursuant to Section 6.02),

(iii)evidence reasonably satisfactory to the Agent that arrangements are in place for the filing of financing statements in respect of each Loan Party (other than the Canadian Parent) on Form UCC 1 in each of the offices of secretaries of state of those states specified in paragraph 1(a) of the Perfection Certificate,

(iv)evidence reasonably satisfactory to the Agent that arrangements are in place for all original stock certificates representing all of the Equity Interests required to be pledged pursuant to the Pledge and Security Agreement, accompanied by undated stock transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank, to be delivered to the Agent,

(v)evidence reasonably satisfactory to the Agent that arrangements are in place for all original promissory notes and other instruments required to be pledged pursuant to the Pledge and Security Agreement, accompanied by note transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank, to be delivered to the Agent, and

(vi)a certificate of a Responsible Officer of the Borrower certifying that attached thereto are true, complete and correct copies of (A) each Material License as in effect on the Closing Date and (B) the Purchase Agreement.

(f)KYC Information.

(i)Upon the reasonable request of any Lender made at least five days prior to the Closing Date, the Borrower shall have provided to such Lender the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including the PATRIOT Act, in each case at least three days prior to the Closing Date.

(ii)At least five days prior to the Closing Date, if the Borrower qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, it shall deliver a Beneficial Ownership Certification.

(g)Fees and Expenses. The Borrower shall have paid all fees, costs and expenses (including legal fees and expenses) agreed in writing to be paid by it to the Agent and the Lenders in connection herewith (including pursuant to the Fee Letters) to the extent due (and, in the case of expenses (including legal fees and expenses), to the extent that statements for such expenses shall have been delivered to the Borrower at least three days prior to the Closing Date).

(h)Officer's Certificate. The Agent shall have received a certificate, dated the Closing Date and signed by a Responsible Officer of the Borrower, confirming satisfaction of the conditions set forth in this Section and compliance with the conditions set forth in clauses (b) and (c) of the first sentence of Section 4.02.

(i)Solvency Certificates. The Agent shall have received, from each of the Borrower, the American Parent and the Canadian Parent, a certificate, substantially in the form of Exhibit C, executed by a Financial Officer of each of the Borrower, the American Parent and the Canadian Parent, in each case, certifying that such Person and its Subsidiaries are (after giving effect to the Loans made on the Closing Date), on a consolidated basis, Solvent (collectively, the "Solvency Certificates").

Without limiting the generality of Section 8.03(c), for purposes of determining satisfaction of the conditions specified in this Section, each Lender that has signed this Agreement shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required thereunder to be consented to or approved by or acceptable or satisfactory to a Lender unless the Agent shall have received notice from such Lender prior to the proposed Closing Date specifying its objection thereto.

The Agent shall notify the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

SECTION 4.02 Conditions to All Borrowings. The obligation of each Lender to make a Borrowing (including its initial Borrowing and any Borrowing under an Incremental Facility) is additionally subject to the satisfaction of the following conditions:

(a)the Agent shall have received a written Borrowing Request in accordance with the requirements hereof;

(b)the representations and warranties of the Borrower set forth in this Agreement and in any other Loan Document shall be true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date of such Borrowing (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date); and

(c)no Default shall have occurred and be continuing or would result from such Borrowing or from the application of proceeds thereof.

Each Borrowing Request by the Borrower hereunder and each Borrowing shall be deemed to constitute a representation and warranty by the Borrower on and as of the date of the applicable Borrowing as to the matters specified in clauses (b) and (c) above in this Section 4.02.

ARTICLE V

AFFIRMATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations shall have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 5.01 Financial Statements. The Borrower will furnish to the Agent and each Lender:

(a)as soon as available, and in any event within 120 days after the end of each fiscal year of the Canadian Parent, (i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants, which report and opinion shall be prepared in accordance with generally accepted auditing standards to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, Shareholders' Equity and cash flows of the Canadian Parent and its Subsidiaries on a consolidated basis in accordance with IFRS consistently applied and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, in each case, prepared in cooperation by the management of the Borrower and an independent public accountant, and in a form substantially consistent with the financials of the Canadian Parent, certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Borrower and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied;

(b)as soon as available, but in any event within 60 days after the end of the first three fiscal quarters of each fiscal year of the Canadian Parent (commencing with the fiscal quarter ending March 31, 2021) (i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal quarter and for the portion of the Canadian Parent's fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such fiscal quarter and for the portion of the Borrower's fiscal year then ended, in each case, setting forth in comparative form, as applicable, the figures for the corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year, and in a form substantially consistent with the financials of the Canadian Parent, certified by a Financial Officer of the Borrower as fairly presenting in all material respects the financial condition, results of operations and cash flows of the Canadian Parent and its Subsidiaries and the Borrower and its Subsidiaries, as applicable, on

a consolidated basis in accordance with IFRS or GAAP, as applicable, consistently applied, subject only to normal year-end audit adjustments and the absence of notes; and

(c)as soon as available, but in any event at least 60 days (120 days in respect of the annual management budget for the 2022 fiscal year) after the end of each fiscal year of the Borrower, annual management budgets prepared by management of the Borrower and a summary of material assumptions used to prepare such management budgets.

SECTION 5.02 Certificates; Other Information. The Borrower will deliver to the Agent and each Lender:

(a)concurrently with the delivery of the financial statements referred to in Sections 5.01(a) and (b), a duly completed certificate in the form of Exhibit D signed by a Responsible Officer of the Borrower (each, a "Compliance Certificate") (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations demonstrating compliance with Section 6.12, and (iii) providing supplemental information pertaining to Collateral and property of the Loan Parties as required pursuant to Section 5.15(c);

(b)promptly after the same are publicly available, copies of each annual report, proxy or financial statement or other report or communication sent to the shareholders of the Borrower, and copies of all annual, regular, periodic and special reports and registration statements that any Loan Party may file or be required to file with the SEC or any Governmental Authority succeeding to any or all of the functions of the SEC, or with any national securities exchange, and not otherwise required to be delivered pursuant hereto;

(c)promptly after receipt thereof by any Loan Party, copies of each notice or other correspondence received from the SEC (or comparable agency in any applicable non-U.S. jurisdiction) concerning any investigation or possible investigation or other inquiry by such agency regarding financial or other operational results of the Borrower or any Subsidiary thereof;

(d)promptly following request therefor, copies of any detailed audit reports, management letters or recommendations submitted to the board of directors (or the audit committee of the board of directors) of any Loan Party by independent accountants in connection with the accounts or books of any Loan Party, or any audit of any of them as the Agent or any Lender (through the Agent) may from time to time reasonably request; and

(e)promptly following any request therefor, (i) such other information regarding the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) or prospects of any Loan Party, or compliance with the terms of the Loan Documents, as the Agent or any Lender (through the Agent) may from time to time reasonably request, including without limitation, but subject to security controls, available backup information regarding the location of any cash included in any measurement of Liquidity; or (ii) information and documentation reasonably requested by the Agent or any Lender for purposes of compliance with applicable "know your customer" requirements under the PATRIOT Act or other Anti-Money Laundering Laws.

Documents required to be delivered pursuant to Section 5.01(a) or (b) or Section 5.02(b) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which such materials are publicly available as posted on the Electronic Data Gathering, Analysis and

Retrieval system (EDGAR) or SEDAR; or (ii) on which such documents are posted on the Borrower's behalf on an Internet or intranet website, if any, to which each Lender and the Agent have access (whether a commercial, third-party website or whether sponsored by the Agent); provided that: (A) upon written request by the Agent, the Borrower shall deliver paper copies of such documents to the Agent or any Lender upon its request to the Borrower to deliver such paper copies until a written request to cease delivering paper copies is given by the Agent or such Lender and (B) the Borrower shall notify the Agent and each Lender (by electronic mail) of the posting of any such documents and provide to the Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Agent shall have no obligation to request the delivery of or to maintain paper copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Borrower with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of paper copies of such document to it and maintaining its copies of such documents.

SECTION 5.03 Quarterly Lender Calls. Borrower and the Canadian Parent shall participate in conference calls for Lenders to discuss financial and other information regarding the Borrower and its Subsidiaries and their business, at times mutually agreed by the Agent and the Borrower, each acting reasonably; provided that such calls shall be limited once per quarter and shall be held within ten Business Days following the earlier of (a) the delivery of the Compliance Certificate pursuant to Section 5.02(a) or (b) the date on which a Compliance Certificate was required to be delivered pursuant to Section 5.02(a) or (b).

SECTION 5.04 Notices. The Borrower shall promptly notify the Agent and each Lender of:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit, investigation, inquiry, claim or proceeding by or before any arbitrator or Governmental Authority against or affecting the Borrower or any Affiliate thereof, including pursuant to any applicable Environmental Laws, that could reasonably be expected to be adversely determined, and, if so determined, could reasonably be expected to have a Material Adverse Effect;

(c) the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to have a Material Adverse Effect;

(d) notice of any action, suit, investigation, inquiry, claim or proceeding arising under any Environmental Law or of any noncompliance by the Borrower or any Subsidiary with any Environmental Law or any permit, approval, license or other authorization required thereunder that, if adversely determined, could reasonably be expected to have a Material Adverse Effect;

(e) any material change in accounting or financial reporting practices by the Borrower or any Subsidiary;

(f) any matter or development that has had or could reasonably be expected to have a Material Adverse Effect;

(g) any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in parts (c) or (d) of such certification; and

(h)(i) any material breach or default by the Borrower or any of its Subsidiaries under a Material License or the Purchase Agreement or (ii) any dispute, claim, legal action, arbitration or other proceeding that is pending or has been threatened in writing, involving or affecting the validity, renewal or compliance with a Material License or compliance by the Borrower with the terms of the Purchase Agreement.

Each notice delivered under this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth the details of the occurrence requiring such notice and stating what action the Borrower has taken and proposes to take with respect thereto.

SECTION 5.05 Preservation of Existence, Etc. The Borrower will, and will cause each of its Subsidiaries to, (a) preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 6.03 or 6.04; (b) take all reasonable action to maintain all rights, licenses (including the Material Licenses), permits, privileges and franchises necessary or desirable in the normal conduct of its business, except other than in the case of Material Licenses to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve and renew all of its registered Intellectual Property rights, and protect all of its unregistered Intellectual Property rights, used in the operation of its business, the non-preservation, non-renewal or non-protection of which could reasonably be expected to have a Material Adverse Effect.Maintenance of Properties. The Borrower will, and will cause each of its Subsidiaries to, (a) maintain, preserve and protect all of its properties and equipment necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and
(b) make all necessary repairs thereto and renewals and replacements thereof, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.07 Maintenance of Insurance. The Borrower will, and will cause each of its Subsidiaries to, maintain with financially sound and reputable insurance companies, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance reasonable and customary for similarly situated Persons engaged in the same or similar businesses as the Borrower and its Subsidiaries) as are customarily carried under similar circumstances by such Persons. If any portion of any Material Real Property is at any time located in an area identified by the Federal Emergency Management Agency (or any successor agency) as a special flood hazard area with respect to which flood insurance has been made available under the National Flood Insurance Act of 1968 (as now or hereafter in effect or successor act thereto), then, to the extent required by Applicable Laws, the Borrower shall, or shall cause the applicable Subsidiary to, (i) maintain, or cause to be maintained, with a financially sound and reputable insurer, flood insurance sufficient to comply with all applicable rules and regulations promulgated pursuant to any applicable flood insurance Laws and (ii) deliver to the Agent and the Lenders as requested evidence of such compliance in such form, on such terms and in such amounts acceptable to the Agent and the Lenders. Any such insurance shall name the Agent as additional insured or loss payee, as applicable.

SECTION 5.08 Payment of Obligations. The Borrower will, and will cause each of its Subsidiaries to, pay, discharge or otherwise satisfy as the same shall become due and payable, all of its obligations and liabilities, including Tax liabilities, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect.

SECTION 5.09 Compliance with Laws. The Borrower will, and will cause each of its Subsidiaries to:

(a)comply with all Requirements of Law and all orders, writs, injunctions and decrees applicable to it or to its business or property, except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect; and

(b)(i) take all reasonable measures within its control to conduct its business in a way that prevents the distribution of Marijuana to minors, (ii) prevent revenue from the sale of Marijuana going to criminal enterprises, gangs, cartels or any other illegal organization, activity, or conspiracy, (iii) prevent unlawful diversion of Marijuana from any Legalized Marijuana State to any other U.S. state (including any other Legalized Marijuana State), (iv) prevent Marijuana Activities from being used as a cover or pretext for the trafficking of other drugs or other illegal activity, and (v) prevent drugged driving and the exacerbation of other adverse public health consequences associated with Marijuana use.

SECTION 5.10 Environmental Matters. Except to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, the Borrower will, and will cause each of its Subsidiaries to, (a) comply with all Environmental Laws, (b) obtain, maintain in full force and effect and comply with any permits, licenses or approvals required for the facilities or operations of the Borrower or any of its Subsidiaries, and (c) conduct and complete any investigation, study, sampling or testing, and undertake any corrective, cleanup, removal, response, remedial or other action necessary to identify, report, remove and clean up and otherwise remediate all Hazardous Materials present or released at, on, in, under or from any of the facilities or real properties of the Borrower or any of its Subsidiaries.

SECTION 5.11 Books and Records. The Borrower will, and will cause each of its Subsidiaries to, maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be.

SECTION 5.12 Inspection Rights. The Borrower will, and will cause each of its Subsidiaries to, permit representatives and independent contractors of the Agent and each Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the reasonable expense of the Borrower and at such reasonable times during normal business hours as may be reasonably requested; provided that, other than with respect to such visits and inspections during the continuation of an Event of Default, (a) only the Agent on behalf of the Lender may exercise rights under this Section and (b) the Agent shall not exercise such rights more often than once during any calendar year; provided, further, that when an Event of Default exists the Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing under this Section at the expense of the Borrower and at any time during normal business hours and without advance notice. The Agent and the Lenders shall give the Borrower the opportunity to participate in any discussions with the Borrower's accountants.

SECTION 5.13 Use of Proceeds. The Borrower will, and will cause each of its Subsidiaries to, use the proceeds of the Loans (a) to fund the contingent payment due on the acquisition of Ilera Healthcare, (b) to pay transaction fees and expenses in connection with this Agreement and the other Loan Documents and the incurrence of the Loans, (c) if applicable, to pay Specified Distributions and (d) for working capital and general corporate purposes of the Borrower and its Subsidiaries not in contravention of any Law or of any Loan Document.

SECTION 5.14 Sanctions; Anti-Money Laundering Laws; Anti-Corruption Laws. The Borrower will maintain in effect policies and procedures designed to promote compliance by the Borrower, its Subsidiaries, and their respective directors, officers, employees, and agents with Sanctions, Anti-Money Laundering Laws, and Anti-Corruption Laws.

SECTION 5.15 Additional Guarantors and Collateral Matters.

(a)The Borrower shall cause each Subsidiary of the Borrower organized or acquired after the Closing Date to become a Loan Party within sixty (60) days (or such later time as the Agent may agree) following the date of acquisition or organization, by (i) executing and delivering a supplement to the Guaranty Agreement, a supplement to the Pledge and Security Agreement, a supplement to the Perfection Certificate and each schedule thereto and such other documents as the Agent may reasonably request and (ii) taking such other actions as are necessary to deliver certificates, documents, opinions and statements substantially consistent with those certificates, instruments, documents, opinions and statements delivered on or before the Closing Date pursuant to Section 4.01(b) through (f); provided that, with respect to Newco and notwithstanding ~~the foregoing~~anything in this Section 5.15(a) or anything in the Loan Documents to the contrary, upon obtaining CRC Approval, the Borrower shall use its commercially reasonable efforts to (i) cause Newco to become a Loan Party and (ii) to take the actions prescribed in the foregoing by no later than ~~March 15~~June 30, 2023 (or such later date as the Agent may agree).

(b)The Borrower shall, and shall cause each of its Subsidiaries, to (i) notify the Agent promptly upon its acquiring or obtaining any Material Real Property after the Closing Date and shall satisfy the Material Real Property Requirement with respect to such Material Real Property within seventy five (75) days (or such later time as the Agent may agree) of the date of acquiring or obtaining such Material Real Property and (ii) notify the Agent promptly upon entering into any lease agreements with respect to real property and shall, within seventy five (75) days of such date (or such later time as the Agent may agree), deliver a counterpart of each party to a Notice of Assignment (as defined in the Pledge and Security Agreement) with respect to such leased properties, signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

(c)The Borrower shall, and shall cause each of its Subsidiaries, to deliver or cause to be delivered to the Agent (i) concurrent with the delivery of the Compliance Certificate delivered pursuant to Section 5.02, a Perfection Certificate Supplement (as defined in the Pledge and Security Agreement) or a certification of a Responsible Officer of Borrower stating that the Perfection Certificate (as supplemented by delivery of any previous Perfection Certificate Supplement) remain true and accurate since last delivered to the Agent either on or before the Closing Date or pursuant to this clause
(c) and (ii) all such information as the Agent or the Required Lenders shall reasonably request regarding Collateral.

(d)The Borrower shall, and shall cause each of its Subsidiaries, to execute any and all further documents, financing statements, agreements and instruments (including, without limitation, legal opinions, corporate documents, corporate authorizations, title insurance policies and other insurance documents and endorsements and/or lien searches), and take all further action (including filing Uniform Commercial Code and other financing statements, mortgages and deeds of trust) that may be required under Applicable Law, or that the Required Lenders or the Agent may reasonably request, in order to effectuate the transactions contemplated by the Loan Documents and in order to grant, preserve, protect and perfect the validity and first priority of the security interests created or intended to be created by the Collateral Documents. In addition, from time to time, the Borrower shall, and shall cause each of its Subsidiaries, at its cost and expense, promptly secure the Obligations by pledging, charging, or

creating, or causing to be pledged, charged or created, perfected security interests with respect to such of its assets and properties as the Agent or the Required Lenders shall designate (it being understood that it is the intent of the parties that the Obligations shall be secured by substantially all the assets of the Borrower and its Subsidiaries (including real and other properties acquired subsequent to the Closing Date)). Such security interests and Liens will be created under the Collateral Documents and other security agreements, mortgages, deeds of trust and other instruments and documents in form and substance satisfactory to the Agent or the Required Lenders. The Borrower agrees to provide such evidence as the Agent or the Required Lenders shall reasonably request as to the perfection and priority status of each such security interest and Lien.

(e)On or prior to the date that is sixty (60) days (or such later date as the Agent may agree) after the later of (a) the date of acquisition or opening of any new deposit account or securities account maintained in the United States (in each case, other than any Excluded Accounts) by the Borrower or any of its Subsidiaries (or if later, sixty (60) days after the date such Person became a Subsidiary of the Borrower (or such later time as the Agent may agree)), or (b) the date any deposit account or securities account maintained in the United States ceases to be an Excluded Account (or, in each case, such later date reasonably agreed to by the Agent in its sole discretion), the Borrower or such Subsidiary shall enter into, and cause each depository or securities intermediary to enter into, Control Agreements with respect to such deposit account or securities account (other than any Excluded Accounts); provided that, with respect to the Blocked Account, the Borrower shall enter into, and cause the depository intermediary to enter into a Control Agreement with respect to such deposit account by no later than ~~March 15~~June 30, 2023 (or such later date as the Agent may agree).

SECTION 5.16 Post-Closing Obligations. The Borrower shall, and shall cause each of its Subsidiaries to, satisfy the requirements set forth on Schedule 5.16 in the time periods set forth therein. The parties acknowledge and agree that notwithstanding anything herein to the contrary, all conditions, representations, warranties and covenants of the Loan Documents with respect to the taking of such actions are qualified by the non-completion of such actions until the earlier of the time at which they are completed or required to be completed in accordance with this Section 5.16.

ARTICLE VI
NEGATIVE COVENANTS

Until the Commitments have expired or been terminated and all Obligations have been paid in full, the Borrower covenants and agrees with the Lenders that:

SECTION 6.01 Indebtedness. The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Indebtedness, except:

(a)Indebtedness under the Loan Documents;

(b)Indebtedness outstanding on the date hereof and listed on Schedule 6.01;

(c)Guarantees of the Borrower or any Subsidiary in respect of Indebtedness otherwise permitted hereunder of the Borrower or any Subsidiary Guarantor;

(d)obligations (contingent or otherwise) of the Borrower or any Subsidiary existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments, investments, assets or property held or reasonably anticipated by such

Person, or changes in the value of securities issued by such Person, and not for speculative purposes;

(e)Indebtedness in respect of capital leases, Synthetic Lease Obligations and Purchase Money Obligations, provided that, the aggregate amount of all such Indebtedness at any time outstanding shall not exceed $40,000,000;

(f)Indebtedness of the Borrower or any Subsidiary as an account party in respect of commercial letters of credit;

(g)Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business;

(h)Indebtedness (i) resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business or (ii) arising under or in connection with cash management services in the ordinary course of business;

(i)Indebtedness consisting of (i) the financing of insurance premiums or (ii) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business;

(j)Indebtedness in an aggregate principal amount not exceeding $2,500,000 at any time outstanding, *provided* that, prior to the incurrence of any Indebtedness pursuant to this clause (j) that is owed to the Canadian Parent or any of its Subsidiaries (other than the Borrower and its Subsidiaries), the borrower and lender with respect to such Indebtedness shall have executed and delivered to the Agent either an intercompany subordination agreement or, to the extent required by the Pledge and Security Agreement, an intercompany note, in each case, reasonably satisfactory to the Agent;

(k)Indebtedness arising as a direct result of judgments, orders, awards or decrees against any Loan Party, in each case not constituting an Event of Default;

(l)unsecured Indebtedness representing any Taxes to the extent such Taxes are being contested by any Loan Party in good faith by appropriate proceedings and adequate reserves are being maintained by such Loan Party in accordance with Applicable Accounting Principles;

(m)unsecured Indebtedness in respect of obligations of the Borrower or any Subsidiary of the Borrower to pay the deferred purchase price of goods or services or progress payments in connection with such goods and services; provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money; and

(n)Indebtedness that is either (i) assumed at the time of a Permitted Acquisition or (ii) incurred for the purposes of financing a Permitted Acquisition, provided that, in each case, (A)to the extent such Indebtedness is secured, it is not secured by any assets other than those assets that were acquired through such Permitted Acquisition (including, for avoidance of doubt, a limited recourse pledge of the Equity Interests of the relevant Subsidiary acquired in such Permitted Acquisition) or owned by a Subsidiary acquired through such Permitted Acquisition, (B)to the extent such Indebtedness is guaranteed, it is not guaranteed by any of the Loan Parties other than any Subsidiaries that are acquired as part of such Permitted Acquisition, and (C)

before and after giving effect to the incurrence or assumption of such Indebtedness and the related Permitted Acquisition as if such actions had occurred at the beginning of the most recently ended fiscal two fiscal quarter period, (I) the Financial Covenants on a pro forma basis would each be satisfied as of the last day of the most recently ended fiscal quarter and (II) the Consolidated Leverage Ratio on a pro forma basis as of the last day of the most recently ended fiscal quarter would be equal to or less than 2.50:1.00;

(o)Indebtedness incurred by the Borrower or another Subsidiary arising from the Permitted Sale and Leaseback Transaction;

(p)without any duplication of any Permitted Sale Leaseback Transaction, Indebtedness in the form of a mortgage financing in respect of the Fulton Property in an aggregate amount not exceeding $25,000,000 at any time outstanding; and

(q)any refinancings, refundings, renewals or extensions of Indebtedness incurred under clause (b), (j), (n), (o) and (p); *provided* that (i) the amount of such Indebtedness is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to premiums, original issue discount, or other amount paid, and fees and expenses reasonably incurred, in connection with such refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (ii) to the extent such Indebtedness incurred under clauses (b), (j), (n), (o) or (p) is secured, such Indebtedness incurred under this clause (q) refinancing, refunding, renewing or extending such Indebtedness shall not be secured by any assets other than those assets securing the original Indebtedness that is subject to such refinancing, refunding, renewal or extension and (iii) to the extent such Indebtedness incurred under clauses (b), (j), (n), (o) or (p) is guaranteed, such Indebtedness incurred under this clause (q) refinancing, refunding, renewing or extending such Indebtedness shall not be guaranteed by any Loan Party other than those Loan Parties guaranteeing the original Indebtedness that is subject to such refinancing, refunding, renewal or extension.

SECTION 6.02 Liens. The Borrower will not, nor will it permit any Subsidiary to, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, other than the following:

(a)Liens in favor of the Borrower or any of its Subsidiaries or created under the Loan Documents;

(b)Liens existing on the date hereof and listed on Schedule 6.02 and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by Sections 6.01(q),
(iii) the direct or any contingent obligor with respect thereto is not changed and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by Section 6.01(q);

(c)Liens for Taxes or other governmental charges not yet due or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with Applicable Accounting Principles, or for property Taxes on property that any Loan Party has determined to abandon if the sole recourse for such Tax, assessment, charge, levy or claim is to such property;

(d)carriers', warehousemen's, mechanics', materialmen's, repairmen's, construction or other like Liens arising in the ordinary course of business and which, if they secure obligations that are then due and unpaid and are overdue for more than thirty (30) days are being contested in

good faith by appropriate proceedings for which adequate reserves have been established with respect thereto on the books of the applicable Person;

(e)Liens securing Indebtedness permitted under SECTION 6.01(e); provided that
(i) such Liens do not at any time encumber any property other than the property financed by such Indebtedness (except for additions and accessions to such assets, the proceeds and products thereof and customary security deposits) and (ii) the Indebtedness secured thereby does not exceed the cost or fair market value, whichever is lower, plus related transaction costs, of the property being acquired on the date of acquisition; provided that, in the case of clause (e)(i), individual financings provided by one lender may be cross collateralized to other financings provided by such lender or its affiliates;

(f)Liens imposed by Requirements of Law or pledges or deposits in the ordinary course of business in connection with (i) workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and (ii) public utility services provided to the Borrower or a Subsidiary;

(g)deposits to secure the performance of bids, trade contracts and leases (other than Indebtedness), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(h)easements, rights-of-way, restrictions and other similar encumbrances affecting real property that, in the aggregate, do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of any real property that does not materially interfere with the ordinary conduct of the business of the Borrower and its Subsidiaries;

(i)Liens securing judgments for the payment of money, or orders, attachments, decrees or awards, in each case not constituting an Event of Default under SECTION 7.01(j);

(j)any Lien existing on any property or asset prior to the acquisition thereof by the Borrower or any Subsidiary or existing on any property or asset of any Person that becomes a Subsidiary (or that is merged or amalgamated into the Borrower or any Subsidiary of the Borrower) after the date hereof prior to the time such Person becomes a Subsidiary (or that is merged or amalgamated into the Borrower or any Subsidiary of the Borrower); provided that
(i) such Lien is not created in contemplation of or in connection with such acquisition or such Person becoming a Subsidiary, as the case may be, (ii) such Lien shall not apply to any other property or assets of the Borrower or any Subsidiary (provided, however, that such Liens may include a limited recourse pledge of the Equity Interests of the relevant acquired Subsidiary) and
(iii) such Lien shall secure only those obligations that it secures on the date of such acquisition or the date such Person becomes a Subsidiary, as the case may be, and extensions, renewals and replacements thereof that do not increase the outstanding principal amount thereof (other than increases relating to transaction costs of such extensions, renewals and replacements);

(k)Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) that are customary in the banking industry;

(l)any interest or title of a lessor, sublessor, licensor or sublicensor under leases or non-exclusive licenses permitted by this Agreement that are entered into in the ordinary course of business;

(m)leases, non-exclusive licenses, subleases or non-exclusive sublicenses granted to others in the ordinary course of business that do not (i) interfere in any material respect with the ordinary conduct of the business of the Borrower and its Subsidiaries, or (ii) secure any Indebtedness;

(n)Liens securing Indebtedness permitted under Section 6.01(n);

(o)Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business;

(p)Liens incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or assets, and;

(q)Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Loan Party in the ordinary course of business in accordance with the past practices of such Loan Party;

(r)bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, sweep accounts and netting arrangements and similar arrangements of the Loan Parties consisting of the right to apply the funds held therein to satisfy overdraft or similar obligations incurred in the ordinary course of business of such person; *provided* that, unless such Liens are non-consensual and arise by operation of law, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness, and Liens granted in the ordinary course of business by the Borrower or any of its Subsidiaries to any bank with whom it maintains accounts to the extent required by the relevant bank's (or custodian's or trustee's, as applicable) standard terms and conditions, in each case, which are within the general parameters customary in the banking industry;

(s)Liens (i) on advances of cash or Cash Equivalents in favor of the seller of any property to be acquired in an Investment permitted pursuant to SECTION 6.06 to be applied against the purchase price for such Investment, (ii) Liens on deposits or other amounts held in escrow to secure contractual payments (contingent or otherwise) payable by the Borrower or its Subsidiaries to a seller after the consummation of a Permitted Acquisition or other permitted Investment, and (iii) Liens attaching solely to cash earnest money deposits in connection with an Investment permitted by SECTION 6.06;

(t)Liens of a collecting bank arising in the ordinary course of business under Section 4-208 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;

(u)(i) deposits of cash with the owner or lessor of premises leased or operated by the Borrower or any of its Subsidiaries and (ii) cash collateral on deposit with banks or other financial institutions issuing letters of credit (or backstopping such letters of credit) or other

equivalent bank guarantees issued naming as beneficiaries the owners or lessors of premises leased or operated by the Borrower or any of its Subsidiaries, in each case, in the ordinary course of business of the Borrower and such Subsidiaries to secure the performance of the Borrower's or such Subsidiary's obligations under the terms of the lease for such premises;

(v) statutory Liens incurred or pledges or deposits made in favor of a Governmental Authority to secure the performance of obligations of any Loan Party under Environmental Laws to which any assets of such Loan Party are subject;

(w) Liens securing Indebtedness and other obligations in an aggregate amount not exceeding $5,000,000 at any time outstanding;

(x) Liens arising out of the Permitted Sale Leaseback Transaction, so long as such liens attach only to the Fulton Property and any accessions and additions thereto or proceeds and products thereof and related the Fulton Property; and

(y) any real property mortgage in respect of the Fulton Property securing Indebtedness permitted by Section 6.01(p).

SECTION 6.03 Fundamental Changes. The Borrower will not, nor will it permit any Subsidiary to, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Subsidiaries, provided that when any Subsidiary Guarantor is merging with another Subsidiary, a Subsidiary Guarantor shall be the continuing or surviving Person;

(b) any Subsidiary may Dispose of all or substantially all of its assets (upon voluntary liquidation or otherwise) to the Borrower or to another Subsidiary; provided that if the transferor in such a transaction is a Subsidiary Guarantor, then the transferee shall either be the Borrower or another Subsidiary Guarantor;

(c) the Borrower and its Subsidiaries may make Dispositions permitted by Section 6.04;

(d) any Investment permitted by Section 6.06 may be structured as a merger, consolidation or amalgamation; and

(e) any Subsidiary may dissolve, liquidate or wind up its affairs at any time provided that (i) such dissolution, liquidation or winding up, as applicable, would not reasonably be expected to have a Material Adverse Effect and (ii) any property or assets owned by such Subsidiary prior to dissolution are disposed of through a Disposition permitted pursuant to Section 6.04.

SECTION 6.04 Dispositions. The Borrower will not, and will not permit any Subsidiary to, make any Disposition or enter into any agreement to make any Disposition, except:

(a) Dispositions of property no longer used or useful in the business, or obsolete or worn out property in the ordinary course of business;

(b)Dispositions of inventory in the ordinary course of business;

(c)Dispositions of equipment or real property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are reasonably promptly applied to the purchase price of such replacement property;

(d)Dispositions of property by any Subsidiary to the Borrower or to a Subsidiary, provided that if the transferor of such property is a Subsidiary Guarantor, the transferee must be either the Borrower or a Subsidiary Guarantor;

(e)Dispositions permitted by Section 6.03;

(f)leases, non-exclusive licenses, subleases or non-exclusive sublicenses granted in the ordinary course of business and on ordinary commercial terms that do not interfere in any material respect with the business of the Borrower and its Subsidiaries;

(g)Restricted Payments permitted by Section 6.05 and Investments permitted by Section 6.06;

(h)Dispositions by the Borrower and its Subsidiaries not otherwise permitted under this Section; provided that such Disposition must (a) be for the fair market value, (b) with respect to any aggregate consideration received in respect thereof in excess of $1,000,000, at least 75% of consideration for such Disposition must consist of cash or Cash Equivalents (with any securities, notes or other obligations or assets received by the Borrower or any Subsidiary from such transferee that are converted by such person into cash or Cash Equivalents (to the extent of the cash or Cash Equivalents received) within one hundred eighty (180) days following the closing of the applicable disposition, treated as cash) and (c) the aggregate book value of all property Disposed of pursuant to this clause (i) in any fiscal year shall not exceed $3,000,000; ~~and~~

(i)Dispositions pursuant to the Permitted Sale and Leaseback Transaction~~.~~ ; and

(j)the Disposition of 12.5% of Newco's Equity Interests by Borrower to Blue Marble Ventures LLC and BWH NJ LLC and any documentation entered into in connection therewith.

SECTION 6.05 Restricted Payments. The Borrower will not, and will not permit any Subsidiary to, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a)each Subsidiary may make Restricted Payments to the Borrower and any other Subsidiary of the Borrower that owns an Equity Interest in such Subsidiary, ratably according to their respective holdings of such Equity Interests in respect of which such Restricted Payment is being made;

(b)the Borrower and each Subsidiary may declare and make dividend payments or other distributions payable solely in common Equity Interests of such Person;

(c)the Borrower and each Subsidiary may purchase, redeem or otherwise acquire Equity Interests issued by it with the proceeds received from the substantially concurrent issue of new common Equity Interests;

(d)the Borrower may declare or pay cash dividends to its sole shareholder, the American Parent, and purchase, redeem or otherwise acquire for cash its Equity Interests from its sole shareholder, the American Parent:

(i)in any amount if, before and after giving effect thereto as if such cash dividend had occurred at the beginning of the most recently ended fiscal quarter, (A) the Financial Covenants on a pro forma basis would each be satisfied as of the last day of the most recently ended fiscal quarter and (B) the Consolidated Leverage Ratio on a pro forma basis as of the last day of the most recently ended fiscal quarter would be equal to or less than 2.50:1.00, or

(ii)if the conditions of clause (d)(i) above are not satisfied, in an amount that does not exceed $1,250,000 in the aggregate per fiscal quarter;

provided, that the proceeds of any such payment, purchase, redemption or otherwise, pursuant to this clause (d) shall not, directly or indirectly, be paid to, through distribution, dividend, loan, investment, or payment of any kind, to any direct or indirect shareholder of the Canadian Parent;

(e)the Borrower and each Subsidiary may pay withholding or similar taxes payable by any future, present or former employee, director or officer (or any spouses, former spouses, successors, executors, administrators, heirs, legatees or distributees of any of the foregoing) in connection with any repurchases of Equity Interests or the exercise of stock options;

(f)the Borrower may make Specified Distributions using a portion of proceeds of the Loans; and

(g)the Borrower may make Restricted Payments in an amount required for the Canadian Parent or Affiliate to pay quarterly and annual Taxes due in an amount which does not materially exceed the tax liabilities that would have been payable by the Borrower and its Subsidiaries on a stand-alone basis.

SECTION 6.06 Investments. The Borrower will not, and will not permit any Subsidiary to, make any Investments, except:

(a)Investments held by the Borrower or such Subsidiary in the form of Cash Equivalents;

(b)(i) Investments in Subsidiaries in existence on the Closing Date, and (ii) other Investments in existence on the Closing Date and identified on Schedule 6.06, and any refinancing, refunding, renewal or extension of any such Investment that does not increase the amount thereof;

(c)Investments of the Borrower in any Subsidiary Guarantor and Investments of any Subsidiary in the Borrower or in another Subsidiary of the Borrower, provided that if the Subsidiary making such Investment is a Subsidiary Guarantor, then the Subsidiary that is receiving such Investment must also be a Subsidiary Guarantor;

(d)Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of

business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss;

(e)Investments consisting of the indorsement by the Borrower or any Subsidiary of negotiable instruments payable to such Person for deposit or collection in the ordinary course of business;

(f)to the extent constituting an Investment, transactions otherwise permitted by Sections 6.01, 6.03 and 6.05;

(g)Permitted Acquisitions;

(h)other Investments not exceeding $2,000,000 (or, in the case of Investments in Subsidiaries of the Canadian Parent that are not Loan Parties, $2,500,000, provided that any such Investments must be in the form of a Loan, the obligations for which are represented by a promissory note with terms and conditions reasonably satisfactory to the Agent and, notwithstanding the amount thereof or any other term of this Agreement or another Loan Document, pledged to the Agent as Collateral for the benefit of the Lenders) in the aggregate in any fiscal year of the Borrower; and

(i)to the extent constituting an investment, any of the transactions and all related actions contemplated by the Lodi and Maplewood Transaction.

SECTION 6.07 Transactions with Affiliates. The Borrower will not, and will not permit any Subsidiary to, enter into any transaction of any kind with any Affiliate of the Borrower, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to the Borrower or such Subsidiary as would be obtainable by the Borrower or such Subsidiary at the time in a comparable arm's-length transaction with a Person other than an Affiliate; provided that the foregoing restriction shall not apply to (a) transactions between or among the Borrower and any of its Wholly-Owned Subsidiaries or between and among any Wholly-Owned Subsidiaries, (b) Restricted Payments permitted by Section 6.05, (c) director, officer and employee compensation (including bonuses) and other benefits (including retirement, health, stock option and other benefit plans) and indemnification arrangements and severance agreements, in each case approved by the Board of Directors of the Borrower or direct or indirect parent entity of the Borrower or the applicable Subsidiary, (d) transactions in respect of agreements and arrangements in effect on the Closing Date and set forth on Schedule 6.07 and any amendment or modification with respect to such agreement, arrangement or transaction, and the performance of obligations thereunder, so long as such amendment or modification is not materially adverse to the interests of the Lenders, (e) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into the Borrower or its Subsidiaries in accordance with the terms of this Agreement; provided that such agreement was not entered into in contemplation of such acquisition, merger or amalgamation, or any amendment thereto (so long as any such amendment is not disadvantageous to the Lenders in any material respect in the good faith judgment of the Borrower when taken as a whole as compared to such agreement as in effect on the date of such acquisition or merger), (f) that certain management services agreement dated March 1, 2020 by and among IHC Management LLC, Ilera Healthcare LLC and TerrAscend NJ LLC, and (g) the transactions and all related actions constituting the Lodi and Maplewood Transaction.

SECTION 6.08 Certain Restrictive Agreements. The Borrower will not, and will not permit any Subsidiary to, enter into any Contractual Obligation (other than this Agreement or any other Loan Document) that, directly or indirectly, limits the ability of (i) any Subsidiary to make Restricted Payments to the Borrower or to otherwise transfer property to the Borrower, (ii) any Subsidiary to Guarantee Indebtedness of the Borrower or (iii) the Borrower or any Subsidiary to create, incur, assume or

suffer to exist Liens on property of such Person to secure the Obligations; provided that this Section 6.08 shall not prohibit:

(a)covenants in documents creating Liens permitted by Section 6.02 prohibiting further Liens on the properties encumbered thereby (other than Liens securing the Obligations);

(b)customary restrictions on cash or other deposits;

(c)net worth provisions in leases and other agreements entered into by a Loan Party in the ordinary course of business;

(d)contractual encumbrances or restrictions existing on the Closing Date and identified on Schedule 6.08;

(e)any prohibition or limitation that (I) exists pursuant to applicable Requirements of Law, (II) consists of customary restrictions and conditions contained in any agreement relating to the sale of any property permitted under Section 6.04, stock sale agreement, purchase agreements, or acquisition agreements (including by way of merger, amalgamation, acquisition or consolidation) entered into by Borrower or any of its Subsidiaries solely to the extent pending the consummation of such transaction, which covenant or restriction is limited to the assets that are the subject of such agreements, or (III) restricts subletting or assignment of leasehold interests contained in any lease governing a leasehold interest of Borrower or any of its Subsidiaries;

(f)any documents relating to Indebtedness permitted hereunder that are, taken as a whole, in the good faith judgment of the Borrower, not materially more restrictive with respect to Borrower or any Subsidiary than (I) the restrictions contained in this Agreement or (II) restrictions in effect on the Closing Date (pursuant to documents included on Schedule 6.08);

(g)customary provisions restricting placing a lien on or sublicensing, or assignment of any license;

(h)customary provisions restricting assignment of any agreement entered into by a Subsidiary in the ordinary course of business;

(i)customary restrictions and conditions contained in any software license;

(j)any agreement in effect at the time such Subsidiary becomes a Subsidiary, so long as such agreement was not entered into in connection with or in contemplation of such person becoming a Subsidiary of the Borrower and such agreement's restrictions are not applicable to any person, or the properties or assets of any person, other than the person or the properties or assets of the person so acquired;

(k)customary provisions in partnership agreements, limited liability company organizational governance documents and other similar agreements entered into in the ordinary course of business that restrict the transfer of ownership interests in such partnership, limited liability company or similar person.

SECTION 6.09 Changes in Fiscal Periods

. The Borrower will not permit the last day of its fiscal year to end on a day other than December 31 or change the Borrower's method of determining its fiscal quarters.

SECTION 6.10 Changes in Nature of Business. The Borrower will not, and will not permit any Subsidiary to, engage to any material extent in any business other than those businesses conducted by the Borrower and its Subsidiaries on the date hereof or any business reasonably related, ancillary, complimentary or incidental thereto, necessary or appropriate for, or representing a reasonable expansion thereof.

SECTION 6.11 Restriction on Use of Proceeds. The Borrower will not use the proceeds of any Borrowing, whether directly or indirectly, and whether immediately, incidentally or ultimately, to purchase or carry Margin Stock, or to extend credit to others for the purpose of purchasing or carrying Margin Stock or to refund indebtedness originally incurred for such purpose.

SECTION 6.12 Financial Covenants.

(a)Minimum Liquidity. The Borrower will not, and will not permit any Subsidiary to, permit Liquidity as of 5:00 pm (New York city time) on the last day of each fiscal quarter (starting with the quarter ending June 30, 2021) to be less than the greater of (x) $7,700,000 and (y) 6.4% of all Loans outstanding as of such date.

(b)Consolidated Interest Coverage Ratio. If an ICR Period shall exist, then, within five (5) Business Days after the commencement of such ICR Period, the Borrower shall deposit into the Blocked Account, as additional collateral for the benefit of the Agent, an amount of cash equal to the ICR Required Payment Amount. If and when an ICR Period ends, provided no Event of Default shall then exist, Agent shall promptly release the funds on deposit in the Blocked Account to the Borrower.

SECTION 6.13 Sanctions; Anti-Corruption Use of Proceeds. The Borrower will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other Person, (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of the Anti-Corruption Laws, or (b) (i) to fund any activities or business of or with any Person, or in any country or territory, that, at the time of such funding, is the target of Sanctions, or (ii) in any other manner that would result in any Person (including any Person participating in the Loans, whether as Agent, Placement Agent, Lender, underwriter, advisor, investor, or otherwise) breaching Sanctions or becoming the target of any Sanctions.

SECTION 6.14 Federal Enforcement Priorities. The Borrower will not, and will not permit any Subsidiary to, permit any of its directors, officers, employees, consultants, agents or representatives to (a) engage in violence or the use of firearms (except as may be required or permitted for security purposes under applicable state law governing Marijuana Activities), or permit the use of violence or firearms, in the conduct of any Marijuana Activities, (b) grow or permit the growth of Marijuana on any public lands, or (c) possess or use, or permit the possession or use, of Marijuana on federal property.

ARTICLE VII EVENTS OF DEFAULT

SECTION 7.01 Events of Default. If any of the following events (each, an "Event of Default") shall occur:

(a)the Borrower shall fail to pay any principal of any Loan when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b)the Borrower shall fail to pay any interest on any Loan, or any fee or any other amount (other than an amount referred to in clause (a) of this Section) payable under this Agreement or under any other Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of three or more Business Days;

(c)any representation or warranty made or deemed made by or on behalf of any Loan Party, as applicable, in or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with this Agreement or any other Loan Document or any amendment or modification hereof or thereof, or any waiver hereunder or thereunder, shall prove to have been incorrect in any material respect (or, in the case of any such representation or warranty under this Agreement or any other Loan Document already qualified by materiality, such representation or warranty shall prove to have been incorrect in any respect) when made or deemed made (subject to, if curable, a grace period of 15 days following the earlier of (x) knowledge by the Borrower or (y) written notice from the Agent);

(d)the Borrower shall fail to observe or perform any covenant, condition or agreement contained in Section 5.04(a), 5.05 (with respect to the Borrower's existence) or 5.13 or in Article VI;

(e)the Borrower shall fail to observe or perform any covenant, condition or agreement contained in this Agreement or any other Loan Document (other than those specified in clause (a), (b) or (d) of this Section) and such failure shall continue unremedied for a period of fifteen (15) or more days after receipt by the Borrower of written notice thereof from the Agent;

(f)(i) any Loan Party shall fail to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise) in respect of any Indebtedness (other than Indebtedness under the Loan Documents) having an aggregate principal amount of more than $5,000,000, in each case beyond the applicable grace period with respect thereto, if any; or (ii) the Borrower or any Subsidiary shall fail to observe or perform any other agreement or condition relating to any such Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event is to cause, or to permit the holder or holders or beneficiary or beneficiaries of such Indebtedness (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Indebtedness to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity; provided that this clause (f)(ii) shall not apply to secured Indebtedness that becomes due as a result of the voluntary sale or transfer of the property or assets securing such Indebtedness, if such sale or transfer is permitted hereunder and under the documents providing

for such Indebtedness and such Indebtedness is repaid when required under the documents providing for such documents;

(g)an involuntary case or proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, reorganization or other relief or any analogous case, proceeding, step or procedure in any jurisdiction (including any application for winding-up or dissolution) in respect of any Loan Party or its debts, or of a substantial part of its assets, under any Debtor Relief Law now or hereafter in effect or (ii) the appointment of a receiver, interim receiver, receiver and manager, monitor, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, and, in any such case, such case, proceeding or petition shall continue undismissed for a period of 60 or more days or an order or decree approving or ordering any of the foregoing shall be entered;

(h)any Loan Party shall (i) voluntarily commence any case or proceeding or file any petition seeking liquidation, reorganization or other relief or any analogous case, proceeding, step or procedure in any jurisdiction (including any application for winding-up or dissolution) under any Debtor Relief Law now or hereafter in effect, (ii) consent to the institution of, or fail to contest in a timely and appropriate manner, any proceeding or petition described in clause (g) of this Section, (iii) apply for or consent to the appointment of a receiver, interim receiver, receiver and manager, monitor, trustee, custodian, sequestrator, conservator or similar official for any Loan Party or for a substantial part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such case or proceeding, (v) make a general assignment for the benefit of creditors or (vi) take any action for the purpose of effecting any of the foregoing;

(i)any Loan Party shall become unable or admit in writing its inability or fail generally to pay its debts as they become due;

(j)there is entered against any Loan Party (i) a final judgment or order for the payment of money in an aggregate amount (as to all such judgments and orders) exceeding
$5,000,000 (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and has not denied or failed to acknowledge coverage), or (ii) a non-monetary final judgment or order that, either individually or in the aggregate, has or could reasonably be expected to have a Material Adverse Effect and, in either case, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 30 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect;

(k)an ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan that has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC in an aggregate amount that could reasonably be expected to have a Material Adverse Effect;

(l)any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all Obligations, ceases to be in full force and effect; or any party to a Loan Document contests in writing the validity or enforceability of any provision of such Loan Document; or any Loan Party denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document;

(m)any Loan Party is criminally indicted or convicted under any Requirement of Law, that may reasonably be expected to lead to a forfeiture of any property of such Loan Party having a fair market value in excess of $1,000,000; or

(n)the Borrower shall fail to make the Final Payment (as defined in the Purchase Agreement) and any Deferred Amount (as defined in the Purchase Agreement), in each case on the respective due dates therefor (as such dates may be amended by agreement of the parties in accordance with the terms and conditions of the Purchase Agreement) in accordance with the Purchase Agreement;

then, and in every such event (other than an event with respect to the Borrower described in clause (g), (h) or (i) of this Section), and at any time thereafter during the continuance of such event, the Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any or all of the following actions, at the same or different times:

(i)declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Obligations of the Borrower accrued hereunder and, to the extent applicable, the Make-Whole Amount and Prepayment Premium, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower; and

(ii)exercise on behalf of itself and the Lenders all rights and remedies available to it and the Lenders under the Loan Documents and Applicable Law;

provided that, in case of any event with respect to the Borrower described in clause (g), (h) or (i) of this Section, the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Obligations accrued hereunder and, to the extent applicable, the Make-Whole Amount, shall automatically become due and payable, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower.

SECTION 7.02 Application of Payments. Notwithstanding anything herein to the contrary, following the occurrence and during the continuance of an Event of Default, and notice thereof to the Agent by the Borrower or the Required Lenders, all payments received on account of the Obligations, including, without limitation, all proceeds of the Collateral, shall be applied by the Agent as follows:

(i)first, to payment of that portion of the Obligations constituting fees, indemnities, expenses and other amounts (including fees and disbursements and other charges of counsel payable under Section 9.03 and amounts payable under the Administrative Agency Fee Letter) payable to the Agent in its capacity as such;

(ii)second, to payment of that portion of the Obligations constituting fees, indemnities and other amounts (other than principal and interest) payable to the Lenders (including fees and disbursements and other charges of counsel payable under Section 9.03) arising under the Loan Documents, ratably among them in proportion to the respective amounts described in this clause (ii) payable to them;

(iii)third, to payment of that portion of the Obligations constituting accrued and unpaid interest on the Loans, ratably among the Lenders in proportion to the respective amounts described in this clause (iii) payable to them;

(iv)fourth, to payment of that portion of the Obligations constituting unpaid principal of the Loans ratably among the Lenders in proportion to the respective amounts described in this clause (iv) payable to them;

(v)fifth, to the payment in full of all other Obligations, in each case ratably among the Agent and the Lenders based upon the respective aggregate amounts of all such Obligations owing to them in accordance with the respective amounts thereof then due and payable; and

(vi)finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by Law.

ARTICLE VIII AGENCY

SECTION 8.01 Appointment and Authority. Each of the Lenders hereby irrevocably appoints Acquiom Agency Services LLC to act on its behalf as the Agent hereunder and under the other Loan Documents and authorizes the Agent to take such actions on its behalf and to exercise such powers as are delegated to the Agent by the terms hereof or thereof, together with such actions and powers as are reasonably incidental thereto. The provisions of this Article are solely for the benefit of the Agent and the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any Applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

SECTION 8.02 Merger or Consolidation. Any corporation or association into which Acquiom Agency Services LLC may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer all or substantially all of its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which Acquiom Agency Services LLC is a party, will be and become the successor Agent under this Agreement and will have and succeed to the rights, powers, duties, immunities and privileges as its predecessor, without the execution or filing of any instrument or paper or the performance of any further act.

SECTION 8.03 Exculpatory Provisions.

(a)The Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Agent:

(i)shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(ii)shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); provided that the Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Agent

to liability or that is contrary to any Loan Document or Applicable Law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law;

(iii)shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Agent or any of its Affiliates in any capacity

(iv)shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder; and

(v)shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility; it being understood that the Agent shall use its best efforts to resume performance as soon as practicable under the circumstances.

(b)The Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary, or as the Agent shall believe in good faith shall be necessary, under the circumstances as provided in Sections 7.01 and 9.02), or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. The Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Agent in writing by the Borrower or a Lender. In the event that the Agent receives such a notice of the occurrence of a Default, the Agent shall take such action with respect to such Default or Event of Default as shall reasonably be directed by the Required Lenders, provided that, unless and until the Agent shall have received such directions, the Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default as it shall deem advisable in the best interest of the Lenders.

(c)The Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any recital, statement, warranty or representation (whether written or oral) made in or in connection with this Agreement or any other Loan Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default, (iv) the value, validity, enforceability, effectiveness, sufficiency or genuineness of this Agreement, any other Loan Document or any other agreement, instrument or document, (v) the satisfaction of any condition set forth in Article IV or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to the Agent, (vi) any litigation or collection proceedings (or to initiate or conduct any such litigation or proceedings) under any Loan Document unless requested by the Required Lenders in writing and it receives indemnification satisfactory to it from the Lenders or (vii) the value or rating of any Collateral.

SECTION 8.04 Reliance by Agent. The Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument,

document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Agent may presume that such condition is satisfactory to such Lender unless the Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. The Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

SECTION 8.05 Delegation of Duties.

(a)The Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Agent. The Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Facilities as well as activities as Agent. The Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

(b)Any corporation or other entity into which the Agent may be merged or converted or with which the Agent may be consolidated, or any corporation or other entity resulting from any merger, conversion or consolidation to which the Agent shall be a party, or any corporation or other entity succeeding to all or substantially all of the corporate trust business of the Agent, shall be the successor to the Agent hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto.

SECTION 8.06 Resignation of Agent.

(a)The Agent may at any time give notice of its resignation to the Lenders and the Borrower. Upon receipt of any such notice of resignation, (i) the Required Lenders shall have the right, with the prior written consent of the Borrower (which consent is not required if an Event of Default has occurred and is continuing and which consent shall not be unreasonably withheld or delayed), to appoint, as applicable, a successor Agent (which shall be a Lender or such other Person appointed by the Required Lenders). If no such successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within thirty (30) days after the retiring Agent gives notice of its resignation (or such earlier day as shall be agreed by the Required Lenders) (the "Resignation Effective Date"), then the retiring Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Agent meeting the qualifications set forth above. Whether or not a successor has been appointed, such resignation shall become effective in accordance with such notice on the Resignation Effective Date.

(b)If no such successor shall have been so appointed by applicable Required Lenders and shall have accepted such appointment within thirty (30) days (or such earlier day as shall be agreed by the applicable Required Lenders) (the "Removal Effective Date"), then such removal shall nonetheless become effective in accordance with such notice on the Removal Effective Date.

(c)With effect from the Resignation Effective Date or the Removal Effective Date (as applicable) (i) the retiring or removed Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Collateral Agent on behalf of the Lenders under any of the Loan Documents, the retiring collateral agent shall continue to hold such collateral security until such time as a successor Collateral Agent is appointed) and (ii) except for any indemnity payments owed to the retiring or removed Agent, all payments, communications and determinations provided to be made by, to or through the Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Agent as provided for above. Upon the acceptance of a successor's appointment as Agent hereunder, such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring or removed Agent (other than any rights to indemnity payments owed to the retiring or removed Agent), and the retiring or removed Agent shall be discharged from all of its duties and obligations hereunder or under the other Loan Documents. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After the retiring or removed Agent's resignation or removal hereunder and under the other Loan Documents, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring or removed Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Agent was acting as Agent.

SECTION 8.07 Non-Reliance on Agent and Other Lenders. Each Lender acknowledges and agrees that it has, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges and agrees that it will, independently and without reliance upon the Agent or any other Lender or any of their Related Parties and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement, any other Loan Document or any related agreement or any document furnished hereunder or thereunder. Except for notices, reports, and other documents and information expressly required to be furnished to the Lenders by the Agent hereunder and for other information in the Agent's possession which has been requested by a Lender and for which such Lender pays the Agent's expenses in connection therewith, the Agent shall not have any duty or responsibility to provide any Lender with any credit or other information concerning the affairs, financial condition, or business of any Loan Party or any of its Affiliates that may come into the possession of the Agent or any of its Affiliates.

SECTION 8.08 No Other Duties. Anything herein to the contrary notwithstanding, the Placement Agent listed on the cover page hereof shall not have any powers, duties or responsibilities under this Agreement or any of the other Loan Documents, except in its capacity, as applicable, as the Agent or a Lender hereunder.

SECTION 8.09 Indemnity of the Agent. **THE LENDERS SEVERALLY AGREE TO INDEMNIFY THE AGENT AND ITS AFFILIATES AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND AGENTS (TO THE EXTENT NOT REIMBURSED BY THE BORROWER), RATABLY ACCORDING TO THE RESPECTIVE PRINCIPAL AMOUNTS OF THE ADVANCES THEN HELD BY EACH OF THEM (OR IF NO PRINCIPAL OF THE ADVANCES IS AT THE TIME OUTSTANDING, RATABLY ACCORDING TO THE RESPECTIVE COMMITMENTS HELD BY EACH OF THEM IMMEDIATELY PRIOR TO THE TERMINATION, EXPIRATION OR FULL REDUCTION OF EACH SUCH COMMITMENT), FROM AND AGAINST ANY AND ALL LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS OF ANY KIND OR NATURE WHATSOEVER WHICH MAY BE IMPOSED ON, INCURRED BY, OR ASSERTED AGAINST**

SUCH INDEMNIFIED PERSON IN ANY WAY RELATING TO OR ARISING OUT OF THIS AGREEMENT OR ANY ACTION TAKEN OR OMITTED BY THE AGENT UNDER THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT (IN ALL CASES, WHETHER OR NOT CAUSED BY OR ARISING, IN WHOLE OR IN PART, OUT OF THE COMPARATIVE, CONTRIBUTORY OR SOLE NEGLIGENCE OF SUCH INDEMNIFIED PERSON), AND INCLUDING, WITHOUT LIMITATION, ENVIRONMENTAL CLAIMS, PROVIDED THAT NO LENDER SHALL BE LIABLE FOR ANY PORTION OF SUCH LIABILITIES, OBLIGATIONS, LOSSES, DAMAGES, PENALTIES, ACTIONS, JUDGMENTS, SUITS, COSTS, EXPENSES, OR DISBURSEMENTS RESULTING FROM SUCH INDEMNIFIED PERSON'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, IN EACH CASE, AS DETERMINED BY A FINAL NON-APPEALABLE JUDGMENT OF A COURT OF COMPETENT JURISDICTION. WITHOUT LIMITATION OF THE FOREGOING, EACH LENDER AGREES TO REIMBURSE THE AGENT PROMPTLY UPON DEMAND FOR ITS RATABLE SHARE (DETERMINED AS SET FORTH ABOVE IN THIS PARAGRAPH) OF ANY OUT-OF-POCKET EXPENSES (INCLUDING COUNSEL FEES) INCURRED BY THE AGENT IN CONNECTION WITH THE PREPARATION, EXECUTION, DELIVERY, ADMINISTRATION, MODIFICATION, AMENDMENT, OR ENFORCEMENT (WHETHER THROUGH NEGOTIATIONS, LEGAL PROCEEDINGS, OR OTHERWISE) OF, OR LEGAL ADVICE IN RESPECT OF RIGHTS OR RESPONSIBILITIES UNDER, THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, TO THE EXTENT THAT THE AGENT IS NOT REIMBURSED FOR SUCH BY THE BORROWER.

SECTION 8.10 Certain Rights of the Agent. If the Administrative Agent or Collateral Agent shall request instructions from the Required Lenders with respect to any action or actions (including the failure to act) in connection with this Agreement or the other Loan Documents, such Administrative Agent or Collateral Agent, as applicable, shall be entitled to refrain from such act or taking such act unless and until it shall have received instructions from such Lenders, and such Administrative Agent or Collateral Agent, as applicable, shall not incur liability to any Person by reason of so refraining. Without limiting the foregoing, no Lender shall have any right of action whatsoever against the Administrative Agent or Collateral Agent as a result of the Administrative Agent or Collateral Agent acting or refraining from acting hereunder in accordance with the instructions of the Required Lenders where required by the terms of this Agreement or the other Loan Documents.

SECTION 8.11 Agent May File Proofs of Claim. In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a)to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agent and their respective agents and counsel and all other amounts due the Lenders and the Agent under Section 9.03) allowed in such judicial proceeding; and

(b)to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, interim receiver, receiver and manager, monitor, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender

to make such payments to the Agent and, in the event that the Agent shall consent to the making of such payments directly to the Lenders, to pay to the Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Agent and its agents and counsel, and any other amounts due the Agent under Section 9.03.

SECTION 8.12 Certain ERISA Matters.

(a)Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that at least one of the following is and will be true:

(i)such Lender is not using "plan assets" (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments or this Agreement,

(ii)the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a "Qualified Professional Asset Manager" (within the meaning of Part VI of PTE 84-14), (B) such "Qualified Professional Asset Manager" made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84- 14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement, or

(iv)such other representation, warranty and covenant as may be agreed in writing between the Agent, in its sole discretion, and such Lender.

(b)In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a)is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Agent and not, for the avoidance of doubt, to or for the benefit of the Borrower, that the Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender's entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of

any rights by the Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 8.13 Collateral and Guaranty Matter.

(a)The Agent (acting at the direction of the Required Lenders) is authorized on behalf of the Lenders, without the necessity of any notice to or further consent from such Lenders, from time to time, to take any actions with respect to any Collateral or security instruments which may be necessary to perfect and maintain the Liens upon the Collateral granted pursuant to the Pledge and Security Agreement. The Agent (acting at the direction of the Required Lenders) is further authorized (but not obligated) on behalf of the Lenders, without the necessity of any notice to or further consent from the Lenders, from time to time, to take any action in exigent circumstances as may be reasonably necessary to preserve any rights or privileges of the Lenders under the Loan Documents or Applicable Law. By accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, each Lender hereby agrees to the terms of this clause (a).

(b)The Lenders hereby, and any other Lender by accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, irrevocably authorize the Agent to, and the Agent shall, upon request of the Borrower release any Lien granted to or held by the Agent upon any Collateral (a) upon termination of this Agreement and the payment in full of all outstanding Loans and all other Obligations (other than contingent indemnity obligations for which no claims have been made); (b) constituting property sold or to be sold or Disposed of as part of or in connection with any Disposition permitted under this Agreement or any other Loan Document; (c) constituting property in which no Loan Party owned an interest at the time the Lien was granted or at any time thereafter other than as a result of a transaction prohibited hereunder; or (d) constituting property leased to any Loan Party under a lease which has expired or has been terminated in a transaction permitted under this Agreement or is about to expire and which has not been, and is not intended by such Loan Party to be, renewed or extended. Upon the request of the Agent at any time, the Lenders will confirm in writing the Agent's authority to release particular types or items of Collateral pursuant to this Section 8.11. At the written request and sole expense of the Borrower, which written request shall also include a certification from a Responsible Officer certifying to the Lenders, the Agent that such release is permitted under this Section 8.11 and that such transaction is in compliance with this Agreement and the other Loan Documents (which certification the Agent may, but is not obligated to, rely on), the Collateral Agent shall promptly provide the releases of Collateral permitted to be released under this Section 8.11 subject to evidence of such transaction and release documentation reasonably satisfactory to the Required Lenders, the Agent except that, with the Required Lender's prior written consent, the Agent may, but shall not be obligated, to provide such releases for such property to be sold but not yet sold or such property subject to a lease that is about to expire but not yet expired. Upon any of the Collateral constituting personal property being Disposed of as permitted under this Agreement, then such Collateral shall be automatically released from the Liens created under the applicable security instrument; provided, that (x) the Agent shall use commercially reasonable efforts to provide any evidence of such Lien release reasonably requested by the Borrower in accordance with this Section.

(c)Notwithstanding anything contained in any of the Loan Documents to the contrary, the Loan Parties, the Agent and each Lender hereby agree that no Lender shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty Agreement, it being understood and agreed that all powers, rights and remedies hereunder, under the Guaranty and under the Pledge and Security Agreement may be exercised solely by the Agent (acting at the direction of the Required Lenders), as applicable, on behalf of the Lenders in accordance with the terms hereof and the other Loan Documents. By accepting the benefit of the Liens granted pursuant to the Pledge and Security Agreement, each Lender not party hereto hereby agrees to the terms of this clause (c).

SECTION 8.14 Credit Bidding.

(a)The Agent, on behalf of itself and the Lenders, shall have the right, acting at the direction of the Required Lenders, to credit bid and purchase for the benefit of the Agent and the Lenders all or any portion of Collateral at any sale thereof conducted by the Agent under the provisions of the UCC, including pursuant to Sections 9-610 or 9-620 of the UCC, at any sale thereof conducted under the provisions of the United States Bankruptcy Code, including Section 363 thereof, or a sale under a plan of reorganization, or at any other sale or foreclosure conducted by the Agent (whether by judicial action or otherwise) in accordance with Applicable Law.

(b)Each Lender hereby agrees that, except as otherwise provided in any Loan Documents or with the written consent of the Agent and the Required Lenders, it will not take any enforcement action, accelerate obligations under any Loan Documents, or exercise any right that it might otherwise have under Applicable Law to credit bid at foreclosure sales, UCC sales or other similar Dispositions of Collateral.

SECTION 8.15 Agent Actions. With respect to any term or provision of this Agreement or any other Loan Document that requires the consent, approval, satisfaction, discretion, determination, decision, action or inaction or any similar concept of or by the Agent, or that allows, permits, requires, empowers or otherwise provides that any matter, action, decision or similar may be taken, made or determined by the Agent (including any provision that refers to any document or other matter being satisfactory or acceptable to the Agent) without expressly referring to the requirement to obtain consent or input from any Lenders, or to otherwise notify any Lender, or without providing that such matter is required to be satisfactory or acceptable to the Required Lenders, such term or provision shall be interpreted to refer to the Agent exercising its discretion, it being understood and agreed that the Agent shall be entitled to confirm that any matter is satisfactory or acceptable to the Required Lenders to the extent that it deems such confirmation necessary or desirable.

SECTION 8.16 Force Majeure. The Agent shall not be (i) required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder or under any other Loan Document or (ii) responsible or liable for any failure or delay in the performance of its obligations hereunder or under any other Loan Document arising out of or caused, directly or indirectly, by circumstances beyond its control, including without limitation, any act or provision of any present or future law or regulation or governmental authority; acts of God; earthquakes; fires; floods; wars; terrorism; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority or governmental actions; or the unavailability of the Federal Reserve Bank wire or telex or other wire or communication facility.

ARTICLE IX MISCELLANEOUS

SECTION 9.01 Notices; Public Information.

(a)Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in clause (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by email as follows:

(i)if to the Borrower, to WDB Holding PA, Inc., c/o TerrAscend Corp. at 489 Fifth Avenue, 29th Fl, New York, NY 10017, Attention of Keith Stauffer, Chief Financial Officer (Telephone No. (717) 343-5386; Email: kstauffer@terrascend.com), with a copy to: TerrAscend Corp. at 3610 Mavis Road, PO Box 43125, Mississauga, Ontario L5C 1W2, Attention of Jason Marks, Chief Legal Officer (Telephone No. (609) 937-6390; Email: jmarks@terrascend.com);

(ii)if to the Agent, to Acquiom Agency Services LLC at 150 South Fifth Street, Suite 2600, Minneapolis, MN 55402, Attention of Jennifer Anderson (Telephone No. (612) 509-2321; Email: loanagency@srsacquiom.com), with a copy to: Stroock & Stroock & Lavan LLP at 180 Maiden Lane, New York, NY 10038, Attention of Alex Cota (Telephone No. (212) 806-5531; Email: acota@stroock.com); and

(iii)if to a Lender, to it at its address (or email address) set forth in its Administrative Questionnaire.

Notices sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next Business Day for the recipient). Notices delivered through electronic communications, to the extent provided in clause (b) below, shall be effective as provided in said clause (b).

(b)Electronic Communications. Notices and other communications to the Lenders hereunder may be delivered or furnished by electronic communication (including e-mail, FpML, and Internet or intranet websites) pursuant to procedures approved by the Agent, provided that the foregoing shall not apply to notices to any Lender pursuant to Article II if such Lender has notified the Agent that it is incapable of receiving notices under such Article by electronic communication. The Agent or the Borrower may, in its discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; provided that approval of such procedures may be limited to particular notices or communications.

Unless the Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; provided that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient.

(c)Change of Address, etc. Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d)Platform.

(i)The Borrower agrees that the Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(ii)The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower's or the Agent's transmission of communications through the Platform. "Communications" means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Agent or any Lender by means of electronic communications pursuant to this Section, including through the Platform.

(e)Public Information. The Borrower hereby acknowledges that certain of the Lenders (each, a "Public Lender") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates (including the Canadian Parent), or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the materials and information provided by or on behalf of the Borrower or any of its Affiliates hereunder and under the other Loan Documents (collectively, "Borrower Materials") that may be distributed to the Public Lenders and that (i) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC," which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (ii) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Agent and the Lenders to treat such Borrower Materials as not containing any material non-public information with respect to the Borrower or its Affiliates or their respective securities for purposes of U.S. federal and other applicable securities Laws and as not containing material information that has not been generally disclosed (within the meaning of Canadian securities Laws) with respect to the Borrower or its Affiliates or their respective securities (provided, that to the extent that such Borrower Materials constitute Information, they shall be subject to Section 9.12); (iii) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (iv) the Agent shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information". Each Public Lender will designate one or more representatives that shall be permitted to receive information that is not designated as being available for Public Lenders.

SECTION 9.02 Waivers; Amendments.

(a)No Waiver; Remedies Cumulative; Enforcement. No failure or delay by the Agent or any Lender in exercising any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, remedy, power or privilege, or any abandonment or discontinuance of steps to enforce such a right remedy, power or privilege, preclude any other or further exercise thereof or the exercise of any other right remedy, power or privilege. The rights, remedies, powers and privileges of the Agent and the Lenders hereunder and under the Loan Documents are cumulative and are not exclusive of any rights, remedies, powers or privileges that any such Person would otherwise have.

(b)Amendments, Etc. Except as otherwise expressly set forth in this Agreement, no amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower therefrom, shall be effective unless in writing executed by the Borrower and the Required Lenders, and acknowledged by the Agent, or by the Borrower and the Agent with the consent of the Required Lenders, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; provided that:

(i)no such amendment, waiver or consent shall:

(A)extend or increase any Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in Article IV or the waiver of any Default shall not constitute an extension or increase of any Commitment of any Lender);

(B)reduce the principal of, or rate of interest specified herein on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, without the written consent of each Lender directly and adversely affected thereby (provided that only the consent of the Required Lenders shall be necessary (x) to amend the definition of "Default Rate" or to waive the obligation of the Borrower to pay interest at the Default Rate or (y) to amend any financial covenant (or any defined term directly or indirectly used therein), even if the effect of such amendment would be to reduce the rate of interest on any Loan or other Obligation or to reduce any fee payable hereunder);

(C)postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(D)change Section 2.11(b) or Section 2.12 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby;

(E)waive any condition set forth in Section 4.01 without the written consent of each Lender;

(F)change any provision of this Section or the percentage in the definition of "Required Lenders" or any other provision hereof specifying the number or percentage of Lenders required to amend, waive or otherwise modify any rights hereunder or make any determination or grant any consent hereunder, in each case, without the written consent of each Lender, or

(G)require the consent of the Required Lenders if such amendment, waiver or consent is to a provision of either Fee Letter but such amendment, waiver or consent shall require the consent of the Placement Agent (with respect to the Placement Agent Fee Letter) and the Agent (with respect to the Administrative Agency Fee Letter),

(ii)no such amendment, waiver or consent shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of the Agent, unless in writing executed by the Agent, in each case in addition to the Borrower and the Lenders required above, and

(iii)no Lender shall receive an amendment or similar fee as consideration for, or in connection with, such amendment, waiver or consent unless the Borrower shall have sought consent from all Lenders holding outstanding Loans at such time and offered all such Lenders the same fee, provided that the Borrower shall only be obligated to pay such fee to those Lenders that actually consent to such amendment, waiver or consent.

In addition, notwithstanding anything in this Section to the contrary, if the Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Agent within ten Business Days following receipt of notice thereof.

SECTION 9.03 Expenses; Indemnity; Damage Waiver.

(a)Costs and Expenses. The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Placement Agent (including the reasonable fees, charges and disbursements of counsel for the Placement Agent), in connection with the diligence of the Loan Parties, their Subsidiaries and activities, and the preparation, negotiation, execution, delivery of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), provided, that the Borrower's obligation to make payment pursuant to this clause (i) with respect to expenses incurred prior to the Closing Date shall be subject to any arrangements separately agreed to between the Placement Agent and the Borrower prior to the date hereof, (ii) all reasonable out-of-pocket expenses incurred by the Agent and its Affiliates (including the reasonable fees, charges and disbursements of counsel for the Agent), in connection with the syndication of the Facilities, the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents, or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), (iii) all out-of-pocket expenses incurred by the Agent or any Lender (including the fees, charges and disbursements of any counsel for the Agent or any Lender) in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loans made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of such Loans, (iv) all reasonable and documented out-of-pocket costs and expenses, if any, of the Agent or any lender if an Event of Default has occurred and is continuing, or otherwise in connection with any workout, restructuring, reorganization or debt modification or exchange transaction, any enforcement of, or exercise or protection of rights or remedies (whether through negotiations, legal proceedings, or otherwise) under, this Agreement and the other Loan Documents (including the fees, charges and disbursements of any counsel for the Agent or any Lender),
(v) any financial or other professional advisors, consultants, and third party service providers retained,
appointed or engaged by or on behalf of the Required Lenders, and (vi) any financial or other professional advisors, consultants, and third party service providers retained, appointed or engaged by or on behalf of the Agent.

(b)Indemnification by the Borrower. The Borrower shall indemnify the Agent (and any sub-agent thereof) and each Lender, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower) arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated

hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries, (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, and regardless of whether any Indemnitee is a party thereto, or (v) any claim (including, without limitation, any environmental claims), investigation, litigation or other proceeding (whether or not the Agent or any Lender is a party thereto) and the prosecution and defense thereof, arising out of or in any way connected with any Loan, any Loan Document, or any way connected with any Loan, any Loan Document, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby (and in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of such Indemnitee); provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee, (y) result from a claim brought by the Borrower against an Indemnitee for bad faith of such Indemnitee's obligations hereunder or under any other Loan Document, if the Borrower has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction or (z) result from a claim not involving an act or omission of the Borrower and that is brought by an Indemnitee against another Indemnitee (other than against the Placement Agent or the Agent in their capacities as such). Paragraph (b) of this Section shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim. No Loan Party shall, without the prior written consent of each Indemnitee affected thereby, settle any threatened or pending claim or action that would give rise to the right of any Indemnitee to claim indemnification hereunder unless such settlement (x) includes a full and unconditional release of all liabilities arising out of such claim or action against such Indemnitee at any time (including future, prospective and unmatured claims or actions), (y) does not include any statement as to or an admission of fault, culpability or failure to act by or on behalf of any Indemnitee and (z) does not require any payment to be made, and does not result in any obligation regarding any payment (including any payment of any costs or expenses) to be imposed or require such obligation to be incurred or assumed, and does not require any actions to be taken or refrained from being taken by any Indemnitee other than the execution of the related settlement agreement, if any.

(c)Reimbursement by Lenders. To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under clauses (a) or (b) of this Section to be paid by it to the Agent (or any sub-agent thereof) or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Agent (or any such sub-agent) or such Related Party, as the case may be, such Lender’s pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender’s Applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); provided that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Agent (or any such sub-agent), or against any Related Party of any of the foregoing acting for the Agent (or any such sub-agent) in connection with such capacity. The obligations of the Lenders under this clause (c) are subject to the provisions of Section 2.11(e).

(d)Waiver of Consequential Damages, Etc. To the fullest extent permitted by Applicable Law, the Borrower shall not assert, and hereby waives, any claim against any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan

Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, any Loan, or the use of the proceeds thereof. No Indemnitee referred to in clause (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(e)Payments. All amounts due under this Section shall be payable promptly (and in no event, not later than thirty days) after demand therefor.

(f)Survival. Each party's obligations under this Section shall survive the termination of the Loan Documents and payment of the obligations hereunder.

SECTION 9.04 Successors and Assigns.

(a)Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Agent and each Lender (and any other attempted assignment or transfer by any party hereto shall be null and void), and no Lender may assign or otherwise transfer any of its rights or obligations hereunder except (i) to an assignee in accordance with the provisions of clause (b) of this Section, (ii) by way of participation in accordance with the provisions of clause (d) of this Section, or (iii) by way of pledge or assignment of a security interest subject to the restrictions of clause (e) of this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in clause (d) of this Section and, to the extent expressly contemplated hereby, the Related Parties of each of the Agent and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b)Assignments by Lenders. Any Lender may at any time assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); provided that any such assignment shall be subject to the following conditions:

(i)Minimum Amounts.

(A)in the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and/or the Loans at the time owing to it or contemporaneous assignments to and/or by related Approved Funds (determined after giving effect to such assignments) that equal at least the amount specified in clause (b)(i)(B) of this Section in the aggregate or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and

(B)in any case not described in clause (b)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Assumption with respect to such assignment is delivered to the Agent or, if "Trade Date" is specified in the Assignment and Assumption, as of the Trade Date) shall not be less than $2,500,000, unless each of the Agent and, so long as no Event of Default has occurred and is

continuing, the Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed).

(ii)Proportionate Amounts. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii)Required Consents. No consent shall be required for any assignment except to the extent required by clause (b)(i)(B) of this Section and, in addition:

(A)the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment, or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; provided that the Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Agent within five Business Days after having received notice thereof and provided, further, that the Borrower's consent shall not be required during the primary syndication of any Facility; and

(B)the consent of the Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund.

(iv)Assignment and Assumption. The parties to each assignment shall execute and deliver to the Agent an Assignment and Assumption, together with a processing and recordation fee of $3,500; provided that the Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment. The assignee, if it is not a Lender, shall deliver to the Agent an Administrative Questionnaire.

(v)No Assignment to Certain Persons. No such assignment shall be made to the Borrower, the Canadian Parent or any of the Canadian Parent's Subsidiaries.

Subject to acceptance and recording thereof by the Agent pursuant to clause (c) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Section 9.03 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this clause shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with clause (d) of this Section.

(c)Register. The Agent, acting solely for this purpose as a non-fiduciary agent of the Borrower (and, to the extent the Borrower is disregarded for U.S. federal income tax purposes, the Borrower's regarded owner for U.S. federal income tax purposes), shall maintain at its address referred to in Section 9.01 a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts (and stated interest) of the Loans and interest owing to, each Lender pursuant to the terms hereof from time to time (the "Register"). The entries in the Register shall be conclusive and binding for all purposes,

absent manifest error, and the Borrower, the Agent and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower and any Lender (but a Lender shall solely be permitted to inspect such portions of the Register that disclose information relating to such Lender's Loans and amounts owning to it, and not to any other Lender), at any reasonable time and from time to time upon reasonable prior notice. The Borrower hereby agrees that the Agent acting as its agent solely for the purpose set forth above in this clause (c), shall not subject the Agent to any fiduciary or other implied duties, all of which are hereby waived by the Borrower with respect to the Agent acting as its agent solely for the purpose set forth above in this clause (c).

(d)Participations. Any Lender may at any time, without the consent of, or notice to, the Borrower or the Agent, sell participations to any Person (other than a natural person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural person, or the Borrower or any of the Borrower's Affiliates or Subsidiaries) (each, a "Participant") in all or a portion of such Lender's rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, and (iii) the Borrower, the Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 9.03(b) with respect to any payments made by such Lender to its Participant(s).

Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; provided that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in Section 9.02(b)(i) through (v) that adversely affects such Participant. The Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13 and 2.14 (subject to the requirements and limitations therein, including the requirements under Section 2.14(g) (it being understood that the documentation required under Section 2.14(g) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (b) of this Section; provided that such Participant (A) agrees to be subject to the provisions of Section 2.15 as if it were an assignee under clause (b) of this Section; and

(B) shall not be entitled to receive any greater payment under Section 2.13 or 2.14, with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. Each Lender that sells a participation agrees, at the Borrower's request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 2.15(b) with respect to any Participant. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; provided that such Participant agrees to be subject to Section 2.12 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower (and, to the extent the Borrower is disregarded for U.S. federal income tax purposes, the Borrower's regarded owner for U.S. federal income tax purposes), maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "Participant Register"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register

shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Agent (in its capacity as Agent) shall have no responsibility for maintaining a Participant Register. The Borrower hereby agrees that each Lender acting as its agent solely for the purpose set forth above in this clause (d) shall not subject such Lender to any fiduciary or other implied duties, all of which are hereby waived by the Borrower with respect to such Lender acting as it agent solely for the purpose set forth above in this clause (d).

(e)Certain Pledges. Any Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank; provided that no such pledge or assignment shall release such Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(f)Cashless Settlement. Notwithstanding anything to the contrary contained in this Agreement, any Lender may exchange, continue or rollover all or a portion of its Loans in connection with any refinancing, extension, loan modification or similar transaction permitted by the terms of this Agreement, pursuant to a cashless settlement mechanism approved by the Borrower, the Agent and such Lender.

(g)Affiliated Lenders. Notwithstanding anything to the contrary contained in this Agreement, the aggregate Outstanding Amount of Loans that are held by Affiliated Lenders at any time may not exceed 25% of the aggregate Outstanding Amount of all Loans.

SECTION 9.05 Survival. All covenants, agreements, representations and warranties made by the Borrower herein and in any Loan Document or other documents delivered in connection herewith or therewith or pursuant hereto or thereto shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery hereof and thereof and the making of the Borrowings hereunder, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Agent or any Lender may have had notice or knowledge of any Default at the time of any Borrowing, and shall continue in full force and effect as long as any Loan or any other Obligation hereunder shall remain unpaid or unsatisfied and so long as the Commitments have not expired or been terminated. The provisions of Sections 2.13, 9.03, 9.15 and Article VIII shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby, the payment in full of the Obligations, the expiration or termination of the Commitments or the termination of this Agreement or any provision hereof.

SECTION 9.06 Counterparts; Integration; Effectiveness; Electronic Execution.

(a)Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Agent and when the Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto.

(b)Electronic Execution. Delivery of an executed counterpart of a signature page of this Agreement by facsimile, electronic mail (e.g., “pdf” or “tif”) or any other electronic means

complying with the U.S. federal ESIGN Act of 2000 or the New York State Electronic Signatures and Records Act or other transmission method shall be effective as delivery of a manually executed counterpart of this Agreement and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes to the fullest extent permitted by Applicable Law. For the avoidance of doubt, the foregoing also applies to any amendment, extension or renewal of this Agreement. The words "execution," "signed," "signature," "delivery," and words of like import in or relating to this Agreement, the other Loan Documents and any document to be signed in connection with this Agreement, the other Loan Documents and the transactions contemplated hereby and thereby shall be deemed to include electronic signatures, deliveries or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any Applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act. Each of the parties hereto represents and warrants to the other parties hereto that it has the corporate capacity and authority to execute this Agreement through electronic means and there are no restrictions for doing so in that party's constitutive documents.

SECTION 9.07 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 9.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by Applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held, and other obligations (in whatever currency) at any time owing, by such Lender or any such Affiliate, to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement or any other Loan Document to such Lender or its respective Affiliates, irrespective of whether or not such Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower may be contingent or unmatured or are owed to a branch office or Affiliate of such Lender different from the branch office or Affiliate holding such deposit or obligated on such indebtedness. The rights of each Lender and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender or its respective Affiliates may have. Each Lender agrees to notify the Borrower and the Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

SECTION 9.09 Governing Law; Jurisdiction; Etc.

(a)Governing Law. This Agreement and the other Loan Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Loan Document (except, as to any other Loan Document, as expressly set forth therein) and the transactions contemplated hereby and thereby shall be governed by, and construed in accordance with, the law of the State of New York.

(b)Jurisdiction. The Borrower irrevocably and unconditionally agrees that it will not commence any action, litigation or proceeding of any kind or description, whether in law or equity,

whether in contract or in tort or otherwise, against the Agent, any Lender, or any Related Party of the foregoing in any way relating to this Agreement or any other Loan Document or the transactions relating hereto or thereto, in any forum other than the courts of the State of New York sitting in New York County, and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, and each of the parties hereto irrevocably and unconditionally submits to the jurisdiction of such courts and agrees that all claims in respect of any such action, litigation or proceeding may be heard and determined in such New York State court or, to the fullest extent permitted by Applicable Law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other Loan Document shall affect any right that the Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Loan Document against the Borrower or its properties in the courts of any jurisdiction.

(c)Waiver of Venue. The Borrower irrevocably and unconditionally waives, to the fullest extent permitted by Applicable Law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other Loan Document in any court referred to in clause (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d)Waiver of Defense of Illegality. The Borrower irrevocably waives any defense based on federal law or that the transactions contemplated by this Agreement are void as against public policy or based on illegality under federal law, including without limitation, Federal Marijuana Laws.

(e)Service of Process. Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by Applicable Law.

SECTION 9.10 WAIVER OF JURY TRIAL. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO
(A)CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND
(B)ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

SECTION 9.11 Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

SECTION 9.12 Treatment of Certain Information; Confidentiality. Each of the Agent and the Lenders agree to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential); (b) to the extent required or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any

self-regulatory authority, such as the National Association of Insurance Commissioners); (c) to the extent required by Applicable Laws or by any subpoena or similar legal process; (d) to any other party hereto;
(e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder; (f) subject to an agreement containing provisions substantially the same as (or no less restrictive than) those of this Section, to (i) any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, or (ii) any actual or prospective party (or its Related Parties) to any swap, derivative or other transaction under which payments are to be made by reference to the Borrower and its obligations, this Agreement or payments hereunder;
(g) with the consent of the Borrower; or (h) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section, or (y) becomes available to the Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than the Borrower who did not acquire such information as a result of a breach of this Section. In addition, the Agent and the Lenders may disclose the existence of this Agreement and information about this Agreement to market data collectors, similar service providers to the lending industry and service providers to the Agent or any Lender in connection with the administration of this Agreement, the other Loan Documents, and the Commitments.

For purposes of this Section, "Information" means all information received from the Borrower or any of its Subsidiaries relating to the Borrower or any of its Subsidiaries or any of their respective businesses, other than any such information that is available to the Agent or any Lender on a nonconfidential basis prior to disclosure by the Borrower or any of its Subsidiaries; provided that, in the case of information received from the Borrower or any of its Subsidiaries after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

SECTION 9.13 PATRIOT Act. Each Lender subject to the PATRIOT Act hereby notifies the Borrower that, pursuant to the requirements of the PATRIOT Act, it may be required to obtain, verify and record information that identifies the Borrower, which information includes the name and address of the Borrower and other information that will allow such Lender to identify the Borrower in accordance with the PATRIOT Act.

SECTION 9.14 Interest Rate Limitation. Notwithstanding anything herein to the contrary, if at any time the interest rate applicable to any Loan, together with all fees, charges and other amounts that are treated as interest on such Loan under Applicable Law (collectively, "charges"), shall exceed the maximum lawful rate (the "Maximum Rate") that may be contracted for, charged, taken, received or reserved by the Lender holding such Loan in accordance with Applicable Law, the rate of interest payable in respect of such Loan hereunder, together with all charges payable in respect thereof, shall be limited to the Maximum Rate. To the extent lawful, the interest and charges that would have been paid in respect of such Loan but were not paid as a result of the operation of this Section shall be cumulated and the interest and charges payable to such Lender in respect of other Loans or periods shall be increased (but not above the amount collectible at the Maximum Rate therefor) until such cumulated amount, together with interest thereon at the Federal Funds Effective Rate for each day to the date of repayment, shall have been received by such Lender. Any amount collected by such Lender that exceeds the maximum amount collectible at the Maximum Rate shall be applied to the reduction of the principal balance of such Loan or refunded to the Borrower so that at no time shall the interest and charges paid or payable in respect of such Loan exceed the maximum amount collectible at the Maximum Rate.

SECTION 9.15 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Agent or any Lender, or the Agent or any Lender exercises its right of setoff, and

such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Agent or such Lender in its discretion) to be repaid to a trustee, receiver, interim receiver, receiver and manager, monitor or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred, and (b) each Lender severally agrees to pay to the Agent upon demand its applicable share (without duplication) of any amount so recovered from or repaid by the Agent, plus interest thereon from the date of such demand to the date such payment is made at a rate per annum equal to the Federal Funds Effective Rate from time to time in effect.

SECTION 9.16 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) no fiduciary, advisory or agency relationship between the Borrower and its Subsidiaries and the Placement Agent, the Agent or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Placement Agent, the Agent, or any Lender has advised or is advising the Borrower or any Subsidiary on other matters, (ii) the arranging and other services regarding this Agreement provided by the Placement Agent, the Agent and the Lenders are arm's-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Placement Agent, the Agent and the Lenders, on the other hand, (iii) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Placement Agent, the Agent and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person; (ii) none of the Placement Agent, the Agent and the Lenders has any obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Placement Agent, the Agent and the Lenders and their respective Affiliates may be engaged, for their own accounts or the accounts of customers, in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and none of the Placement Agent, the Agent and the Lenders has any obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by Law, the Borrower hereby waives and releases any claims that it may have against any of the Placement Agent, the Agent and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

SECTION 9.17 Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for Swap Contracts or any other agreement or instrument that is a QFC (such support, "QFC Credit Support" and each such QFC a "Supported QFC"), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the "U.S. Special Resolution Regimes") in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a "Covered Party") becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such

Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

(b)As used in this Section 9.18, the following terms have the following meanings: "BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following:

(i)a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b)

(ii)a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii)a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

SECTION 9.18 Judgment Currency. For the purposes of obtaining judgment in any court, it is necessary to convert a sum due hereunder or any other Loan Document in one currency into another currency, the rate of exchange used shall be that at which in accordance with normal banking procedures the Agent could purchase the first currency with such other currency on the Business Day preceding that on which final judgment is given. The obligation of any Loan Party in respect of any such sum due from it to the Administrative Agent or any Lender hereunder or under the other Loan Documents shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than that in which such sum is denominated in accordance with the applicable provisions of this Agreement (the "Agreement Currency"), be discharged only to the extent that on the Business Day following receipt by the Agent or such Lender, as the case may be, of any sum adjudged to be so due in the Judgment Currency, the Agent or such Lender, as the case may be, may in accordance with normal banking procedures purchase the Agreement Currency with the Judgment Currency. If the amount of the Agreement Currency so purchased is less than the sum originally due to the Agent or any Lender from any Loan Party in the Agreement Currency, each Loan Party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Agent or such Lender, as the case may be, against such loss. If the amount of the Agreement Currency so purchased is greater than the sum originally due to the Agent or any Lender in such currency,

the Agent or such Lender, as the case may be, agrees to return the amount of any excess to the applicable Loan Party (or to any other Person who may be entitled thereto under applicable law).

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

WDB HOLDING PA, INC.,
as Borrower

By /s/ Keith Stauffer
Name: Keith Stauffer
Title: CFO

AGENT

ACQUIOM AGENCY SERVICES, LLC,
as Administrative Agent and Collateral Agent

By /s/ Shon McCraw-Davis
Name: Shon McCraw-Davis
Title: Director

Schedule 2.01

Commitments and Lenders

Name of Initial Lender	Initial Commitment
Capstone Holdings Inc.	$25,000,000
Millstreet Credit Fund LP	$14,500,000
Mercer QIF Fund PLC - Mercer Investment Fund 1	$7,500,000
Graticule Asia Macro Master Fund Ltd.	$20,000,000
AFC Gamma, Inc.	$10,000,000
DG Value Partners II Master Fund, LP	$5,935,000
DG Value Partners Fund, LP	$1,065,000
DG Value Partners II Master Fund, LP - Class C	$1,800,000
Eisenreich Family Foundation	$150,000
AE 2015 Grantor CLAT	$450,000
2016 Alan Shamah Discretionary Trust	$400,000
The Sam and Helene Wieder Family Trust	$50,000
PPG Hedge Fund Holdings LLC	$150,000
IG Mackenzie Floating Rate Income Fund	$1,750,000
IG Mackenzie Strategic Income Fund	$70,000
IG Mackenzie Canadian High Yield Income Fund	$250,000
iProfile Fixed Income Private Pool	$420,000
Mackenzie Corporate Bond Fund	$260,000
Mackenzie Diversified Alternatives Fund	$175,000
Mackenzie Floating Rate Income ETF	$1,500,000
Mackenzie Floating Rate Income Fund	$1,750,000
Mackenzie Global Credit Opportunities Fund	$100,000
Mackenzie Global High Yield Fixed Income ETF	$90,000
Mackenzie North American Corporate Bond Fund	$450,000
Mackenzie Strategic Income Fund	$720,000
Mackenzie Unconstrained Bond ETF	$540,000
Mackenzie Unconstrained Fixed Income Fund	$1,925,000
VR Global Partners LP	$5,000,000
MYDA Advantage, LP	$4,500,000
J&G Realty, LLC	$3,000,000
Tricia M. Hedberg Revocable Trust u/a July 18, 2006	$2,000,000
Intrepid Income Fund	$1,800,000
Thomas E. Bernard	$1,700,000
Mera I, LLC	$1,000,000
KJH Senior Loan Fund	$1,000,000
Jason Klarreich	$900,000
1000 South Elmora Associates LLC	$700,000
Cedarview Opportunities Master Fund, LP	$500,000
James Dworkin	$300,000
Keith Stauffer	$250,000
Renato Negrin	$250,000
Joel A. Klarreich	$100,000
TOTAL	$120,000,000

Schedule 2.01

282638280 ~~v1~~v7

CAN_DMS: \136738400\21

282638280 ~~v1~~v7

Schedule 3.06

Litigation

282638280 ~~v1~~v7
CAN_DMS: \136738400\21

Schedule 3.08

Material Licenses

282638280 ~~v1~~v7

CAN_DMS: \136738400\21

Schedule 5.16

Post-Closing Obligations

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), insurance certificates evidencing the insurance coverage and endorsements required by Section 5.07.

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree) (i) short-form security agreement(s) in form and substance reasonably satisfactory to the Agent, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such short-form security agreement(s)) that such party has signed a counterpart of such short-form security agreement(s)), with respect to the Intellectual Property pledged in favor of the Agent pursuant to the Pledge and Security Agreement on the Closing Date and (ii) recordation of such short-form security agreement(s) with the United States Patent and Trademark Office, or the United States Copyright Office, as applicable.

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), Borrower shall (i) provide evidence that the limited liabity company agreements and limited partnership agreements, as applicable, for each of the following Subsidiaries shall have been amended to opt into Article 8 of the applicable Uniform Commerical Code and (ii) have delivered certificates representing the Equity Interests for each of the following Subsidiaries, accompanied by undated stock transfer powers or other proper instruments of transfer reasonably acceptable to the Agent executed in blank.

IHC Management LLC Ilera Healthcare
LLC Ilera Dispensing LLC IHC Real Estate
GP, LLC IHC Real Estate LP
Ilera Security LLC
235 Main Street Mercersburg LLC Ilera InvestCo I, LLC
Ilera Dispensing 2 LLC Ilera Dispensing 3
LLC

Within thirty (30) days of the Closing Date (or such later time as the Agent may agree), American Parent shall deliver to the Agent an intercompany note (which such note may, at the American Parent's option, take the form of an intercompany global note) representing intercompany obligations of the Borrower owed to the American Parent, together with an instrument of transfer executed in blank, in each case, reasonably acceptable to the Agent.

Within sixty (60) days of the Closing Date (or such later time as the Agent may agree), the Borrower shall have delivered a counterpart of each party to each Notice of Assignment (as defined in the Pledge and Security Agreement) with respect to each of the leased properties identified on paragraph 2(f) of the Perfection Certificate, signed on behalf of such party (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Notice of Assignment) that such party has signed a counterpart of such Notice of Assignment).

Within sixty (60) days of the Closing Date (or such later time as the Agent may agree), a Control Agreement, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such Control Agreement) that such party has signed a counterpart of such Control Agreement), with respect to each account pledged in

favor of the Agent pursuant to the Pledge and Security Agreement on the Closing Date (which, for the avoidance of doubt, excludes any Excluded Accounts).

Within seventy five (75) days of the Closing Date (or such later time as the Agent may agree), the Borrower shall have delivered a mortgage with respect to each Material Real Property owned by the Borrower or any of its Subsidiaries as of the Closing Date, signed on behalf of each party thereto (or written evidence satisfactory to the Agent (which may include transmission by electronic mail of a signed signature page to such mortgage agreement) that such party has signed a counterpart of such mortgage agreement) and evidence reasonably satisfactory to the Agent that all Material Real Property Requirements with respect to such Material Real Property have been completed.

favor of the Agent pursuant to the Pledge and Security Agreement on the Closing Date (which, for the

Schedule 6.01

Indebtedness

282638280 ~~v1~~v7
CAN_DMS: \136738400\21

Schedule 6.02

Liens

282638280 ~~v1~~v7
CAN_DMS: \136738400\21

Schedule 6.06

Investments

282638280 ~~v1~~v7

CAN_DMS: \136738400\21

Schedule 6.07

Transactions with Affiliates

282638280 ~~v1~~v7

Schedule 6.08

Restrictive Agreements

282638280 ~~v1~~v7

EXHIBIT A

[FORM OF]

ASSIGNMENT AND ASSUMPTION

This Assignment and Assumption (the "Assignment and Assumption") is dated as of the Effective Date set forth below and is entered into by and between the Assignor identified in item 1 below (an "Assignor") and the Assignee identified in item 2 below (the "Assignee"). Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement identified below (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), receipt of a copy of which is hereby acknowledged by the Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Assumption as if set forth herein in full.

For an agreed consideration, the Assignor hereby irrevocably sells and assigns to the Assignee, and the Assignee hereby irrevocably purchases and assumes from the Assignor, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Agent as contemplated below (i) all of the Assignor's rights and obligations in its capacity as a Lender under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of the Assignor under the respective facilities identified below (including any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under Applicable Law, all claims, suits, causes of action and any other right of the Assignor (in its capacity as a Lender) against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the foregoing, including contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by the Assignor to the Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as the "Assigned Interest"). Each such sale and assignment is without recourse to the Assignor and, except as expressly provided in this Assignment and Assumption, without representation or warranty by the Assignor.

1.Assignor: _

2.Assignee: _

[Assignee is an [Affiliate][Approved Fund] of [*identify Lender*]]

3.Borrower: WDB Holding PA, Inc.

4.Agent: Acquiom Agency Services LLC, as the administrative agent under the Credit Agreement

5.Credit Agreement: The Credit Agreement dated as of December 18, 2020 among WDB Holding PA, Inc., the Lenders parties thereto and Acquiom Agency Services LLC, as Administrative Agent,

6.Assigned Interest:

Aggregate	Amount of	Percentage

Amount of Loans for all Lenders[1]	Loans Assigned[8]	Assigned of Loans[2]
$	$	%
$	$	%
$	$	%

7.Trade Date:

3

[Page break]

[1] Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.
[2] Set forth, to at least 9 decimals, as a percentage of the Commitment/ Loans of all Lenders thereunder.
[3] To be completed if the Assignor and the Assignee intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _, 20 4

The terms set forth in this Assignment and Assumption are hereby agreed to:

ASSIGNOR
[NAME OF ASSIGNOR]

By:_ Title:

ASSIGNEE
[NAME OF ASSIGNEE]

By:_ Title:

Consented to and Accepted:

ACQUIOM AGENCY SERVICES LLC,
as Agent

By: _
Title:

Consented to:

WDB HOLDING PA, INC.,
as Borrower

By: _
Title:

[4] To be inserted by the Agent and which shall be the Effective Date of recordation of transfer in the register therefor.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

1.Representations and Warranties.

1.1Assignor. The Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of the Assigned Interest, (ii) the Assigned Interest is free and clear of any lien, encumbrance or other adverse claim and (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Borrower, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Borrower, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

1.2Assignee. The Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 9.04 of the Credit Agreement (subject to such consents, if any, as may be required thereunder), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of the Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 5.01 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vi) it has, independently and without reliance upon the Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Assumption and to purchase the Assigned Interest, (vii) attached to the Assignment and Assumption is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by the Assignee and (viii) [is an Affiliate of the Borrower][is not an Affiliate of the Borrower]; and (b) agrees that (i) it will, independently and without reliance on the Agent, the Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the Loan Documents are required to be performed by it as a Lender.

2.Payments. From and after the Effective Date, the Agent shall make all payments in respect of the Assigned Interest (including payments of principal, interest, fees and other amounts) to the Assignor for amounts that have accrued to but excluding the Effective Date and to the Assignee for amounts that have accrued from and after the Effective Date. Notwithstanding the foregoing, the Agent shall make all payments of interest, fees or other amounts paid or payable in kind from and after the Effective Date to the Assignee.

3.General Provisions. This Assignment and Assumption shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Assumption may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Assumption by electronic mail shall be effective as delivery of a manually executed counterpart of this Assignment and Assumption. This Assignment and Assumption shall be governed by, and construed in accordance with, the law of the State of New York.

282638280 ~~v4~~v7
CAN_DMS: \136738400\21

EXHIBIT B-1
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-2
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-3
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-4
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent.

Pursuant to the provisions of Section 2.14 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Agent and the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower and the Agent, and (2) the undersigned shall have at all times furnished the Borrower and the Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B-4
[FORM OF]

U.S. TAX COMPLIANCE CERTIFICATE

(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

EXHIBIT C-1
[FORM OF]

US SOLVENCY CERTIFICATE

December 18, 2020

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 4.01(i) of the Credit Agreement.

Solely in my capacity as a Financial Officer of the [Borrower][American Parent] and not individually (and without personal liability), I hereby certify, that as of the date hereof, after giving effect to the Loans made on the Closing Date:

1.The fair value of the property of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, is greater than the total amount of liabilities, including contingent liabilities, of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis.

2.The present fair saleable value of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, is not less than the amount that will be required to pay the probable liability of the [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, on their debts as they become absolute and matured.

3.The [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, do not intend to, and do not believe that they will, incur debts or liabilities beyond the [Borrower][American Parent]'s and its Subsidiaries', on a consolidated basis, ability to pay such debts and liabilities as they mature.

4.The [Borrower][American Parent] and its Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the date hereof.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, I have executed this Certificate as of the date first written above.

[_],
as [Borrower][American Parent]

By: _
Name:
Title:

EXHIBIT C-2

[FORM OF]

CANADIAN SOLVENCY CERTIFICATE

December 18, 2020 Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 4.01(i) of the Credit Agreement.

Solely in my capacity as a Financial Officer of the Canadian Parent and not individually (and without personal liability), I hereby certify, that as of the date hereof, after giving effect to the Loans made on the Closing Date:

1.The property of the Canadian Parent is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due.

2.The Canadian Parent is able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities generally become due.

3.The Canadian Parent and its Subsidiaries, on a consolidated basis, do not intend to, and do not believe that they will, incur debts or liabilities beyond the Canadian Parent's and its Subsidiaries', on a consolidated basis, ability to pay such debts and liabilities as they mature.

4.The Canadian Parent and its Subsidiaries, on a consolidated basis, do not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the date hereof.

5.The Canadian Parent has not ceased paying its current obligations in the ordinary course of business as they generally become due.

For purposes of this Certificate, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

[Remainder of page intentionally blank]

IN WITNESS WHEREOF, I have executed this Certificate as of the date first written above.

TERRASCEND CORP.,
as Canadian Parent

By: _
Name:
Title:

282638280 ~~v1~~v7
CAN_DMS: \136738400\21

EXHIBIT D

[FORM OF]
COMPLIANCE CERTIFICATE

[●], 20[●]

Reference is hereby made to the Credit Agreement dated as of December 18, 2020 (as amended, supplemented or otherwise modified from time to time, the "Credit Agreement"), among WDB Holding PA, Inc., each Lender from time to time party thereto, and Acquiom Agency Services LLC, as Administrative Agent. Capitalized terms used but not defined herein shall have the meanings given to them in the Credit Agreement. This certificate is furnished pursuant to Section 5.02(a) of the Credit Agreement.

The undersigned, [●], hereby certifies, on behalf of myself and on behalf of the TerrAscend Corp. (the "Canadian Parent"), that (i) I am the duly elected [●] of the Canadian Parent, (ii) makes the certification in the first paragraph below as it pertains to the financial statements described in clause (i) thereof and (iii) makes the certifications in paragraphs two through four below.

The undersigned, [●], hereby certifies, on behalf of myself and on behalf of WDB Holdings Pa, Inc. (the "Borrower"), that (i) I am the duly elected [●] of the Borrower, (ii) makes the certification in the first paragraph below as it pertains to the financial statements described in clause (ii) thereof and (iii) makes the certifications in paragraphs two through four below.

1.I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of the Borrower and its Subsidiaries during the accounting period covered by the financial statements attached hereto as Schedule I, consisting of [(i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations, Shareholders' Equity and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, audited and accompanied by a report and opinion of independent public accountants, which report and opinion have been prepared in accordance with generally accepted auditing standards to the effect that such consolidated financial statements present fairly in all material respects the financial condition, results of operations, Shareholders' Equity and cash flows of the Canadian Parent and its Subsidiaries on a consolidated basis in accordance with IFRS consistently applied and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal year and the related consolidated statements of income or operations and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, in each case, prepared in cooperation by the management of the Borrower and an independent public accountant][(i) a consolidated balance sheet of the Canadian Parent and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such fiscal quarter and for the portion of the Canadian Parent's fiscal year then ended, and (ii) a consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal quarter, the related consolidated statements of income or operations and cash flows for such

fiscal quarter and for the portion of the Borrower's fiscal year then ended],[5] in each case, setting forth in comparative form, as applicable, the figures for the [previous fiscal year][corresponding fiscal quarter of the previous fiscal year and the corresponding portion of the previous fiscal year],[6] which present fairly in all material respects the financial condition, results of operations, Shareholders' Equity (with respect to the Canadian Parent only) and cash flows of the Canadian Parent and its Subsidiaries and the Borrower and its Subsidiaries, as applicable, on a consolidated basis in accordance with IFRS or GAAP, as applicable, consistently applied[, subject only to normal year-end audit adjustments and the absence of notes][7].

2.Schedule II attached hereto sets forth the reasonably detailed calculations demonstrating compliance with Section 6.12.

3.Schedule III attached hereto provides supplemental information pertaining to Collateral and property of the Loan Parties as required pursuant to Section 5.15(c).

4.[No Default or Event of Default exists as of the date hereof.][As of the date hereof, there exists a [Default][Event of Default] pertaining to [●]].[8]

[Remainder of page intentionally blank]

[5] Include first set of bracketed language for delivery of annual financial statements and include second set of bracketed language for delivery of quarterly financial statements.
[6] Include first set of bracketed language for delivery of annual financial statements and include second set of bracketed language for delivery of quarterly financial statements.
[7] Include bracketed language only for delivery of quarterly financial statements.

282638280 ~~v1~~v7

CAN_DMS: \136738400\21

The foregoing certifications, together with [the computations set forth in Schedules II hereto and] the financial statements attached hereto as Schedule I and in support hereof, are made and delivered this
_day of _, 20_.

WDB HOLDINGS PA, INC.,
as Borrower

By: _
Name:
Title:

TERRASCEND CORP.,
as Canadian Parent

By: _
Name:
Title:

Schedule I:

FINANCIAL STATEMENTS

[see attached]

Schedule II:

FINANCIAL COVENANT CALCULATIONS

[see attached]

Schedule III:

NFORMATION PERTAINING TO COLLATERAL AND PROPERTY OF THE LOAN PARTIES

Summary report: Litera Compare for Word 11.2.0.54 Document comparison done on 3/9/2023 5:21:20 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: iw://NAACTIVE.COOLEY.COM/NAACTIVE/282638280/1	
Modified DMS: iw://NAACTIVE.COOLEY.COM/NAACTIVE/282638280/7	
Changes:	
Add	71
~~Delete~~	50
~~Move From~~	0
Move To	0
Table Insert	0
~~Table Delete~~	0
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	121

Exibit 10.9

JOINDER AND SECOND AMENDMENT TO CREDIT AGREEMENT AND SECURITY AGREEMENTS

THIS JOINDER AND SECOND AMENDMENT TO CREDIT AGREEMENT AND SECURITY AGREEMENTS (this "***Amendment***") is dated as of November 29, 2022, among **GAGE GROWTH CORP.**, a Canadian federal corporation ("***Parent***"), **GAGE INNOVATIONS CORP.**, a Canadian federal corporation ("***Gage Innovations***"), **COOKIES RETAIL CANADA CORP.**, a Canadian federal corporation ("***Cookies***"), **RIVERS INNOVATIONS, INC.**, a Delaware corporation ("***Rivers***"), **RIVERS INNOVATIONS US SOUTH LLC**, a Delaware limited liability company ("***Rivers South***"), **RI SPE 1 LLC**, a Delaware limited liability company ("***RI SPE***"), **SPARTAN PARTNERS CORPORATION**, a Michigan corporation ("***Spartan***"), **SPARTAN PARTNERS HOLDINGS, LLC**, a Michigan limited liability company ("***Spartan Holdings***"), **SPARTAN PARTNERS SERVICES LLC**, a Michigan limited liability company ("***Spartan Services***"), **SPARTAN PARTNERS PROPERTIES LLC**, a Michigan limited liability company ("***Spartan Properties***"), **SPARTAN PARTNERS LICENSING LLC**, a Michigan limited liability company ("***Spartan Licensing***"), **WDB HOLDING MI, INC.**, a Delaware corporation ("***WDB Holding***"; together with Parent, Gage Innovations, Cookies, Rivers, Rivers South, RI SPE, Spartan, Spartan Holdings, Spartan Services, Spartan Properties and Spartan Licensing, each, an "***Existing Borrower***" and collectively, jointly and severally, "***Existing Borrowers***"), **AEY HOLDINGS, LLC**, a Michigan limited liability company ("***AEY Holdings***"), **KISA ENTERPRISES MI INC.**, a Michigan corporation ("***KISA***"), **STADIUM VENTURES INC.**, a Michigan corporation ("***Stadium***"), **THRIVE ENTERPRISES LLC**, a Michigan limited liability company ("***Thrive***"; together with AEY Holdings, KISA and Stadium, each a "***New Borrower***" and collectively, jointly and severally, "***New Borrowers***; and New Borrowers, together with Existing Borrowers, each, a "***Borrower***" and collectively, jointly and severally, "***Borrowers***"), the lenders party hereto (each, a "***Lender***" and, collectively, the "***Lenders***"), **CHICAGO ATLANTIC ADMIN, LLC**, a Delaware limited liability company ("***Chicago Atlantic***"), as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "***Administrative Agent***"), Chicago Atlantic, as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, "***Collateral Agent***", and together with Administrative Agent, each, an "***Agent***" and collectively, "***Agents***") and solely with respect to Sections 4, 8 and 9 hereof, the Departing Lenders (as defined below).

Recitals:

WHEREAS, reference is made to that certain Credit Agreement dated as of November 22, 2021, as amended by that certain Joinder, First Amendment to Credit Agreement and Security Agreements and Consent dated as of August 10, 2022 (the "***First Amendment***"; the Credit Agreement, as amended by the First Amendment and as otherwise amended, restated, modified or otherwise supplemented prior to the date hereof, the "***Existing Credit Agreement***"), and as amended by this Amendment (the Existing Credit Agreement, as amended by this Amendment, and as further amended, restated, supplemented, or otherwise modified from time to time, the "***Credit Agreement***"; capitalized terms used herein and not otherwise defined herein shall have the meaning ascribed to such terms in the Credit Agreement), among Existing Borrowers, the other Credit Parties from time to time party thereto, the Lenders from time to time party thereto and Agents;

WHEREAS, reference is further made to (a) that certain Security Agreement dated as of November 22, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***U.S. Security Agreement***"), among the Credit Parties party thereto and Collateral Agent, for the benefit of the Secured Parties, and (b) that certain General Security Agreement dated as of November 22, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "***Canadian Security Agreement***";

together with the US Security Agreement, each, a "***Security Agreement***" and collectively, the "***Security Agreements***"), among the Credit Parties and Collateral Agent, for the benefit of the Secured Parties;

WHEREAS, the Credit Parties have requested that Agents and Required Lenders agree to amend certain provisions of the Existing Credit Agreement and the Security Agreements, and, subject to the terms and conditions set forth herein, Agents and the Lenders party hereto have agreed to such requests;

WHEREAS, Chicago Atlantic Lincoln, LLC, a Delaware limited liability company ("New Lender"), as assignee of Chicago Atlantic Real Estate Finance, Inc., has agreed to join the Credit Agreement as a Lender thereunder and to provide to Borrowers the Loans on the terms and subject to the conditions set forth herein and in the Credit Agreement.

NOW, THEREFORE, in consideration of the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereto hereby agree as follows:

1.Amendments to Credit Agreement. Subject to the terms and conditions set forth herein (including, but not limited to, the conditions contained in Section 8 hereof), (a) the Existing Credit Agreement is hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in Annex A attached hereto and (b) the Schedules to the Existing Credit Agreement are hereby replaced with the Schedules attached as Annex B hereto. For the avoidance of doubt, all other Exhibits to the Existing Credit Agreement shall not be modified or otherwise affected by this Amendment.

2.Amendments to Security Agreements.

(a)Subject to the terms and conditions set forth herein (including, but not limited to, the conditions contained in Section 8 hereof), the Schedules to the U.S. Security Agreement are hereby replaced with the Schedules to the U.S. Security Agreement attached as Annex C hereto.

(b)Subject to the terms and conditions set forth herein (including, but not limited to, the conditions contained in Section 8 hereof), the Schedules to the Canadian Security Agreement are hereby replaced with the Schedules to the Canadian Security Agreement attached as Annex D hereto.

3.Joinder of New Borrowers.

(a)By its signature hereto, each New Borrower joins the Credit Agreement as a Borrower and a Guarantor thereunder and agrees to be bound by all of the terms thereof, and hereby agrees that it is, and for all purposes after the date hereof shall be, a party to the Credit Agreement and each of the other Credit Documents as a Borrower and a Guarantor as if it were an original signatory to the Credit Agreement. Each New Borrower hereby assumes all of the obligations of a Borrower and a Guarantor under the Credit Agreement and each of the other Credit Documents to which the Credit Parties are party. Each New Borrower hereby ratifies and affirms as of the date hereof each and every term, representation, warranty, covenant and condition set forth in the Credit Agreement and each of the other Credit Documents which are applicable to Borrowers or Guarantors and agrees to be bound by all of the terms, provisions and conditions contained therein which are applicable to Borrowers or Guarantors. On and as of the date hereof, each reference to a "Borrower", a "Guarantor" or a "Credit Party" in the Credit Agreement or any other Credit Document shall be deemed to include each New Borrower.

(b)Without limiting the generality of the foregoing, each New Borrower hereby (i) becomes a party to the U.S. Security Agreement as a Grantor thereunder with the same force and effect as if originally named therein as a Grantor and, without limiting the generality of the foregoing, hereby unconditionally grants, assigns as security, and pledges to Collateral Agent, for the benefit of the Secured Parties, a continuing lien on and security interest in such New Borrower's right, title, and interest in and to the Collateral, whether now owned or hereafter acquired or arising and wherever located, as collateral security for the prompt and complete payment and performance when due (whether at the stated maturity, by acceleration or otherwise) of the Secured Obligations, and (ii) expressly assumes all obligations and liabilities of a Grantor thereunder.

4.Joinder of New Lender. By its signature hereto, New Lender hereby joins the Credit Agreement as a Lender thereunder and agrees to be bound by all of the terms thereof, and shall be as fully party thereto as if New Lender was an original signatory thereto. New Lender hereby assumes all of the rights, duties and obligations of a Lender under the Credit Agreement and each of the other Credit Documents to which the other Lenders are party. On and as of the date hereof, each reference to a "Lender" in the Credit Agreement or any other Credit Document shall be deemed to include New Lender. New Lender: (i) represents and warrants that it is legally authorized to enter into this Amendment; (ii) confirms that it has received a copy of each of the Credit Documents and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Amendment; (iii) agrees that it will, independently and without reliance upon any Agent or any other Lender or any of the Credit Documents and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Documents or any other instrument or document furnished pursuant thereto; (iv) appoints and authorizes Agents to take such action as agent on its behalf and to exercise such powers under the Credit Agreement and the other Credit Documents as are delegated to Agents by the terms thereof, together with such powers as are reasonably incidental thereto; and (v) agrees that it will be bound by the provisions of the Credit Documents to which the other Lenders are party and will perform in accordance with its terms all the obligations which by the terms of such Credit Documents are required to be performed by Lenders.

5.Departing Lenders. Notwithstanding Sections 2.10(b) or 11.11 of the Existing Credit Agreement, on the date hereof, Borrowers shall repay in full in cash all Obligations (other than Unasserted Contingent Obligations) owing to each of IA Clarington Floating Rate Income Fund, IA Clarington Core Plus Bond Fund, IA Clarington U.S. Dollar Floating Rate Income Fund, KJH Senior Loan Fund, Black Maple Capital Partners LP, Exodus Acquisition LLC and WhiteHawk Finance LLC (each, a "***Departing Lender***" and collectively, "***Departing Lenders***") in the payoff amount set forth in the payoff letters provided to Borrowers and each Departing Lender by the Administrative Agent. Concurrently with each Departing Lender's receipt of its payoff amount described above, such Departing Lender shall cease to be a party to the Credit Agreement and shall be released from all further obligations thereunder; provided, however, that such Departing Lender shall continue to be entitled to the benefits of Sections 4.04, 11.07, 12.05, 12.13 and 12.15 of the Credit Agreement as in effect immediately prior to the date hereof as if they were still a Lender. Each Departing Lender shall also be entitled to have its Obligations reinstated, if at any time payment, or any part thereof, of any of the Obligations is rescinded or must otherwise be restored or returned, including upon the insolvency, bankruptcy, examinership, dissolution, liquidation or reorganization of any Borrower or any other Credit Party, or upon or as a result of the appointment of a receiver, examiner, intervenor or conservator of, or trustee or similar officer for, any Borrower or any other Credit Party or any substantial part of its property, or otherwise, as though such payments had not been made. Each party hereto explicitly agrees that it shall not assert any claims against the Departing Lenders under Sections 2.10(b) or 11.11 of the Existing Credit Agreement.

6.Representations, Warranties and Acknowledgments of Borrowers. In order to induce the Lenders and Agents to enter into this Amendment and to induce the Lenders to make the Loans under

the Credit Agreement, each Borrower hereby represents and warrants to the Lenders and Agents on and as of the date hereof that, subject to Section 13.01 of the Credit Agreement:

(a)Each such Person (i) is a duly organized or formed and validly existing limited liability company or other registered entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (ii) is duly qualified and is authorized to do business and is in good standing in all jurisdictions where it does business or owns assets, except, in the case of this clause (ii), where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

(b)Each such Person has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of this Amendment and the other Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of this Amendment and the other Credit Documents to which it is a party. Each such Person has duly executed and delivered this Amendment and the other Credit Documents to which it is a party and such Credit Documents constitute the legal, valid and binding obligation of such Person enforceable against each such Person that is a party thereto in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, examinership, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

(c)None of (i) the execution, delivery and performance by any such Person of this Amendment or the other Credit Documents to which it is a party and compliance with the terms and provisions thereof, and (ii) the consummation of the Transactions or the other Credit Documents will (A) contravene any applicable provision of any material Applicable Law of any Governmental Authority, (B) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of any such Person (other than Liens created under the Credit Documents) pursuant to,
(1) the terms of any material indenture, loan agreement, lease agreement, mortgage or deed of trust, or (2) any other Material Contract, in the case of any of clauses (1) and (2) to which any such Person is a party or by which it or any of its property or assets is bound or (C) violate any provision of the Organization Documents or Permit of any such Person, except with respect to any conflict, breach or contravention or default (but not creation of Liens) referred to in clause (B), to the extent that such conflict, breach, contravention or default could not reasonably be expected to have a Material Adverse Effect.

(d)No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person, and no consent or approval under any contract or instrument (other than those that have been duly obtained or made and which are in full force and effect, or if not obtained or made, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect) is required for the consummation of the Transactions or the due execution, delivery or performance by any such Person of this Amendment or any other Credit Document to which it is a party, or for the due execution, delivery or performance of this Amendment or the other Credit Documents, in each case by any of the Credit Parties party thereto. There does not exist any judgment, order, injunction or other restraint issued or filed with respect to the transactions contemplated by the Credit Documents, the consummation of the Transactions, the making of the Loans or the performance by the Credit Parties of their Obligations under this Amendment and the other Credit Documents.

(e)The representations and warranties of each such Person set forth in the Credit Agreement and in any other Credit Document are true and correct in all material respects (or, in the case of any such representation or warranty already qualified by materiality, in all respects) on and as of the date

hereof (or, in the case of any such representation or warranty expressly stated to have been made as of a specific date, as of such specific date).

(f)After giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

7.Reaffirmation of Obligations. Each of the Existing Borrowers hereby (a) reaffirms and confirms (i) the execution and delivery of, and all of its obligations under, the Credit Documents to which it is a party, including, without limitation, the Credit Agreement, and agrees that this Amendment does not operate to reduce or discharge any Borrower's obligations under such Credit Documents or constitute a novation of any indebtedness or other obligations under any Credit Documents, and (ii) its guarantees, pledges, grants and other undertakings under the Credit Agreement and the other Credit Documents to which it is a party, (b) agrees that (i) each Credit Document to which it is a party shall continue to be in full force and effect and (ii) all guarantees, pledges, grants and other undertakings thereunder shall continue to be in full force and effect and shall accrue to the benefit of the Secured Parties, and (c) reaffirms and confirms the continuing security interests in its respective assets granted in favor of the Collateral Agent pursuant to each of the Security Documents. Each Borrower hereby acknowledges and consents to the transactions contemplated by, and the execution and delivery of, this Amendment and the other Credit Documents.

8.Conditions Precedent to Effectiveness. This Amendment shall become effective as of the date of this Amendment when, and only when, Administrative Agent shall have received the following, in form and substance satisfactory to Administrative Agent:

(a)counterparts of this Amendment, duly executed each Borrower, Agents and the Lenders;

(b)the Ratification and Reaffirmation of Guaranty and Pledge Agreement, duly executed by TerrAscend Guarantors;

(c)a duly executed Amended and Restated Collateral Assignment of Licensing Contracts among Credit Parties, the other parties party thereto and Collateral Agent;

(d)a certificate for each Borrower and each TerrAscend Guarantor, duly executed and delivered by an Authorized Officer of each such Person, as to: (i) resolutions of each such Person's board of managers/directors (or other managing body, in the case of a Person that is not a corporation) then in full force and effect expressly and specifically authorizing, to the extent relevant, all aspects of the Credit Documents applicable to such Person and the execution, delivery and performance of each Credit Document, in each case, to be executed by such Person; (ii) the incumbency and signatures of its Authorized Officers and any other of its officers, members, managers or general partner, as applicable, authorized to act with respect to each Credit Document to be executed by such Person; (iii) each such Person's Organization Documents, as amended, modified or supplemented as of the date hereof, certified by the appropriate officer or official body of the jurisdiction of organization of such Person, or, for each of clauses (i), (ii) and (iii) above, a confirmation that such documents have not changed since the most recent certification to Administrative Agent and (iv) certificates of good standing or letter of status (or the local equivalent thereof, if applicable) with respect to such Person, each dated within a recent date prior to the date hereof, such certificates to be issued by the appropriate officer or official body of the jurisdiction of organization of such Person, which certificate shall indicate that such Person is in good standing in such jurisdiction;

(e)payment in cash by Borrowers of (i) all amendment and closing fees, (ii) existing Indebtedness and fees owing to Lenders on the date hereof under the Existing Credit Agreement, (iii) all costs and expenses incurred by Agents in connection with the preparation, execution, and delivery of this Amendment and each other Credit Documents executed in connection herewith or relating hereto and (iv) all other costs and expenses due and payable to any Agent pursuant to Section 12.05 of the Credit Agreement (including the fees, disbursements and other charges of counsel to Agents as provided therein), in each case, as set forth in that certain Disbursement Letter duly executed by Borrowers;

(f)lien searches as to all Credit Parties; and

(g)such other documents and opinions to be executed or delivered by the Credit Parties as may be reasonably requested by the Administrative Agent.

9.Incorporation by Reference. Sections 12.05, 12.13 and 12.15 of the Credit Agreement are hereby incorporated by reference, mutatis mutandis, as if such Sections were set forth in full herein (which shall be read to include the Departing Lenders as Lenders).

10.Miscellaneous.

(a)Amendment, Modification and Waiver. This Amendment may not be amended and no provision hereof may be waived except pursuant to a writing signed by each of the parties hereto.

(b)Governing Law. This Amendment and any claims controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Amendment and the transactions contemplated hereby shall be governed by, and construed in accordance with, the laws of the State of Illinois, without reference to conflicts of law provisions which would result in the application of the laws of any other jurisdiction.

(c)Severability. Any term or provision of this Amendment that is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Amendment or affecting the validity or enforceability of any of the terms or provisions of this Amendment in any other jurisdiction. If any provision of this Amendment is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as would be enforceable.

(d)Counterparts; Integration; Effectiveness. This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment, the Credit Agreement (as amended hereby) and the other Credit Documents constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 8 hereof, this Amendment shall become effective when it shall have been executed by Agents and when Agents shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or in electronic (i.e., “pdf” or “tif”) format shall be effective as delivery of a manually executed counterpart of this Amendment.

(e)Headings. The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

(f)Reference to and Effect on the Credit Agreement and the Other Credit Documents. On and after the date hereof, each reference in the Credit Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to the Credit Agreement, and each reference in the other Credit Documents to the "Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement shall mean and be a reference to the Existing Credit Agreement as amended by this Amendment. On and after the date hereof, each reference in either Security Agreement to "this Agreement", "hereunder", "herein" or words of like import referring to such Security Agreement, and each reference in the other Credit Documents to the "U.S. Security Agreement", the "Canadian Security Agreement", "Security Agreements", "thereunder", "thereof" or words of like import referring to either or both of the Security Agreements shall mean and be a reference to the applicable Security Agreement as amended by this Amendment. Except as specifically amended by this Amendment, the Existing Credit Agreement, the Security Agreements and the other Credit Documents shall remain in full force and effect and are hereby ratified and confirmed and this Amendment shall not be considered a novation. The execution, delivery and performance of this Amendment shall not constitute a waiver of any provision of, or operate as a waiver of any right, power or remedy of any Agent or any Lender under, the Credit Agreement, either Security Agreement or any of the other Credit Documents. This Amendment shall be deemed to be a Credit Document as defined in the Credit Agreement.

11.Construction. This Amendment has been prepared through the joint efforts of all of the parties hereto. Neither the provisions of this Amendment, nor any alleged ambiguity herein, shall be interpreted or resolved against any party on the grounds that such party or its counsel drafted this Amendment, or based on any other rule of strict construction. Each of the parties represents that such party has carefully read this Amendment and that such party knows the contents hereof and has signed the same freely and voluntarily.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered effective as of the date hereof.

BORROWERS AND GUARANTORS:

GAGE GROWTH CORP., a Canadian federal corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Chief Financial Officer

GAGE INNOVATIONS CORP., a Canadian federal corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Chief Financial Officer

COOKIES RETAIL CANADA CORP., a Canadian federal corporation

By: /s/ Mihran Hadjinian
Name: Mihran Hadjinian
Its: President

RIVERS INNOVATIONS, INC., a Delaware corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

RIVERS INNOVATIONS US SOUTH LLC, a Delaware limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

RI SPE 1 LLC, a Delaware limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed and delivered effective as of the date hereof.

BORROWERS AND GUARANTORS:

GAGE GROWTH CORP., a Canadian federal corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Chief Financial Officer

GAGE INNOVATIONS CORP., a Canadian federal corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Chief Financial Officer

COOKIES RETAIL CANADA CORP., a Canadian federal corporation

By: s/s Mihran Hadjinian
Name: Mihran Hadjinian
Its: President

RIVERS INNOVATIONS, INC., a Delaware corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

RIVERS INNOVATIONS US SOUTH LLC, a Delaware limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

RI SPE 1 LLC, a Delaware limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

SPARTAN PARTNERS CORPORATION, a Michigan corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

SPARTAN PARTNERS HOLDINGS, LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

SPARTAN PARTNERS SERVICES LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

SPARTAN PARTNERS PROPERTIES LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

SPARTAN PARTNERS LICENSING LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

WDB HOLDING MI, INC., a Delaware corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Chief Financial Officer

AEY HOLDINGS, LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

KISA ENTERPRISES MI INC., a Michigan corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

STADIUM VENTURES INC., a Michigan corporation

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

THRIVE ENTERPRISES LLC, a Michigan limited liability company

By: /s/ Keith Stauffer
Name: Keith Stauffer
Its: Authorized Signatory

ADMINISTRATIVE AGENT AND COLLATERAL AGENT:

CHICAGO ATLANTIC ADMIN, LLC

By: /s/ Peter Sack
Name: Peter Sack
Title: Authorized Person

LENDERS:

CHICAGO ATLANTIC LINCOLN, LLC

By: /s/ Peter Sack
Name: Peter Sack
Title: Authorized Person

CHICAGO ATLANTIC CREDIT OPPORTUNITIES, LLC

By: /s/ Peter Sack
Name: Peter Sack
Title: Authorized Signatory

LENDERS:

INTREPID INCOME FUND

By: /s/ Hunter Hayes
Name: Hunter Hayes
Title: Authorized Signatory

INTREPID CAPITAL FUND

By: /s/ Hunter Hayes
Name: Hunter Hayes
Title: Authorized Signatory

ANNEX A

AMENDED CREDIT AGREEMENT

See attached.

21025800V.5

CREDIT AGREEMENT

by and among

GAGE GROWTH CORP. AND ITS SUBSIDIARIES,
as Borrowers,

the Persons from time to time party hereto as Guarantors, the Lenders from time to time party hereto
and

CHICAGO ATLANTIC ADMIN, LLC,
as Administrative Agent and Collateral Agent Dated as of November 22, 2021

GREEN IVY CAPITAL, LLC,
as Lead Arranger

As amended by that certain Joinder, First Amendment to Credit Agreement and Security Agreements and Consent dated as of August 10, 2022 and by that certain Joinder and Second Amendment to Credit Agreement and Security Agreements dated as of November 29, 2022.

~~21029590V.1~~

TABLE OF CONTENTS

Pages

CREDIT AGREEMENT

THIS CREDIT AGREEMENT, dated as of November 22, 2021, is among GAGE GROWTH CORP., a Canadian federal corporation ("*Parent*"), GAGE INNOVATIONS CORP., a Canadian federal corporation ("*Gage Innovations*"), COOKIES RETAIL CANADA CORP., a Canadian federal corporation ("*Cookies*"), RIVERS INNOVATIONS, INC., a Delaware corporation ("*Rivers*"), RIVERS INNOVATIONS US SOUTH LLC, a Delaware limited liability company ("*Rivers South*"), RI SPE 1 LLC, a Delaware limited liability company ("*RI SPE*"), SPARTAN PARTNERS CORPORATION, a Michigan corporation ("*Spartan*"), SPARTAN PARTNERS HOLDINGS, LLC, a Michigan limited liability company ("*Spartan Holdings*"), SPARTAN PARTNERS SERVICES LLC, a Michigan limited liability company ("*Spartan Services*"), SPARTAN PARTNERS PROPERTIES LLC, a Michigan limited liability company ("*Spartan Properties*"), SPARTAN PARTNERS LICENSING LLC, a Michigan limited liability company ("*Spartan Licensing*"), WDB HOLDING MI, INC., a Delaware corporation ("*WDB Holding*"), AEY HOLDINGS, LLC, a Michigan limited liability company ("*AEY Holdings*"), KISA ENTERPRISES MI INC., a Michigan corporation ("*KISA*"), STADIUM VENTURES INC., a Michigan corporation ("*Stadium*"), THRIVE ENTERPRISES LLC, a Michigan limited liability company ("*Thrive*"; together with Parent, Gage Innovations, Cookies, Rivers, Rivers South, RI SPE, Spartan, Spartan Holdings, Spartan Services, Spartan Properties ~~and~~, Spartan Licensing, WDB Holding, AEY Holdings, KISA, Stadium and each other Subsidiary of Parent that becomes a borrower hereunder pursuant to Section 8.09, each, a "*Borrower*" and collectively, jointly and severally, "*Borrowers*"), Parent and any Subsidiaries of Parent hereto that are Guarantors or become Guarantors hereunder pursuant to Section 8.09, the lenders from time to time party hereto (together with the Incremental Loan Lenders (as defined below), each, a "*Lender*" and, collectively, the "*Lenders*"), CHICAGO ATLANTIC ADMIN, LLC, a Delaware limited liability company ("*Chicago Atlantic*"), as administrative agent for the Lenders (in such capacity, together with its successors and assigns in such capacity, "*Administrative Agent*") and Chicago Atlantic, as collateral agent for the Secured Parties (in such capacity, together with its successors and assigns in such capacity, "*Collateral Agent*", and together with Administrative Agent, each, an "*Agent*" and collectively, "*Agents*").

RECITALS

WHEREAS, Borrowers have requested that the Lenders extend to Borrowers on the Closing Date certain Loans in the aggregate principal amount of up to $55,000,000 (the "*Aggregate Commitment*"); and

WHEREAS, the Lenders have agreed to provide the Loans, in each case subject to the terms and conditions contained in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE I
Definitions

SECTION 1.01 Defined Terms. As used herein, the following terms shall have the meanings specified in this Section 1.01 unless the context otherwise requires:

"*Administrative Agent*" shall have the meaning set forth in the Preamble.

"*Administrative Questionnaire*" shall mean a questionnaire completed by each Lender, in a form approved by Administrative Agent, in which such Lender, among other things, (a) designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Credit Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with such Lender's compliance procedures and Applicable Laws, including federal and state securities laws and (b) designates an address, electronic mail address or telephone number for notices and communications with such Lender.

"*AEY Capital*" shall mean AEY Capital, LLC, a Michigan limited liability company. "*AEY Holdings*" shall have the meaning set forth in the Preamble.

"*Affiliate*" shall mean, with respect to any Person, (a) any Person which, directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such Person, or (b) any Person who is a director or officer (i) of such Person, (ii) of any Subsidiary of such Person or (iii) of any Person described in clause (a) above. For purposes of this definition, control of a Person shall mean the power, direct or indirect, to direct or cause the direction of the management and policies of such Person, in each case whether through the ownership of any Capital Stock, by contract or otherwise. No Agent or Lender shall be an Affiliate of any Consolidated Company for purposes of this Agreement or any other Credit Document.

"*Affiliate Control Agreement*" shall mean a pledge, collateral assignment, control agreement or bank consent letter, in form and substance reasonably satisfactory to Collateral Agent, executed and delivered by AEY Capital, Collateral Agent, and the applicable securities intermediary or bank, pursuant to which AEY Capital grants to Collateral Agent, for the benefit of the Secured Parties, a lien on each of AEY Capital's securities accounts and deposit accounts listed on Schedule 7.25(b) and which agreement is sufficient to give Collateral Agent "control" over each such account.

"*Agents*" shall have the meaning set forth in the Preamble.

"*Aggregate Commitment*" shall have the meaning set forth in the Preamble.

"*Agreement*" shall mean this Credit Agreement, as it may be amended, restated, amended and restated, supplemented or otherwise modified from time to time.

"*ALTA*" shall mean the American Land Title Association.

"*Alterna Accounts*" means, collectively, the deposit accounts of the Credit Parties listed on Schedule 7.25(a) and maintained with Alterna Savings and Credit Union Limited.

"*Amortization Amount*" means an amount equal to 0.40% of the aggregate principal amount of all Loans made by the Lenders (but excluding, for the avoidance of doubt, all interest that is paid in kind and deemed to be a part of the principal amount of the Loans pursuant to Section 2.04(b)).

"*Anti-Corruption Laws*" shall mean all laws, rules, and regulations of any jurisdiction applicable to any Credit Party or any of its Subsidiaries from time to time concerning or relating to bribery or corruption, including the United States Foreign Corrupt Practices Act of 1977, the *Corruption of Foreign Public Officials Act* (Canada), Canadian Economic Sanctions and Export Control Laws and other similar anti-corruption legislation in other jurisdictions.

"*Anti-Terrorism Laws*" shall have the meaning set forth in Section 7.28.

"*Applicable Accounting Standards*" means, (a) initially, (i) IFRS or (ii) generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, including ASPE and those otherwise set out in the Handbook of the Canadian Institute of Chartered Accountants, applied on a consistent basis, and (b) upon migration from IFRS to GAAP in accordance with Section 9.13, GAAP.

"*Applicable Fiscal Period*" shall mean the period of four consecutive fiscal quarters ending at the end of each prescribed fiscal quarter.

"*Applicable Laws*" shall mean, subject to the carve-outs and acknowledgments contained in Section 13.01, as to any Person, any law (including common law), statute, regulation, ordinance, rule, order, policy, decree, judgment, consent decree, writ, injunction, settlement agreement or governmental requirement enacted, promulgated or imposed or entered into or agreed by any Governmental Authority or determination of an arbitrator, in each case applicable to or binding on such Person or any of its property, products, business, assets or operations or to which such Person or any of its property, products, business, assets or operations is subject.

"*Applicable Securities Legislation*" shall mean all applicable securities laws of each of the Reporting Jurisdictions and the respective rules and regulations under such laws together with applicable published fee schedules, prescribed forms, policy statements, national or multilateral instruments, orders, blanket rulings and other applicable regulatory instruments of the securities regulatory authorities in any of the Reporting Jurisdictions.

"*Application Event*" shall have the meaning set forth in Section 4.02(d).

"*Approved Fund*" shall mean any Person (other than a natural person) that is engaged in making, purchasing, holding or investing in commercial loans and similar extensions of credit in the ordinary course and that is administered, advised or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers, advises or manages a Lender.

"*Arranger*" shall mean Green Ivy Capital, LLC, as lead arranger.

"*Assignment and Acceptance*" shall mean an assignment and acceptance substantially in the form of Exhibit A.

"*Assignment of Leases and Rents*" shall mean each assignment of leases and rents or other security document granted by any applicable Credit Party to Collateral Agent for the benefit of the Secured Parties in respect of any leases of Real Property owned or leased by such Credit Party, in such form as agreed between such Credit Party and Collateral Agent.

"*Attributable Indebtedness*" shall mean, on any date, in respect of any Capitalized Lease of any Person, the capitalized amount thereof that would appear as a liability on a balance sheet of such Person prepared as of such date in accordance with Applicable Accounting Standards.

"*Authorized Officer*" shall mean, with respect to any Credit Party, the president, the chief financial officer, the chief operating officer, the secretary, the treasurer or any other senior officer of such Credit Party, but, in any event, with respect to financial matters, the chief financial officer of such Credit Party or such other senior officer who is in charge of financial matters for such Credit Party.

seq.).

"*Bankruptcy Code*" shall mean the United States Bankruptcy Code (11 U.S.C. Section 101 et

"*Beneficial Ownership Certification*" shall mean a certification regarding beneficial ownership

or control as required by the Beneficial Ownership Regulation.

"*Beneficial Ownership Regulation*" shall mean 31 C.F.R. § 1010.230. "*Benefited Lender*" shall have the meaning set forth in Section 12.08(a).

"*BIA*" shall mean the *Bankruptcy and Insolvency Act* (Canada), as amended from time to time.

"*Board*" shall mean the Board of Governors of the Federal Reserve System of the United States (or any successor).

"*Board of Directors*" shall mean the board of directors, board of managers or other equivalent governing body of a Person.

"*Borrower*" and "*Borrowers*" shall have the meanings set forth in the Preamble. "*Budget*" shall have the meaning set forth in Section 8.01(f).

"*Business Day*" shall mean any day excluding Saturday, Sunday and any day that shall be in the City of Chicago, Illinois a legal holiday or a day on which banking institutions are authorized by law or other governmental actions to close.

"*Businesses*" shall mean, collectively, (a) the Cannabis Business and (b) the Support Business. "*Canadian Anti-Money Laundering & Anti-Terrorism Legislation*" shall mean the *Criminal Code*, R.S.C. 1985, c. C-46, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the *United Nations Act*, R.S.C. 1985, c.U-2 or any similar Canadian legislation, together with all rules, regulations and interpretations thereunder or related thereto including the Regulations Implementing the United Nations Resolutions on the Suppression of Terrorism and the United Nations Al-Qaida and Taliban Regulations promulgated under the United Nations Act.

"*Canadian Blocked Person*" shall mean any Person that is a "designated person", "politically exposed foreign person" or "terrorist group" as described in any Canadian Economic Sanctions and Export Control Laws.

"*Canadian Cannabis Laws*" shall mean the *Cannabis Act* (Canada), the *Cannabis Regulations* (Canada), the *Excise Act* (Canada) as well as any other Applicable Law enacted or enforced by a Canadian Governmental Authority that governs the production, processing, sale, distribution, transfer or possession of any cannabis, cannabis accessory, or cannabis service.

"*Canadian Credit Party*" shall mean any Credit Party organized and existing under the federal laws of Canada or any province or territory thereof.

"*Canadian Economic Sanctions and Export Control Laws"* shall mean any Canadian laws, regulations or orders governing transactions in controlled goods or technologies or dealings with countries, entities, organizations, or individuals subject to economic sanctions and similar measures, including the *Special Economic Measures Act* (Canada), *the United Nations Act* (Canada), the *Freezing*

Assets of Corrupt Foreign Officials Act (Canada), Part II.1 of the *Criminal Code* (Canada) and the *Export and Import Permits Act* (Canada), and any related regulations.

"*Canadian Pension Plans*" shall mean, with respect to any Canadian Credit Party, all plans or arrangements that are pension plans required to be registered under Canadian federal or provincial law and that are administered or contributed to by such Credit Party for any of its employees or former employees located in Canada or any province or territory thereof, but does not include the Canada Pension Plan or the Quebec Pension Plan as maintained by the Government of Canada or the Province of Quebec, respectively.

"*Canadian Security Agreement*" shall mean that certain General Security Agreement dated as of the Closing Date, by and among each Canadian Credit Party and Collateral Agent for the benefit of the Secured Parties.

"*Canadian Statutory Lien*" shall mean a deemed trust or lien under applicable Canadian federal, provincial or territorial law securing claims for any unpaid wages, vacation pay, worker's compensation, unemployment insurance, pension plan contributions, pension solvency deficiency, employee source or non-resident withholding tax deductions, unremitted goods and services, harmonized sales, sales or other excise taxes or similar statutory obligations (secured by a deemed trust or lien), each of which are not overdue or are being contested in good faith by a Credit Party.

"*Cannabis Business*" shall mean the business of acquiring, cultivating, manufacturing, extracting, testing, producing, processing, possessing, selling (at retail or wholesale), dispensing, donating, distributing, transporting, packaging, labeling, marketing or disposing of cannabis, marijuana or related substances or products containing or relating to the same, and all ancillary activities related to the foregoing, including leasing the Real Property on which any such activity is conducted.

"*Capital Expenditures*" shall mean, for any specified period, the sum of, without duplication, all expenditures made, directly or indirectly, by the Financial Reporting Companies during such period, determined on a consolidated basis in accordance with Applicable Accounting Standards, that are or should be reflected as additions to property, plant or equipment or similar items reflected in the consolidated statement of cash flows and balance sheet of the Financial Reporting Companies, or have a useful life of more than one year.

"*Capital Stock*" shall mean any and all shares, interests, participations, units or other equivalents (however designated) of capital stock of a corporation, membership interests in a limited liability company, unlimited liability company interest, partnership interests of a limited partnership, any and all equivalent ownership interests in a Person and any and all warrants, rights or options to purchase any of the foregoing.

"*Capitalized Lease Obligations*" shall mean, as applied to any Person, all obligations under Capitalized Leases of such Person or any of its Subsidiaries, in each case taken at the amount thereof accounted for as liabilities on the balance sheet (excluding the footnotes thereto) of such Person in accordance with Applicable Accounting Standards.

"*Capitalized Leases*" shall mean, as applied to any Person, all leases of property that have been or should be, in accordance with Applicable Accounting Standards, recorded as capitalized leases on the balance sheet of such Person or any of its Subsidiaries, on a consolidated basis; provided that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof

accounted for as a liability on the balance sheet (excluding the footnotes thereto) of such Person in accordance with Applicable Accounting Standards.

"*Cash Equivalents*" shall mean:

(a)any direct obligation of (or unconditional guarantee by) the United States or, with respect to any Canadian Credit Party, Canada (or any agency or political subdivision thereof, to the extent such obligations are supported by the full faith and credit of the United States or Canada, as the case may be) maturing not more than one year after the date of acquisition thereof;

(b)commercial paper maturing not more than one year from the date of issue and issued by (i) a corporation (other than an Affiliate of any Credit Party) organized under the laws of any state of the United States, the District of Columbia or, with respect to any Canadian Credit Party, any province of Canada and, at the time of acquisition thereof, rated A-1 or higher by S&P or P-1 or higher by Moody's, or carrying an equivalent rating by a nationally recognized rating agency if at any time neither S&P or Moody's shall be rating such obligations, or (ii) any Lender (or its holding company);

(c)any certificate of deposit, time deposit or bankers acceptance, maturing not more than one year after its date of issuance, which is issued by either: (i) a bank organized under the laws of the United States or, with respect to any Canadian Credit Party, Canada (or any state or province thereof) which has, at the time of acquisition thereof, (A) a credit rating of A-2 or higher from Moody's or A or higher from S&P and (B) a combined capital and surplus greater than $500,000,000, or (ii) a Lender;

(d)cash and demand deposits maintained with the domestic office of any commercial bank organized under the laws of the United States or, with respect to Parent, Canada (or any state or province of the United States or Canada) which has a combined capital and surplus and undivided profits of not less than $500,000,000);

(e)any repurchase agreement having a term of 30 days or less entered into with any Lender or any commercial banking institution satisfying, at the time of acquisition thereof, the criteria set forth in clause (c)(i) which (i) is secured by a fully perfected security interest in any obligation of the type described in clause (a), and (ii) has a market value at the time such repurchase agreement is entered into of not less than 100.00% of the repurchase obligation of such commercial banking institution thereunder; and

(f)mutual funds investing primarily in assets described in clauses (a) through (d) of this definition.

"*Cash Interest Rate*" shall mean (a) from the Closing Date until the Second Amendment Date, a per annum rate equal to the greater of (i) the Prime Rate plus 7.00% and (ii) 10.25%, and (b) on and after the Second Amendment Date, a per annum rate equal to the greater of (i) the Prime Rate plus 6.00%, and (ii) 13.00%.

"*Casualty Event*" shall mean the damage, destruction or condemnation, as the case may be, of property of any Person or any of its Subsidiaries.

"*CCAA*" shall mean the *Companies' Creditors Arrangement Act* (Canada) as amended from time to time.

"*CERCLA*" shall mean the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

"*Change in Cannabis Law*" shall mean any adverse change after the Closing Date in U.S. Federal Cannabis Law, Canadian Cannabis Law or U.S. State Cannabis Law, or the application or interpretation thereof by any Governmental Authority, (a) that would make it unlawful for any Agent or Lender to (i) continue to be a party to any Credit Document, (ii) perform any of its obligations hereunder or under any other Credit Document, or (iii) to fund or maintain the Loans, (b) pursuant to which any Governmental Authority has enjoined any Agent or Lender from (i) continuing to be a party to any Credit Document, (ii) performing any of its obligations hereunder or under any other Credit Document, or (iii) funding or maintaining the Loans, or (c) pursuant to which any Governmental Authority requires (i) confidential information from or disclosure of confidential information about any Agent, any Lender, any Affiliate thereof or any investor therein, or (ii) such Agent or any Lender to obtain any Permit to, in each case, (A) continue to be a party to any Credit Document, (B) perform any of its obligations hereunder or under any other Credit Document, or (C) to fund or maintain the Loans.

"*Change in Law*" shall mean (a) the adoption of any law, rule, regulation or treaty after the date of this Agreement, (b) any change in any law, rule, regulation or treaty or in the interpretation, implementation or application thereof by any Governmental Authority after the date of this Agreement or
(c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority after the date of this Agreement; provided that notwithstanding anything herein to the contrary, (x) the Dodd Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives issued thereunder or in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the day enacted, adopted, issued or implemented.

"*Change of Control*" shall mean an event or series of events by which (a) ~~other than in connection with the TerrAscend Transaction, on or after March 31, 2023,~~ there is a report filed with any securities commission or securities regulatory authority in Canada, disclosing that any offeror (as such term is defined in section 1.1 of Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids) has acquired beneficial ownership (within the meaning of the Securities Act) of, or the power to exercise control or direction over, or securities convertible into, any Voting Stock of Parent, that together with the offeror's securities (as such term is defined in section 1.1 of Multilateral Instrument 62-104 Take-Over Bids and Issuer Bids) in relation to any Voting Stock of Parent, would constitute Voting Stock representing more than ~~30.00~~50.1% of the total voting power attached to all Voting Stock of Parent then outstanding; (b) other than in connection with the TerrAscend Transaction, there is consummated any amalgamation, consolidation, statutory arrangement (involving a business combination) or merger of Parent (i) in which Parent is not the continuing or surviving corporation or (ii) pursuant to which any Voting Stock would be reclassified, changed or converted into or exchanged for cash, securities or other property, other than (in each case) an amalgamation, consolidation, statutory arrangement or merger of Parent in which the holders of the Voting Stock immediately prior to the amalgamation, consolidation, statutory arrangement or merger have, directly or indirectly, more than 50.10% of the Voting Stock of the continuing or surviving corporation immediately after such transaction; (c) (i) prior to the consummation of the TerrAscend Transaction, there occurs any other change of control of Parent as it exists as at the date of this Agreement other than in connection with the TerrAscend Transaction, and (ii) upon and after the consummation of the TerrAscend Transaction, TerrAscend shall cease to own and control, directly or indirectly, free and clear of all Liens or other encumbrances (other than Permitted Liens arising by operation of law), at least 51.00% of the Capital Stock of Parent; (d) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of Parent cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election

or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body; (e) any Borrower shall cease to own and control, directly or indirectly, free and clear of all Liens or other encumbrances (other than Permitted Liens arising by operation of law and Liens created pursuant to any Credit Document), (i) at least the percentage of the Capital Stock of each of its Subsidiaries held by such Borrower on the ~~First~~Second Amendment Date and (ii) 100.00% of the Capital Stock of each of its Subsidiaries formed or acquired after the ~~First~~Second Amendment Date; and (f) TerrAscend USA shall cease to own and control, directly or indirectly, free and clear of all Liens or other encumbrances (other than Permitted Liens arising by operation of law and Liens created pursuant to any Credit Document) 100% of the Capital Stock of WDB Holding. For the avoidance of doubt, the TerrAscend Transaction shall not constitute a Change of Control.

"*Chicago Atlantic*" shall have the meaning set forth in the Preamble.

"*Claims*" shall have the meaning set forth in the definition of Environmental Claims. "*Closing Date*" shall mean November 22, 2021.
"*Closing Date Loans*" shall have the meaning set forth in Section 2.01(a).

"*Code*" shall mean the Internal Revenue Code of 1986, and the Treasury Regulations promulgated and rulings issued thereunder.

"*Collateral*" shall mean any assets of any Credit Party or other assets upon which Collateral Agent has been, or has purportedly been, granted a Lien in connection with this Agreement or any other Credit Document.

"*Collateral Access Agreements*" shall mean a collateral access agreement or landlord waiver in form and substance reasonably satisfactory to Collateral Agent between Collateral Agent and any lessor, warehouseman, processor, bailee, consignee, or other Person in possession of, having a Lien upon, or having rights or interests in, any Credit Party's books and records or assets.

"*Collateral Agent*" shall have the meaning set forth in the Preamble. "*Collateral Assignee*" shall have the meaning set forth in Section 12.06(d).
"*Collateral Assignments of Leases*" shall mean, collectively, those certain Collateral Assignments of Lease among the applicable Credit Party, the lessor thereto and Collateral Agent, in form and substance reasonably satisfactory to Collateral Agent.

"*Collateral Assignments of Licensing Contracts*" shall mean, collectively, those certain Collateral Assignments of Licensing Contracts among the applicable Credit Party, the other parties party thereto and Collateral Agent, in form and substance reasonably satisfactory to Collateral Agent.

"*Collections*" shall mean all cash, checks, credit card slips or receipts, notes, instruments, and other items of payment (including insurance proceeds, proceeds of cash sales, rental proceeds, and Tax refunds) of the Credit Parties.

"*Commitment*" shall mean (a) with respect to the Closing Date Loans and the Second Amendment Loans, the obligation of ~~the Lenders~~each Lender to make ~~the~~such Loans hereunder, in each case, (i) in the Dollar amounts set forth beside such Lender's name under the applicable heading on

Schedule 1.01, or (ii) in the Assignment and Acceptance pursuant to which such Lender became a Lender under this Agreement, as such amounts may be changed from time to time pursuant to the terms of this Agreement, or (b) with respect to the Incremental Loans, the Incremental Loan Commitment of such Lender.

"*Commitment Percentage*" shall mean, ~~as~~with respect to any Lender~~, the Commitment Percentage (if any) set forth beside such Lender's name in Schedule 1.01 (or, in the case of any Lender that became party to this Agreement after the Closing Date pursuant to Section 12.06(b) or 12.06(c), the Commitment Percentage (if any)~~ at any time, with respect to such Lender's portion of the outstanding Second Amendment Date Loans or the Incremental Loans, as applicable, the percentage (carried out to the sixth decimal place) of the outstanding principal amount of the Second Amendment Date Loans or the Incremental Term Loans, as the case may be, held by such Lender at such time. The Commitment Percentages of each Lender are set forth (a) opposite the name of such Lender ~~as set forth~~on Schedule 1.01, (b) in the ~~applicable~~ Assignment and Acceptance~~), as the same may be adjusted upon any assignment by or to pursuant to Section 12.06(b) or 12.06(c)~~becomes a party hereto or (c) in the Incremental Loan Agreement, as applicable.

"*Communications*" shall mean, collectively, any notice, demand, communication, information, document or other material that any Credit Party provides to Administrative Agent pursuant to any Credit Document or the transactions contemplated therein which is distributed to Administrative Agent or any Lender by means of electronic communications pursuant to Section 12.23, including through the Platform.

"*Compliance Certificate*" shall mean a certificate duly completed and executed by an Authorized Officer of Parent substantially in the form of Exhibit B, together with such changes thereto or departures therefrom as Administrative Agent may from time to time reasonably request or approve for the purpose of monitoring the Credit Parties' compliance with the Financial Performance Covenants or certain other calculations, or as otherwise agreed to by Administrative Agent.

"*Confidential Information*" shall have the meaning set forth in Section 12.16.

"*Connection Income Taxes*" shall mean Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes.

"*Consolidated Companies*" shall mean Parent and its Subsidiaries on a consolidated basis in accordance with Applicable Accounting Standards.

"*Contingent Liability*" shall mean, for any Person, any agreement, undertaking or arrangement by which such Person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement, contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the Indebtedness of any other Person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the Capital Stock of any other Person. The amount of any Person's obligation under any Contingent Liability shall (subject to any limitation set forth therein) be deemed to be the outstanding principal amount of the debt, obligation or other liability guaranteed thereby.

"*Contractual Obligation*" shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound other than the Obligations.

"*Control Agreement*" shall mean a pledge, collateral assignment, control agreement or bank consent letter, in form and substance reasonably satisfactory to Collateral Agent, executed and delivered by the applicable Credit Party, Collateral Agent, and the applicable securities intermediary or bank, which agreement is sufficient to give Collateral Agent "control" over each of such Credit Party's securities accounts, deposit accounts or investment property, as the case may be.

"*Cookies*" shall have the meaning set forth in the Preamble.

"*Cookies Sub #1*" shall mean 2668420 Ontario Inc., an Ontario corporation. "*Cookies Sub #2*" shall mean 2765533 Ontario Inc., an Ontario corporation. "*Cookies Subsidiaries*" shall mean, collectively, Cookies Sub #1 and Cookies Sub #2.

"*Cookies Transaction*" shall mean (i) the Disposition by Parent of more than 50.00% of its Capital Stock in Cookies, and/or (ii) the Disposition by Cookies of all or substantially all of its assets, in each case, in one or more transactions deemed beneficial to the Financial Reporting Companies, taken as a whole, in the responsible business judgment of Parent.

"*Copyright Security Agreements*" shall mean any and all copyright security agreements entered into by the Credit Parties in favor of Collateral Agent (as required by the Agreement or any other Credit Document).

"*Credit Agreement Joinder*" shall mean a joinder substantially in the form of Exhibit C.

"*Credit Documents*" shall mean (a) this Agreement, the Security Documents, any Notes, each Collateral Assignment of Lease, each Information Certificate, the TerrAscend Guaranty, the Incremental Loan Agreement, any subordination or intercreditor agreements in favor of any Agent with respect to this Agreement and (b) any other document or agreement executed by any Credit Party, or by any Borrower on behalf of the Credit Parties, or any of them, and delivered to any Agent or Lender in connection with any of the foregoing or the Obligations.

"*Credit Parties*" shall mean, collectively, Borrowers and Guarantors, and "*Credit Party*" shall mean any of the Credit Parties, individually.

"*Credit Party Materials*" shall have the meaning set forth in Section 12.23.

"*CSA*" shall mean the Canadian Securities Administrators, or any Governmental Authority succeeding to any of its principal functions.

"*CSE*" shall mean the Canadian Securities Exchange and its successors.

"*Debentures*" means, collectively, the unsecured debentures issued on September 30, 2020, by Parent (formerly known as Wolverine Partners Corp.), to each of 1110864 Ontario Inc., The Linton Family Trust and Eastwood Capital Corp.

"*Debtor Relief Laws*" shall mean the Bankruptcy Code, the BIA, the CCAA and all other liquidation, bankruptcy, assignment for the benefit of creditors, conservatorship, moratorium, receivership, insolvency, rearrangement, reorganization, or similar debtor relief laws of the United States of America or other applicable jurisdictions in effect from time to time.

"*Default*" shall mean any event, act or condition that with notice or lapse of time, or both, would constitute an Event of Default.

"*Default Rate*" shall mean a rate per annum equal to the sum of (a) the Cash Interest Rate plus (b) 7.50% plus (c) the PIK Interest Rate.

"*Defaulting Lender*" shall mean any Lender that: (a) has failed, within two Business Days of the date required to be funded or paid, to (i) fund any portion of its Commitment, (ii) pay over to either Agent or any Lender any other amount required to be paid by it hereunder, unless, in the case of clause (i)above, such Lender notifies Administrative Agent in writing that such failure is the result of such Lender's good faith determination that a condition precedent to funding (specifically identified and including a particular Default or Event of Default, if any) has not been satisfied; (b) has notified Parent or Administrative Agent in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender's good faith determination that a condition precedent (specifically identified and including a particular Default or Event of Default, if any) to funding a Loan under this Agreement cannot be satisfied) or generally under other agreements in which it commits to extend credit; (c) has failed, within two Business Days after request by Administrative Agent, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Loans under this Agreement, provided that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon Administrative Agent's receipt of such certification in form and substance satisfactory to Administrative Agent or (d) has become the subject of an Insolvency Event.

"*Departing Lenders*" shall have the meaning given to such term in the Second Amendment. "*Designated Jurisdiction*" shall mean any country or territory to the extent that such country or territory is the subject of any Sanction.

"*Determination Period*" shall have the meaning set forth in Section 8.01(l).

"*Disposition*" shall mean, with respect to any Person, any sale, transfer, lease, contribution or other conveyance (including by way of merger or amalgamation) of, or the granting of options, warrants or other rights to, any of such Person's or their respective Subsidiaries' assets (including Capital Stock of Subsidiaries) to any other Person in a single transaction or series of transactions.

"*Disqualified Capital Stock*" shall mean any Capital Stock that, by its terms (or by the terms of any security or other Capital Stock into which it is convertible or for which it is exchangeable) or upon the happening of any event or condition, (a) matures or is mandatorily redeemable (other than solely for Qualified Capital Stock after the Secured Parties are paid in full), pursuant to a sinking fund obligation or otherwise, (b) is redeemable at the option of the holder thereof (other than solely for Qualified Capital Stock or in connection with a Change of Control or Disposition of assets after the Secured Parties are paid in full), in whole or in part, (c) provides for the scheduled payment of dividends in cash or (d) is or becomes convertible into or exchangeable for Indebtedness or any other Capital Stock that would constitute Disqualified Capital Stock, in each case, prior to the date that is 180 days after the Maturity Date; provided that if such Capital Stock is issued pursuant to a plan for the benefit of employees of Parent or by any such plan to such employees, such Capital Stock shall not constitute Disqualified Capital Stock solely because it may be required to be repurchased by Parent in order to satisfy applicable statutory or regulatory obligations.

"*Disqualified Lenders*" shall mean (a) such Persons that have been designated in writing to Administrative Agent by Parent as a competitor on or prior to the Closing Date, and each such designation of such Person is reasonable, (b) competitors of Parent or any other Credit Party that have been designated in writing to Administrative Agent from time to time by Parent after the Closing Date not less than five Business Days prior to the date such designation will be effective, and each such designation of such Person as a competitor is reasonable, and (c) any of their Affiliates (other than Affiliates that are bona fide debt or private equity funds or fixed income investors) that are designated as a competitor in writing from time to time to Administrative Agent by Parent, and each such designation of such Person as a competitor is reasonable; provided that no such updates to the list of such designated Persons shall be deemed to retroactively disqualify any Person that has previously acquired an assignment or participation interest in respect of the Loans from continuing to hold or vote such previously acquired assignments and participations on the terms set forth herein for Lenders that are not Disqualified Lenders (it being understood and agreed that such prohibitions with respect to Disqualified Lenders shall apply only to any potential future assignments or participations to any such parties). The list of Disqualified Lenders shall be maintained with Administrative Agent and may be communicated to a Lender upon request to Administrative Agent.

"*Dollars*" and "*$*" shall mean dollars in lawful currency of the United States.

"*Environmental Claims*" shall mean any and all administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of noncompliance or violation, investigations (other than internal reports prepared by the Credit Parties (a) in the ordinary course of such Person's business or
(b) as required in connection with a financing transaction or an acquisition or disposition of real estate) or proceedings relating to any Environmental Law or any permit issued, or any approval given, under any such Environmental Law (collectively, "*Claims*"), including (i) any and all Claims by Governmental Authorities for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law and (ii) any and all Claims by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the Release or threatened Release of Hazardous Materials or arising from alleged injury or threat of injury to health or safety (to the extent relating to the exposure to Hazardous Materials) or the environment.

"*Environmental Law*" shall mean any applicable federal, state, provincial, foreign or local statute, law, rule, regulation, ordinance, code and rule of common law now or hereafter in effect, and any binding judicial or administrative interpretation thereof, including any binding judicial or administrative order, consent decree or judgment, relating to the protection of the environment or human health or, to the extent relating to exposure to Hazardous Materials, safety.

"*Environmental Permit*" shall have the meaning set forth in Section 7.14(a)(ii).

"*ERISA*" shall mean the Employee Retirement Income Security Act of 1974, and the regulations promulgated thereunder.

"*Event of Default*" shall have the meaning set forth in Section 10.01.

"*Excluded Accounts*" shall mean (a) any deposit account that is used solely to fund payroll or employee benefits, so long as (i) such account is a zero balance account and (ii) the applicable Credit Party does not deposit or maintain funds in any such account in excess of amounts necessary to fund current payroll liabilities, payroll taxes or other wage and employee benefit payments, and (b) the Alterna Accounts, so long as the applicable Credit Parties do not deposit or maintain funds in any such accounts in excess of (i) at all times prior to the date that is 60 days after consummation of the TerrAscend Transaction, $4,000,000, individually or in the aggregate, and (ii) on and after the date that is 60 days

after consummation of the TerrAscend Transaction, funds not in excess of amounts necessary to fund current Canadian payroll liabilities, Canadian payroll taxes or other Canadian wage and employee benefit payments.

"*Excluded Issuances*" shall mean (a) the issuance of Capital Stock (other than Disqualified Capital Stock) by Parent to members of the management, employees or directors of any Credit Party, (b) the issuance of Capital Stock of Parent (other than Disqualified Capital Stock) upon the exercise of any warrants issued by Parent on or prior to the Closing Date, (c) the issuance of Capital Stock of Parent in connection with the TerrAscend Transaction and (d) the issuance of Capital Stock of Parent (other than Disqualified Capital Stock) in an aggregate amount of up to $10,000,000, the proceeds of which are used solely by the Credit Parties (i) to finance the purchase of Capital Expenditures, (ii) to finance Permitted Acquisitions, or (iii) for general working capital needs, in each case, so long as such issuance does not result in a Change of Control.

"*Excluded Subsidiary*" shall mean, (a) Mayde, so long as Mayde has no assets, no Indebtedness and no operations, (b) the Cookies Subsidiaries, (c) after consummation of the ~~TerrAscend~~Cookies Transaction and after giving effect to the transactions described in Section ~~8.21~~8.22, ~~the~~ Cookies ~~Subsidiaries and~~, (~~c~~d) any Excluded TerrAscend Subsidiary, and (e) each of (i) RKD Ventures, LLC, a Michigan limited liability company, and (ii) 123 Grow LLC, a Michigan limited liability company, so long as, in each case, such entity remains a non-wholly owned Subsidiary of any Credit Party.

"*Excluded Taxes*" shall mean any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient: (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case,
(i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment (other than pursuant to an assignment request by Borrowers under Section 12.06) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 4.04, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 4.04(f) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"*Excluded TerrAscend Subsidiary*" shall mean TerrAscend USA and its direct or indirect Subsidiaries (other than WDB Holding and its Subsidiaries).

"*Executive Order*" shall have the meaning set forth in Section 7.28.

"*Extraordinary Receipts*" shall mean any cash received by or paid to or for the account of any Consolidated Company not in the ordinary course of business, including: (a) proceeds of judgments, proceeds of settlements or other consideration of any kind in connection with any cause of action to the extent not used to pay any corresponding cause of action or to reimburse a Consolidated Company for amounts previously expended, (b) indemnification payments received by any Consolidated Company to the extent not used or anticipated to be used to pay any corresponding liability or reimburse such Consolidated Company for the payment of any such liability, (c) any purchase price adjustment (other than a working capital adjustment) received in connection with any purchase agreements, (d) tax refunds, and (e) pension plan reversions, net of Taxes paid or payable with respect to such amounts.

"*FATCA*" shall mean Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future Treasury Regulations thereunder or official interpretations thereof, any agreements entered into pursuant to current Section 1471(b)(1) of the Code (or any amended or successor version described above), and any intergovernmental agreements (together with any Applicable Laws implementing such agreements) implementing the foregoing.

"*Financial Performance Covenants*" shall mean the covenants set forth in Section 9.14. "*Financial Reporting Companies*" shall mean, collectively, Credit Parties and all of their Subsidiaries that are Credit Parties, excluding, for the avoidance of doubt, the Excluded TerrAscend Subsidiaries.

"*First Amendment Date*" shall mean August 10, 2022.

"*Foreign Lender*" shall mean a Lender that is resident or organized under the laws of a jurisdiction other than that in which a Borrower is resident for tax purposes.

"*GAAP*" shall mean generally accepted accounting principles in the United States or Canada, as applicable, in effect from time to time.

"*Gage Innovations*" shall have the meaning set forth in the Preamble.

"*Governmental Authority*" shall mean the government of the United States, Canada, any foreign country or any multinational or supranational authority, or any state, commonwealth, protectorate or political subdivision thereof, and any entity, body or authority exercising executive, legislative, taxing, judicial, regulatory or administrative functions of or pertaining to government, including the Pension Benefit Guaranty Corporation, Health Canada and other administrative bodies or quasi-governmental entities established to perform the functions of any such agency or authority.

"*Guarantee Obligations*" shall mean, as to any Person, any Contingent Liability of such Person or other obligation of such Person guaranteeing or intended to guarantee any Indebtedness of any other Person (the "*primary obligor*") in any manner, whether directly or indirectly, including any obligation of such Person, whether or not contingent, (a) to purchase any such Indebtedness or any property constituting direct or indirect security therefor, (b) to advance or supply funds (i) for the purchase or payment of any such Indebtedness or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor, (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such Indebtedness of the ability of the primary obligor to make payment of such Indebtedness or (d) otherwise to assure or hold harmless the owner of such Indebtedness against loss in respect thereof; provided that the term "*Guarantee Obligations*" shall not include endorsements of instruments for deposit or collection in the ordinary course of business and consistent with past practice (unless a departure from past practice coincides with an industry-wide departure from past practice or results from a new technological development or custom) or customary and reasonable indemnity obligations in effect on the Closing Date, entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than with respect to Indebtedness). The amount of any Guarantee Obligation shall be deemed to be an amount equal to the stated or determinable amount of the Indebtedness in respect of which such Guarantee Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such Person is required to perform thereunder) as determined by such Person in good faith and reasonable business judgment.

"*Guarantor Obligations*" shall have the meaning set forth in Section 6.01(a).

"*Guarantors*" shall mean (a) Parent, (b) each direct or indirect Subsidiary of Parent (other than any Excluded Subsidiary) and (c) any other Person that provides a guarantee for the payment and performance of the Obligations pursuant to an agreement reasonably acceptable to Administrative Agent after the Closing Date pursuant to Section 8.09; provided that TerrAscend Guarantors shall not constitute Guarantors hereunder.

"*Hazardous Materials*" shall mean (a) any petroleum or petroleum products, radioactive materials, friable asbestos, urea formaldehyde foam insulation, transformers or other equipment that contain dielectric fluid containing regulated levels of polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined as or included in the definition of "waste", "sludge", "hazardous substances", "hazardous waste", "hazardous materials", "extremely hazardous waste", "restricted hazardous waste", "toxic substances", "toxic pollutants", "contaminants", or "pollutants", or words of similar import, under any applicable Environmental Law; and (c) any other chemical, waste, recycled material, material or substance, which is prohibited, limited or regulated by any Environmental Law; provided that cannabis and marijuana are explicitly excluded from the definition of Hazardous Materials, as are any substances or products that would be deemed Hazardous Materials solely because they contain cannabis or marijuana, in each case, to the extent such substances are deemed hazardous solely because the Businesses are unlawful under U.S. Federal Cannabis Law.

"*Hedging Agreement*" shall mean (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, futures contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"*IFRS*" shall mean the International Financial Reporting Standards set forth in the opinions and pronouncements of the Canadian Accounting Standards Board, consistently applied.

"*Incremental Lender*" shall have the meaning set forth in Section 2.01(d)(ii).

"*Incremental Loan*" and "*Incremental Loans*" shall have the meanings set forth in Section 2.01(c).

"*Incremental Loan Effective Date*" shall mean the date of the Incremental Loan Agreement as determined in accordance with Section 2.01(d)(iii).

"*Incremental Loan Facility*" shall mean, collectively, all Incremental Loans provided to Borrowers pursuant to the Incremental Loan Agreement in an aggregate, maximum amount of up to $30,000,000.

"*Incremental Loan Agreement*" shall mean a joinder agreement in a form reasonably acceptable to Administrative Agent, as executed by Borrowers, any other Credit Parties party thereto, one or more Lender(s) providing Incremental Loan Commitments and Administrative Agent.

"*Incremental Loan Commitment*" shall mean, as to any Lender, its obligation to make an Incremental Loan to Borrowers pursuant to Section 2.01(d) in the principal amount set forth for such Lender in the Incremental Loan Agreement.

"*Indebtedness*" shall mean, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with Applicable Accounting Standards:

(a)all indebtedness of such Person for borrowed money and all indebtedness of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;

(b)the maximum amount (after giving effect to any prior drawings or reductions which may have been reimbursed) of all letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds, performance bonds and similar instruments issued or created by or for the account of such Person;

(c)all obligations of such Person to pay the deferred purchase price of property or services, but excluding trade accounts payable in the ordinary course of business (which are not overdue for a period of more than 90 days past the applicable due date thereof);

(d)indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements and mortgage, industrial revenue bond, industrial development bond and similar financings), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;

(e)all Attributable Indebtedness;

(f)all obligations of such Person with respect to the redemption, repayment or other repurchase or payment in respect of any Disqualified Capital Stock;

(g)all obligations of such Person with respect to Hedging Agreements (valued as the termination value thereof computed in accordance with a method approved by the International Swap Dealers Association and agreed to by such Person in the applicable Hedging Agreement, if any);

(h)all obligations of such Person under any sale-and-leaseback transaction; and

(i)all Guarantee Obligations of such Person in respect of any of the foregoing;

provided that Indebtedness shall not include (w) prepaid or deferred revenue arising in the ordinary course of business on customary terms, (x) purchase price holdbacks arising in the ordinary course of business and on customary terms in respect of a portion of the purchase price of an asset to satisfy warranties or other unperformed obligations of the seller of such asset, (y) endorsements of checks or drafts arising in the ordinary course of business and consistent with past practice (unless a departure from past practice coincides with an industry-wide departure from past practice or results from a new

technological development or custom), and (z) preferred Capital Stock to the extent not constituting Disqualified Capital Stock.

For all purposes hereof, the Indebtedness of any Person shall not include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or another entity not disregarded for tax purposes) in which such Person is a general partner or a joint venture (whether partner or member), unless the terms of such Indebtedness provide that such Person is liable therefor. The amount of Indebtedness of any Person for purposes of clause (e) above shall be deemed to be equal to the lesser of (x) the aggregate unpaid amount of such Indebtedness and (y) the fair market value of the property encumbered thereby as determined by such Person in good faith and reasonable business judgment.

"*Indemnified Liabilities*" shall have the meaning set forth in Section 12.05.

"*Indemnified Taxes*" shall mean (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Credit Party under any Credit Document and (b) to the extent not otherwise described in (a), Other Taxes.

"*Information Certificates*" shall mean, collectively, (a) that certain Information Certificate dated as of the Closing Date and executed by Borrowers in favor of Collateral Agent and Lenders and (b) any other information or perfection certificate delivered by a Credit Party to Collateral Agent and accepted by Collateral Agent.

"*Insolvency Event*" shall mean, with respect to any Person, including any Lender, such Person or such Person's direct or indirect parent company (a) makes a proposal under the BIA, the CCAA or becomes the subject of a bankruptcy, insolvency or examinership proceeding (including any proceeding under any Insolvency Legislation, any similar law or proceeding seeking the compromise or extinguishment of claims of creditors or the *Canada Business Corporations Act*), or regulatory restrictions, (b) has had a receiver, interim receiver, receiver manager, monitor, examiner, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it or has called a meeting of its creditors, (c) admits in writing its inability, or be generally unable, to pay its debts as they become due or cease material operations of its present business, (d) commits an act of bankruptcy or becomes insolvent (such terms having the respective meanings ascribed thereto in the BIA), (e) is adjudicated insolvent or bankrupt by a court of competent jurisdiction, (f) admits the material allegations of a petition or application filed with respect to it in any bankruptcy, reorganization or insolvency proceeding, (g) takes any corporate action for the purpose of effecting any of the foregoing, (h) with respect to a Lender, such Lender is unable to perform hereunder due to the application of Applicable Law, or (i) in the good faith determination of Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment of a type described in clauses (a) or (b), provided that an Insolvency Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person or such Person's direct or indirect parent company by a Governmental Authority or instrumentality thereof if, and only if, such ownership interest does not result in or provide such Person with immunity from the jurisdiction of courts within the United States or Canada or from the enforcement of judgments or writs of attachment on its assets or permit such Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

"*Insolvency Legislation*" shall mean legislation in any applicable jurisdiction relating to reorganization, arrangement, compromise or re adjustment of debt, dissolution or winding up, or any

similar legislation, and specifically includes the BIA, the CCAA, the *Winding Up and Restructuring Act* (Canada), the Bankruptcy Code and any similar legislation under Applicable Law.

"*Intercompany Indebtedness*" shall have the meaning set forth in Section 12.22.

~~"*Interest Rate*" shall mean a per annum rate equal to the greater of (a) the Prime Rate plus 7.00% and (b) 10.25%.~~

"*Investment*" shall mean, relative to any Person: (a) any loan, advance or extension of credit made by such Person to any other Person, including the purchase by such first Person of any bonds, notes, debentures or other debt securities of any such other Person; (b) the incurrence of Contingent Liabilities for the benefit of any other Person; (c) acquisition of any Capital Stock or other investment held by such Person in any other Person; and (d) any contribution made by such Person to any other Person. The amount of any Investment at any time shall be the original principal or capital amount thereof less all returns of principal or equity thereon made on or before such time and shall, if made by the transfer or exchange of property other than cash, be deemed to have been made in an original principal or capital amount equal to the fair market value of such property at the time of such Investment.

"*IP Rights*" shall have the meaning set forth in Section 7.13.

"*ITA*" shall mean the *Income Tax Act* (Canada) as amended from time to time. "*KISA*" shall have the meaning set forth in the Preamble.

"*Koach Landlord Agreement*" means that certain landlord agreement executed by each of the Koach Landlords in favor of Collateral Agent, pursuant to which the Koach Landlords agree to permit Collateral Agent and Lenders to cure breaches or defaults occurring under the Koach Leases.

"*Koach Landlords*" shall mean, collectively, Strategic Koach Properties LLC, a Delaware limited liability company, Koach GR I LLC, a Michigan limited liability company, and Koach Lansing I LLC, a Michigan limited liability company.

"*Koach Leases*" shall mean, collectively, (a) that certain Lease Agreement between Strategic Koach Properties LLC, a Delaware limited liability company, and Spartan Properties dated October, 23, 2020, with respect to that certain premises located at 1551 Academy Street, Ferndale, Michigan 48220,
(b)that certain Lease Agreement between Strategic Koach GR I LLC, a Michigan limited liability company, and Spartan Properties dated October 28, 2020, with respect to that certain premises located at 3075 Peregrine Drive NE, Grand Rapids, Michigan 49505, (c) that certain Lease Agreement between Strategic Koach Properties LLC, a Delaware limited liability company, and Spartan Properties dated August 26, 2020, with respect to that certain premises located at 2712 Portage Road, Kalamazoo, Michigan 49001, (d) that certain Lease Agreement between Strategic Koach Properties LLC, a Delaware limited liability company, and Spartan Properties dated August 26, 2020, with respect to that certain premises located at 1025 Hannah Ave., Traverse City, Michigan 49686, (e) that certain Lease Agreement between Strategic Koach Properties LLC, a Delaware limited liability company, and Spartan Properties dated August 26, 2020, with respect to that certain premises located at 3 State Park Drive, Bay City, Michigan 48706 and (f) that certain Lease Agreement between Koach Lansing I LLC, a Michigan limited liability company, and Spartan Properties dated June 26, 2020, with respect to that certain premises located at 3425 S. Martin Luther King Jr. Blvd., Lansing, Michigan 48910.

"*Koach Reserve Amount*" shall have the meaning set forth in Section 2.04(c).

"*Land Contracts*" shall mean, collectively, that certain (a) Land Contract dated as of April 9, 2021, by and between SCL Transmission Properties, LLC and Spartan Properties, with respect to Real Property located at 2706 Portage Road, Kalamazoo, Michigan 49001, as evidenced by the Memorandum of Land Contract recorded in the Kalamazoo County Clerk's Office as Instrument No. 2021-015947, (b) Land Contract dated as of April 13, 2021, by and between Jefferson Property Holdings, LLC, and Spartan Properties, with respect to Real Property located at 11397 Jefferson Avenue, 7 Orchard Street and 9 Orchard Street, River Rouge, Michigan 48218, as evidenced by the Memorandum of Land Contract recorded in the Office of the Register of Deeds of Wayne County, Michigan on April 21, 2021 as Instrument No. 2021196224, (c) Land Contract dated as of March 25, 2021, by and between Production Holdings, LLC, and Spartan Properties, with respect to Real Property located at 41225-41239 Production Drive, Harrison Township, Michigan 48045, (d) Land Contract dated as of July 20, 2021, by and between 4174 W. Pierson Rd., LLC and Spartan Properties, with respect to Real Property located at 4174 W. Pierson Road, Flint, MI 48504 and (e) Land Contract dated June 10, 2021, between Ann Arbor Rd. LLC and Spartan Properties, with respect to Real Property located at 6007 Ann Arbor Road, Jackson, Michigan 49201.

"*Land Contracts Reserve Amount*" shall have the meaning set forth in Section 2.04(d).

"*Land Contracts Reserve Amount Excess*" shall mean the Land Contracts Reserve Amount less the Land Contracts Reserve Disbursement.

"*Land Contracts Reserve Disbursement*" shall mean (i) with respect to the Land Contract Transactions, the lesser of (x) the aggregate amount of Indebtedness paid or otherwise extinguished under the Land Contracts in connection with consummation of the Land Contract Transactions and (y) the Land Contracts Reserve Amount, and (ii) with respect to the New Property Purchase Transactions, the Land Contracts Reserve Amount.

"*Land Contracts Reserve Release Conditions*" shall mean the satisfaction of each of the following on or prior to December 30, 2021 (or such later date to which Administrative Agent agrees in its discretion):

(a)before and after giving effect to a disbursement of the Land Contracts Reserve Disbursement to Borrowers, no Default or Event of Default shall have occurred and be continuing;

(b)before and after giving effect to a disbursement of the Land Contracts Reserve Disbursement to Borrowers, all representations and warranties of the Credit Parties set forth in this Agreement and the other Credit Documents are true and correct in all material respects (other than such representations and warranties that are already qualified by materiality, Material Adverse Effect or similar language, in which case such representations and warranties shall be true and correct in all respects) on the date of such disbursement; and

(c)the Credit Parties have delivered to Agents, in form and substance reasonably satisfactory to Agents, evidence confirming that the Credit Parties have:

(i)paid in full or otherwise extinguished the outstanding balances owed under certain Land Contracts, such that title to the subject Real Property shall have become fully vested in a Credit Party, free and clear of all Liens (such transactions, collectively, the "*Land Contract Transactions*"), and the applicable Credit Party shall have recorded, or arrangements for recording

reasonably satisfactory to Collateral Agent have been made for, a Mortgage and otherwise complied with the terms of Section 8.11 with respect to such Real Property; or

(ii)purchased or otherwise acquired fee simple interests in Real Property that is not subject to a Land Contract on the Closing Date, free and clear of all Liens (such purchases or acquisitions, the "*New Property Purchase Transactions*"), with an aggregate fair market value, as determined by Agents in their reasonable discretion, equal to or in excess of the Land Contracts Reserve Amount and the applicable Credit Party shall have recorded, or arrangements for recording reasonably satisfactory to Collateral Agent have been made for, a Mortgage and otherwise complied with the terms of Section 8.11 with respect to such Real Property.

"*Land Contracts Trust Account*" shall mean a trust account to hold the Land Contracts Reserve Amount.

"*Lender*" and "*Lenders*" shall have the meanings set forth in the Preamble.

"*Licensing Contracts*" shall mean the contracts set forth on Schedule 8.17 among a Credit Party, on the one hand, and a Licensing Entity, on the other hand.

"*Licensing Entity*" shall mean AEY ~~Holdings, LLC, a Michigan limited liability company, AEY~~ Capital, ~~LLC, a Michigan limited liability company, AEY Thrive, LLC, a Michigan limited liability company,~~ 3 State Park, ~~LLC, a Michigan limited liability company, Thrive Enterprises~~ LLC, a Michigan limited liability company, RKD Ventures LLC, a Michigan limited liability company, prior to the consummation of the Cookies Transaction, the Cookies Subsidiaries, and any other Affiliate of a Credit Party or, after giving effect to the TerrAscend Transaction, any Affiliate of TerrAscend engaged in a Cannabis Business, in each case, that enters into an agreement with a Credit Party with respect to such Credit Party's Support Business.

"*Lien*" shall mean any mortgage, pledge, security interest, hypothecation, charge, claim, assignment for collateral purposes, lien (statutory or other) or similar encumbrance, and any easement, right-of-way, license, restriction (including zoning restrictions), defect, exception or irregularity in title or similar charge or encumbrance (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement or any lease in the nature thereof); provided that in no event shall an operating lease entered into in the ordinary course of business and on customary terms or any precautionary UCC or PPSA filings made pursuant thereto by an applicable lessor or lessee, be deemed to be a Lien.

"*Liquidity*" shall mean, for the Credit Parties, the result of (a) the aggregate amount of unrestricted cash and Cash Equivalents, in each case, which is held in a deposit account set forth on Schedule 7.25(a) and subject to a Control Agreement, or set forth on Schedule 7.25(b) and subject to an Affiliate Control Agreement, other than t hose deposit accounts which are Excluded Accounts, minus (b) all un-processed outstanding checks written by Borrowers.

"*Loans*" shall ~~have the meaning set forth in~~mean, collectively, the amounts advanced by Lenders to Borrowers pursuant to this Agreement, including the Closing Date Loans, the Second Amendment Date Loans and the Incremental Loans, plus the aggregate amount of interest at the PIK Interest Rate added to such amounts pursuant to Section ~~2.01~~2.06(b).

"*Make-Whole Amount*" shall mean, with respect to any prepayment or repayment of the Loans on any day, whether pursuant to Section 4.01(a) or Section 4.02, or in connection with an acceleration of the Loans~~, on~~ prior to the Maturity Date~~ or otherwise,~~, if such prepayment or repayment occurs on or prior to May 28, 2024, (a) with respect to any Loans (other than the Incremental Loans) an amount equal to ~~2.00% of the aggregate amount of the Loans being prepaid or repaid.~~the sum of (i) all payments of interest on the Loans that would be due after the date of such prepayment or repayment through May 28, 2024, if no prepayment or repayment of such Loans was made prior to such date plus (ii) all fees that would have been due after the date of such prepayment or repayment through May 28, 2024, if no prepayment or repayment of such Loans was made prior to its scheduled due date, or (b) with respect to the Incremental Loans, the amount set forth in the Incremental Loan Agreement for such Incremental Loans.

"*Material Adverse Effect*" shall mean a material adverse effect on (a) the business, assets, liabilities (actual or contingent), operations, condition (financial or otherwise), results of operations or performance of Parent and its Subsidiaries taken as a whole, (b) the validity or enforceability of this Agreement, any other Credit Document, (c) the ability of any Credit Party to perform its obligations under any Credit Document to which it is a party, (d) the rights or remedies of the Secured Parties or the Lenders hereunder or thereunder, (e) the priority of any Liens granted to Collateral Agent in or to any Collateral (other than as a result of voluntary and intentional discharge of the Lien by Collateral Agent) or (f) the Regulatory Licenses.

"*Material Contracts*" shall mean (a) any agreement evidencing, securing or pertaining to any Indebtedness, or any guaranty thereof, in a principal amount exceeding $500,000, (b) any real property lease where annual rent exceeds $500,000, (c) any operating lease where annual rentals exceed $500,000,
(d)any agreement (other than the agreements set forth in the foregoing clauses (a) through (c)) which involves aggregate consideration payable to or by such Person or such Subsidiary of $500,000 or more on an annual basis, (e) any other agreement the termination of which (without contemporaneous replacement of substantially equivalent value) could reasonably be expected to have a Material Adverse Effect, (f) each Material Regulatory License and (g) each other Regulatory License the termination of which (without contemporaneous replacement of substantially equivalent value) could reasonably be expected to have a Material Adverse Effect.

"*Material Regulatory License*" shall mean any Regulatory License of a Credit Party or a Licensing Entity designated on Schedule 7.19 by Borrowers as material, as such Schedule may be supplemented or updated in accordance with Section 8.01(i)(viii).

"*Maturity Date*" shall mean November ~~30~~1, ~~2022~~2024.

"*Mayde*" means Mayde US LLC, a Michigan limited liability company.

"*Michigan Real Property*" shall mean, collectively, the Real Property now owned or hereafter acquired by any Credit Party, and located in Michigan.

"Moody's" shall mean Moody's Investors Service, Inc. or any successor by merger or consolidation to its business.

"*Mortgage*" shall mean each mortgage, deed of trust, or deed to secure debt, trust deed or other security document granted by any applicable Credit Party to Collateral Agent for the benefit of the Secured Parties in respect of any Real Property owned or leased by such Credit Party, in such form as agreed between such Credit Party and Collateral Agent.

"*Net Cash Proceeds*" shall mean, as applicable, (a) with respect to any Disposition by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of (i) fees, costs and expenses paid to third parties (other than Affiliates) and relating to such Disposition, (ii) the amount of any Indebtedness secured by any Permitted Lien on any asset (other than Indebtedness assumed by the purchaser of such asset) that is required to be, and is, repaid in connection with such Disposition, (iii) net income taxes to be paid in connection with such Disposition and (iv) sale, use or other transactional taxes paid or payable by such Person as a result of such Disposition, (b) with respect to any condemnation or taking of such assets by eminent domain proceedings of a Person, cash and cash equivalent proceeds received by or for such Person's account (whether as a result of payments made under any applicable insurance policy therefor or in connection with condemnation proceedings or otherwise), net of (i) fees, costs and expenses paid to third parties (other than Affiliates) in connection with the collection of such proceeds, awards or other payments and (ii) taxes paid or payable by such Person as a result of such casualty, condemnation or taking, and (c) with respect to any offering of Capital Stock of a Person or the issuance of any Indebtedness by a Person, cash and cash equivalent proceeds received by or for such Person's account, net of (i) legal, underwriting, and other fees, costs and expenses paid to third parties (other than Affiliates) and incurred as a result thereof, (ii) transfer taxes paid by such Person or such Subsidiary in connection therewith and (iii) net income taxes to be paid in connection therewith.

"*Non-Defaulting Lender*" shall mean, at any time, any Lender holding a Commitment which is not a Defaulting Lender.

"*Note*" shall mean a promissory note (or amended and restated promissory note) substantially in the form of Exhibit D.

"*Notice of Control*" shall have the meaning set forth in Section 8.13(b).

"*Obligations*" shall mean (a) with respect to each Borrower, all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of such Borrower arising under or in connection with any Credit Document, including all original issue discount, fees, costs, expenses (including fees, costs and expenses incurred during the pendency of any proceeding of the type described in Section 10.01(h), whether or not allowed or allowable in such proceeding) and premiums payable under any Credit Document, the principal of and interest (including interest accruing during the pendency of any proceeding of the type described in Section 10.01(h), whether or not allowed or allowable in such proceeding) on the Loans, all indemnification obligations and all obligations to pay or reimburse any Secured Party for paying any costs or expenses under any Credit Document, and all other fees to be paid to any Agent or Arranger, or (b) with respect to each Credit Party other than Borrowers, all obligations (monetary or otherwise, whether absolute or contingent, matured or unmatured) of such Credit Party arising under or in connection with any Credit Document, all indemnification obligations and all obligations to pay or reimburse any Secured Party for paying any costs or expenses under any Credit Document.

"*OFAC*" shall mean the Office of Foreign Assets Control of the United States Department of the Treasury.

"*OID*" shall have the meaning set forth in Section 12.24.

"*Organization Documents*" shall mean, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate, constitution or articles of formation or organization and operating agreement (if relevant); and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint

venture or other applicable agreement of formation or organization and, if applicable, any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

"*OSC*" shall mean the Ontario Securities Commission, or any Governmental Authority succeeding to any of its principal functions.

"*Other Connection Taxes*" shall mean, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Credit Document, or sold or assigned an interest in any Loan or Credit Document).

"*Other Taxes*" shall mean all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Credit Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 12.06).

"*Parent*" shall have the meaning set forth in the Preamble. "*Participant*" shall have the meaning set forth in Section 12.06(c).
"*Participant Register*" shall have the meaning set forth in Section 12.06(c)(ii).

"*Patent Security Agreements*" shall mean any patent security agreements entered into by a Credit Party in favor of Collateral Agent (as required by the Agreement or any other Credit Document), in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Patriot Act*" shall mean the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), and the *Proceeds of Crime (money laundering) and Terrorist Financing Act* (Canada).

"*Payment Date*" shall mean the last Business Day of each calendar month.

"*Permits*" shall mean, with respect to any Person, any permit, approval, authorization, license, registration, certificate, concession, grant, franchise, variance or permission from, and any other Contractual Obligations with, any Governmental Authority, in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or operations or to which such Person or any of its property or operations is subject.

"*Permitted Acquisition*" shall mean an acquisition of Capital Stock or assets by any Credit Party in a transaction or series of transactions:

(I)that satisfies each of the following requirements:

(a)such acquisition is not a hostile or contested acquisition;

(b)the business acquired in connection with such acquisition is not engaged in any line of business other than the Support Business;

(c)Parent shall have notified Administrative Agent not less than 10 days (or such shorter time period as may be agreed to by Administrative Agent) prior to any such acquisition;

(d)if such acquisition involves a merger or a consolidation involving a Credit Party, such Credit Party shall be the surviving entity;

(e)if a new Subsidiary is formed or acquired as a result of or in connection with such acquisition, Borrowers shall have complied with the requirements of Sections 8.09 and 8.11 in connection therewith;

(f)(i) no Default or Event of Default shall exist, and (ii) the Credit Parties shall be in compliance with the Financial Performance Covenants recomputed as of the end of the Applicable Fiscal Period most recently ended for which financial statements have been delivered pursuant to Section 8.01(a) or 8.01(b) after giving effect to such acquisition on a pro forma basis, and Parent shall have delivered to Administrative Agent a Compliance Certificate evidencing such compliance;

(g)all transactions related to such acquisition shall be consummated in accordance with Applicable Law;

(h)such acquisition would not reasonably be expected to cause a Material Adverse Effect;

(i)Parent shall have delivered any additional information or other materials relating to such acquisition, including financial statements of the acquired business and the documents evidencing such acquisition (each in form and substance reasonably satisfactory to Administrative Agent) that have been reasonably requested by Administrative Agent at least three Business Days prior to the closing date of such acquisition; and

(j)after giving effect to such acquisition, the cash amount invested by the Credit Parties for all such acquisitions pursuant to clause (I) of this definition does not exceed $8,000,000; or

(II)that is listed on Schedule P-1.

"*Permitted Capital Lease Debt*" shall mean Indebtedness incurred under Section 9.01(d) in an aggregate outstanding principal amount not to exceed $3,500,000 at any time.

"*Permitted Liens*" shall have the meaning set forth in Section 9.02.

"*Person*" shall mean any individual, partnership, joint venture, firm, corporation, limited liability company, unlimited liability company, association, trust or other enterprise or any Governmental Authority.

"*PIK Interest Rate*" shall mean (a) from the Closing Date until the Second Amendment Date, a per annum rate equal to 0.00% and (b) on and after the Second Amendment Date, a per annum rate equal to 1.50%.

"*Platform*" shall have the meaning set forth in Section 12.23.

"*PPSA*" shall mean the *Personal Property Security Act* (Ontario), including the regulations thereto; provided, that, if perfection or the effect of perfection or non-perfection or the priority of any Lien created hereunder or under any other Credit Document on the Collateral is governed by the personal property security legislation or other applicable legislation with respect to personal property security in effect in a jurisdiction in Canada other than the Province of Ontario, "PPSA" shall mean the Personal Property Security Act or such other applicable legislation (including the *Civil Code* (Quebec)) in effect from time to time in such other jurisdiction in Canada for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

"*Primary Officers*" shall mean Fabian Monaco, David Watza, and Mike Finos, each in their capacities as Authorized Officers of the applicable Credit Parties.

"*Prime Rate*" shall mean, for any day, a floating rate equal to the rate publicly quoted from time to time in The Wall Street Journal's "Bonds, & Rates ~~& Yields~~" table as the "prime rate".

"*Promotional Rights*" shall have the meaning set forth in Section 12.16. "*Public Lender*" shall have the meaning set forth in Section 12.23.

"*Qualified Capital Stock*" shall mean any Capital Stock that is not Disqualified Capital Stock.

"*Real Estate Settlement*" shall mean the settlement of the litigation matter involving Shahin Haddad; *et al* v. Spartan Partners Corporation; *et al*, including all claims and counterclaims relating thereto, for an amount not to exceed $5,000,000 in exchange for a Credit Party's purchase of Real Property located at 6030 E. Eight Mile Road, Detroit, Michigan.

"*Real Property*" shall mean, with respect to any Person, all right, title and interest of such Person (including any leasehold estate) in and to a parcel of real property owned, leased or operated by such Person together with, in each case, all improvements and appurtenant fixtures, equipment, personal property, easements and other property and rights incidental to the ownership, lease or operation thereof.

"*Recipient*" shall mean (a) Administrative Agent and (b) any Lender.

" Refinancing Indebtedness" shall mean refinancings, renewals, or extensions of Indebtedness so long as:

(a)such refinancings, renewals, or extensions do not result in an increase in the principal amount of the Indebtedness so refinanced, renewed, or extended, other than by the amount of premiums and compounded interest paid thereon and the reasonable and customary fees and expenses incurred in connection therewith and by the amount of unfunded commitments with respect thereto,

(b)such refinancings, renewals, or extensions do not result in a shortening of the average weighted maturity (measured as of the refinancing, renewal, or extension) of the Indebtedness so refinanced, renewed, or extended,

(c)if the Indebtedness that is refinanced, renewed, or extended was subordinated in right of payment to the Obligations, then the terms and conditions of the refinancing, renewal, or extension must include subordination terms and conditions that are at least as favorable to the Lenders as those that were applicable to the refinanced, renewed, or extended Indebtedness, and

(d)the Indebtedness that is refinanced, renewed, or extended is not recourse to any Person that is liable on account of the Obligations other than those Persons which were obligated with respect to the Indebtedness that was refinanced, renewed, or extended.

"*Refinancing Proposal*" shall have the meaning set forth in Section 8.01(l). "*Register*" shall have the meaning set forth in Section 12.06(b)(iii).

"*Regulation D*" shall mean Regulation D of the Board as from time to time in effect and any successor to all or a portion thereof establishing reserve requirements.

"*Regulation U*" shall mean Regulation U of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"*Regulation X*" shall mean Regulation X of the Board as from time to time in effect and any successor to all or a portion thereof establishing margin requirements.

"*Regulatory Licenses*" shall mean each Permit required to be held by any Credit Party or Licensing Entity, or that any Credit Party or Licensing Entity must have rights to use, to conduct its Business in compliance with Applicable Laws.

"*Related Parties*" shall mean, with respect to any specified Person, such Person's Affiliates and the directors, officers, employees, agents, trustees, advisors of such Person and any Person that possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise.

"*Release*" shall mean any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, depositing, disposing, emanating or migrating of Hazardous Materials in the environment.

"*Replacement Lender*" shall have the meaning set forth in Section 2.07(d).

"*Reporting Jurisdictions*" shall mean (a) all of the jurisdictions in Canada in which Parent is a "reporting issuer", including, as of the date hereof, the Province of Ontario, and (b) if Parent's Capital Stock is listed and posting for trading on the New York Stock Exchange or Nasdaq, the applicable reporting jurisdictions in the United States.

"*Required Lenders*" shall mean, at any time when there is more than one Lender which is not a Defaulting Lender, at least two Lenders which are not Defaulting Lenders having Loans and unused Commitments representing greater than 50.00% of the sum of the aggregate Loans and unused Commitments at such time, or at any time when there is only one Lender which is not a Defaulting Lender, such Lender.

"*Restricted Cannabis Activities*" shall mean, subject to Section 13.01, in connection with the cultivation, distribution, sale and ossession of cannabis and related products: (a) any activity that is not permitted under applicable U.S. State Cannabis Laws or Canadian Cannabis Laws; (b) knowingly distributing and selling cannabis and related products to minors that is not approved under a U.S. State Cannabis Law or a Canadian Cannabis Law; (c) payments to criminal e nterprises, gangs, cartels and Persons subject to Sanctions in violation of Applicable Law; (d) non-compliance with Anti-Terrorism Laws and other Applicable Law relating to money-laundering; (e) diversion of cannabis and related products from states where it is legal under U.S. State Cannabis Law to other states or to Canada in violation of Applicable Law, or the import of cannabis and related products from Canada in violation of

Applicable Law; (f) the commission, or making t hreats, of violence and the use of firearms in violation of Applicable Law; (g) growing cannabis and r elated products on federal lands in violation of Applicable

Law; and (h) directly or indirectly, aiding, abetting or otherwise with any Person or Persons in such activities.

articipating in a common enterprise

"*Restricted Debt*" shall mean (a) the Indebtedness of any Credit Party existing on the ~~First~~Second Amendment Date and listed on Schedule 7.24, and (b) any other Indebtedness the repayment of which is expressly subordinated and made junior to the payment in full of the Obligations and contains terms and conditions (including terms relating to interest, fees, repayment and subordination) satisfactory to Agents.

"*Restricted Payment*" shall mean, with respect to any Person, (a) the declaration or payment of any dividend on, or the making of any payment or distribution on account of, or setting apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any class of Capital Stock of such Person or any warrants or options to purchase any such Capital Stock, whether now or hereafter outstanding, or the making of any other distribution in respect thereof, either directly or indirectly, whether in cash or property, and (b) any payment of a management fee (or other fee of a similar nature) or any reimbursable costs and expenses related thereto by such Person to any holder of its Capital Stock or any Affiliate thereof.

"*RI SPE*" shall have the meaning set forth in the Preamble. "*Rivers*" shall have the meaning set forth in the Preamble. "*Rivers South*" shall have the meaning set forth in the Preamble.
"*ROFO Deadline*" shall have the meaning set forth in Section 8.01(l).

"*S& P*" shall mean Standard & Poor's Ratings Services or any successor by merger or consolidation to its business.

"*Sales Tracking Software*" shall mean any "seed-to-sale" tracking, point-of-sale, or other inventory or sales reporting software used by the Credit Parties.

"*Sanction(s)*" shall mean all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State, (b) the Canadian government, or (c) the United Nations Security Council, the European Union, any European Union member state or Her Majesty's Treasury of the United Kingdom or other relevant sanctions authority.

"*SEC*" shall mean the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

"*Second Amendment*" shall mean that certain Joinder and Second Amendment to Credit Agreement and Security Agreements dated as of the Second Amendment Date among Borrowers, the Lenders party thereto and Agents.

"*Second Amendment Date*" shall mean November 29, 2022.

"*Second Amendment Date Loans*" shall have the meaning set forth in Section 2.01(b).

"*Secured Parties*" shall mean, collectively, (a) the Lenders, (b) Agents, (c) the beneficiaries of each indemnification obligation undertaken by any Credit Party under the Credit Documents, (d) any successors, endorsees, transferees and assigns of each of the foregoing to the extent any such transfer or assign is permitted by the terms of this Agreement and (e) any other holder of any Obligation or Secured Obligation (as defined in any applicable Security Document).

"*Security Agreements*" shall mean, collectively, the U.S. Security Agreement and the Canadian Security Agreement.

"*Security Documents*" shall mean, collectively, as applicable, the Security Agreements, each Collateral Assignment of Lease, the Collateral Access Agreements, the Control Agreements, the Patent Security Agreements, the Trademark Security Agreements, the Copyright Security Agreements, each Collateral Assignment of Licensing Contracts, each Mortgage, each Assignment of Leases and Rents, the TerrAscend Pledge Agreement and each other instrument or document executed and delivered pursuant to this Agreement or any of the Security Documents to guarantee or secure any of the Obligations.

"*SEDAR*" shall mean the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval.

"*Solvency Certificate*" shall mean a solvency certificate, duly executed and delivered by an Authorized Officer of Parent who is the chief financial officer or such other senior officer who is in charge of financial matters for Parent to Administrative Agent, in form and substance reasonably satisfactory to Administrative Agent.

"*Solvent*" shall mean:

(a)with respect to any U.S. Credit Party, at any date, that (i) the sum of such Person's debt (including Contingent Liabilities) does not exceed the present fair saleable value of such Person's present assets (which, for this purpose, shall include rights of contribution in respect of obligations for which such Person has provided a guarantee), (ii) such Person's capital is not unreasonably small in relation to its business as contemplated on such date, (iii) such Person has not incurred and does not intend to incur debts including current obligations beyond its ability to generally pay such debts as they become due (whether at maturity or otherwise), and (iv) such Person is "solvent" or is not "insolvent", as applicable, within the meaning given that term and similar terms under Applicable Laws relating to fraudulent and other avoidable transfers and conveyances. For purposes of this definition, the amount of any Contingent Liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5); and

(b)with respect to any Canadian Credit Party, at any date, that (i) the aggregate property of such Credit Party is sufficient, if disposed of at a fairly conducted sale under legal process, to enable payment of all its obligations, due and accruing due, (ii) the aggregate property of such Credit Party is, at a fair valuation, sufficient to enable payment of all its obligations, due and accruing due, (iii) such Credit Party is able to meet its obligations as they generally become due, (iv) such Credit Party has not ceased paying its current obligations in the ordinary course of business as they generally become due, and (v) such Person is not an "insolvent person", as such term is defined in the BIA.

"*Spartan*" shall have the meaning set forth in the Preamble.

"*Spartan Holdings*" shall have the meaning set forth in the Preamble. "*Spartan Properties*" shall have the meaning set forth in the Preamble. "*Spartan Services*" shall have the meaning set forth in the Preamble. "*Stadium*" shall have the meaning set forth in the Preamble.

"*Subsidiary*" of any Person shall mean and include (a) any corporation more than 50.00% of whose Voting Stock having by the terms thereof power to elect a majority of the directors of such corporation (irrespective of whether or not at the time stock of any class or classes of such corporation shall have or might have voting power by reason of the happening of any contingency) is at the time owned by such Person directly or indirectly through Subsidiaries and (b) any partnership, limited liability company, association, joint venture or other entity in which such Person directly or indirectly through one or more Subsidiaries has more than (i) a 50.00% equity interest measured by either vote or value at the time or (ii) a 50.00% general partnership interest at the time. Unless otherwise expressly provided, all references herein to a Subsidiary shall mean a Subsidiary of Parent.

"*Support Business*" shall mean the business of managing or supporting a Cannabis Business, and all ancillary or complimentary activities related to the foregoing, including owning the Real Property on which any such activity is conducted.

"*Taxes*" shall mean all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"*Termination Date*" shall mean the date on which the Loans and the other Obligations (other than Unasserted Contingent Obligations) shall have been paid in full in cash in accordance with the terms of this Agreement.

"*TerrAscend*" shall mean TerrAscend Corp., an Ontario corporation.

"*TerrAscend Guaranties*" shall mean, collectively, those certain General Continuing Guaranties, each dated as of the First Amendment Date and entered into by a TerrAscend Guarantor in favor of Collateral Agent.

"*TerrAscend Guarantors*" shall mean, collectively, TerrAscend and TerrAscend USA. "*TerrAscend Letter Agreement*" shall mean that certain letter agreement dated on or about the date hereof among TerrAscend, Parent and Agents, pursuant to which TerrAscend agrees to not, directly or through an Affiliate of TerrAscend, apply for any new marijuana retail Permit in the State of Michigan except through a Licensing Entity.

"*TerrAscend Pledge Agreement*" shall mean that certain Pledge Agreement dated as of the First Amendment Date entered into by TerrAscend USA and Collateral Agent with respect to the Capital Stock of WDB Holding.

"*TerrAscend Transaction*" shall mean, collectively, the acquisition by TerrAscend of all of the issued and outstanding Capital Stock of Parent pursuant to a court-approved plan of arrangement under the *Canada Business Corporations Act*, after which Parent shall be a private, wholly-owned Subsidiary

of TerrAscend, and the other transactions contemplated by the TerrAscend Transaction Documents, in each case in accordance with the terms of the TerrAscend Transaction Documents.

"*TerrAscend Transaction Documents*" shall mean, collectively, (a) that certain Arrangement Agreement dated August 31, 2021 among TerrAscend and Parent and (b) that certain Membership Interest Purchase Agreement dated August 31, 2021 among WDB Holding, certain Licensing Entities party thereto, David Malinoski, and Parent, true and complete copies of which have been delivered to the Administrative Agent prior to the date hereof, together with (i) any amendments or modifications thereto prior to the date hereof, copies of which have been delivered to Administrative Agent prior to the date hereof, and (ii) any amendments or modifications thereto on or after the date hereof, copies of which shall be promptly delivered to the Administrative Agent; provided that any such amendments or modifications executed on or after the date hereof shall not materially alter the terms of the TerrAscend Transaction Documents delivered to Administrative Agent prior to the date hereof.

"*TerrAscend USA*" shall mean TerrAscend USA, Inc. a Delaware corporation. "*Thrive*" shall have the meaning set forth in the Preamble.

"*Total Credit Exposure*" shall mean, as of any date of determination (a) with respect to each Lender, (i) prior to the termination of the Commitments, the sum of such Lender's Commitment plus the outstanding principal amount of such Lender's Loans or (ii) upon the termination of the Commitments, the outstanding principal amount of such Lender's Loans and (b) with respect to all Lenders, (i) prior to the termination of the Commitments, the sum of all of the Lenders' Commitments plus the aggregate outstanding principal amount of all Loans and (ii) upon the termination of the Commitments, the aggregate outstanding principal amount of all Loans.

"*Trademark Security Agreements*" shall mean the Trademark Security Agreements dated as of the Closing Date made in favor of Collateral Agent and the Lenders by each applicable Credit Party and any trademark security agreement entered into after the Closing Date (as required by the Agreement or any other Credit Document), in each case, as the same may be amended, restated, supplemented or otherwise modified from time to time.

"*Transactions*" shall mean the funding of the Loans pursuant hereto and the use of the proceeds thereof and all other transactions contemplated by or described in the Credit Documents.

"*Treasury Regulations*" shall mean the United States Treasury regulations promulgated under the Code.

"*U.S.*" and "*United States*" shall mean the United States of America.

"*U.S. Credit Party*" shall mean any Credit Party organized and existing under the laws of the United States or any state or subdivision thereof.

"*U.S. Federal Cannabis Law*" shall mean any federal laws of the United States, civil, criminal or otherwise, as such relate, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C.

§ 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

"*U.S. Person*" shall mean any person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"U.S. *Security Agreement*" shall mean that certain Security Agreement dated as of the Closing Date, among each Credit Party party thereto and Collateral Agent for the benefit of the Secured Parties.

"*U.S. State Cannabis Law*" shall mean any law enacted by any state or locality of the United States which legalizes marijuana, cannabis and related products in some form and which implements strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis and related products that is applicable to any Credit Party, any Licensing Entity, any Subsidiary of any of the foregoing or, solely with respect to the definition of Change in Cannabis Law, any Secured Party.

"*U.S. Tax Compliance Certificate*" has the meaning specified in Section 4.04(f)(ii)(3).

"*UCC*" shall mean the Uniform Commercial Code as from time to time in effect in the state of Illinois and any other applicable jurisdiction.

"*Unasserted Contingent Obligations*" shall mean, at any time, Obligations for taxes, costs, indemnifications, reimbursements, damages and other liabilities in respect of which no assertion of liability (whether oral or written) and no claim or demand for payment or indemnification (whether oral or written) has been made or threatened.

"*Voting Stock*" shall mean, with respect to any Person, shares of such Person's Capital Stock having the right to vote for the election of directors (or Persons acting in a comparable capacity) of such Person under ordinary circumstances.

"*WDB Holding*" shall have the meaning set forth in the Preamble. "*Withholding Agent*" shall mean any Credit Party and Administrative Agent.

SECTION 1.02 Other Interpretive Provisions. With reference to this Agreement and each other Credit Document, unless otherwise specified herein or in such other Credit Document:

(a)The meanings of defined terms are equally applicable to the singular and plural forms of the defined terms. Any pronoun used shall be deemed to cover all genders.

(b)The words "herein", "hereto", "hereof" and "hereunder" and words of similar import when used in any Credit Document shall refer to such Credit Document as a whole and not to any particular provision thereof.

(c)Preamble, Article, Section, Exhibit and Schedule references are to the Credit Document in which such reference appears unless otherwise specifically provided.

(d)The term "including" is by way of example and not limitation, and the term "or" has, except where otherwise indicated, the inclusive meaning represented by the phrase "and/or."

(e)The term “documents” includes any and all instruments, documents, agreements, certificates, notices, reports, financial statements and other writings, however evidenced, whether in physical or electronic form.

(f)In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(g)Section headings herein and in the other Credit Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Credit Document.

(h)All references in any Credit Document to the consent or discretion of, or approval by any Agent or Lender, shall be deemed to mean the consent of or approval by such Agent or Lender in its sole and absolute discretion, except as otherwise expressly provided in the applicable Credit Document.

(i)A Default or an Event of Default shall be deemed to exist at all times during the period commencing on the date that such Default or Event of Default occurs to the date on which such Default or Event of Default is waived in writing pursuant to this Agreement or, with respect to any Default, is cured within any period of cure expressly provided in this Agreement. Whenever in any provision of this Agreement or any other Credit Document any Agent or any Lender is authorized to take or decline to take any action (including making any determination) in the exercise of its “discretion,” such provision shall be understood to mean that such Agent or such Lender may take or refrain to take such action in its sole and absolute discretion.

(j)Any reference herein to a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, or an allocation of assets to a series of a limited liability company (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company shall constitute a separate Person hereunder (and each division of any limited liability company that is a Subsidiary, Credit Party, joint venture or any other like term shall also constitute such a Person or entity).

(k)Where the context so requires, any term defined in this Agreement by reference to the “UCC” shall also have any extended, alternative or analogous meaning given to such term in the PPSA when used in relation to any Collateral subject to the PPSA.

SECTION 1.03 Accounting Terms and Principles. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, Applicable Accounting Standards, applied in a consistent manner. No change in the accounting principles used in the preparation of any financial statement hereafter adopted by Parent or any of its Subsidiaries shall be given effect for purposes of measuring compliance with any provision of Article IX, including Section 9.13, or otherwise in this Agreement unless Parent, Administrative Agent and Required Lenders agree in writing to modify such provisions to reflect such changes in Applicable Accounting Standards and, unless such provisions are modified, all financial statements, Compliance Certificates and similar documents provided hereunder shall be provided together with a reconciliation between the calculations and amounts set forth therein before and after giving effect to such change in Applicable Accounting Standards; provided that the Credit Parties may change their accounting method

in accordance with Section 9.13. Notwithstanding any other provision contained herein, at all times when the Applicable Accounting Standard is GAAP, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts referred to in Article IX shall be made, without giving effect to any election under Accounting Standards Codification 825-10 (or any other Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of any Credit Party or any Subsidiary of any Credit Party at "fair value". A breach of a Financial Performance Covenant shall be deemed to have occurred as of any date of determination by Administrative Agent or Required Lenders as of the last day of any specified measurement period, regardless of when the financial statements reflecting such breach are delivered to any Agent. Anything in this Agreement to the contrary notwithstanding, any obligation of a Person under a lease (whether existing as of the Closing Date or entered into after the Closing Date) that is not (or would not be) required to be classified and accounted for as a capital lease on the balance sheet of such Person under Applicable Accounting Standards as in effect on the Closing Date shall not be treated as a Capitalized Lease Obligation solely as a result of (x) the adoption of any changes in, or (y) changes in the application of, such Applicable Accounting Standards after the Closing Date.

SECTION 1.04 [Intentionally Omitted].

SECTION 1.05 References to Agreements, Laws, Etc. Unless otherwise expressly provided herein, (a) references to Organization Documents, agreements (including this Agreement and each of the other Credit Documents) and other Contractual Obligations shall be deemed to include all subsequent amendments, restatements, amendment and restatements, extensions, supplements, renewals and other modifications thereto, but only to the extent that such amendments, restatements, amendment and restatements, extensions, supplements, renewals and other modifications are permitted by the terms hereof and thereof; and (b) references to any Applicable Law shall include all statutory and regulatory provisions consolidating, amending, replacing, supplementing, implementing or interpreting such Applicable Law and any successor or replacement statutes and regulations.

SECTION 1.06 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to the time in Chicago, Illinois.

SECTION 1.07 Timing of Payment of Performance. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day. All payments required hereunder shall be paid in immediately available funds unless otherwise expressly provided herein.

SECTION 1.08 Corporate Terminology. Any reference to officers, shareholders, stock, shares, directors, boards of directors, corporate authority, articles of incorporation, bylaws or any other such references to matters relating to a corporation made herein or in any other Credit Document with respect to a Person that is not a corporation shall mean and be references to the comparable terms used with respect to such Person.

ARTICLE II
Amount and Terms of Loans

SECTION 2.01 Loans.

(a)Closing Date Loans. Subject to the terms and conditions set forth herein, on the Closing Date, certain Lenders severally (and not jointly) advanced to Borrowers Loans in the aggregate, original principal amount of $55,000,000 (such Loans, collectively, the "*Closing Date Loans*"). On the

Second Amendment Date and subject to the terms and conditions set forth in the Second Amendment, (i) Borrowers shall repay in full the Closing Date Loans made by, and all other Obligations owing to, each of the Departing Lenders and (ii) thereafter, the term Lenders when used herein or in any other Credit Document shall not include any of the Departing Lenders (other than with respect to Sections 4.04, 11.07, 12.05, 12.13 and 12.15). On and as of the Second Amendment Date, the principal amount of the Closing Date Loans made by each Lender (other than the Departing Lenders) shall be deemed to have been, and hereby is, converted into a portion of the outstanding Second Amendment Date Loans hereunder in an amount equal to such Lender's Commitment for Second Amendment Date Loans as set forth under the heading "Second Amendment Date Loans" on Schedule 1.01, without constituting a novation, and shall constitute a portion of the Second Amendment Date Loans for all purposes hereunder and under the other Credit Documents.

(b)Second Amendment Date Loans. Subject to the terms and conditions set forth herein, each Lender having a Commitment for Second Amendment Date Loans as set forth under the heading "Second Amendment Date Loans" shall, on the Second Amendment Date, severally (and not jointly), make a Loan to Borrower (such Loans, collectively, the "*Second Amendment Date Loans*"), which Second Amendment Date Loans (i) when aggregated with each other Second Amendment Date Loans made hereunder (but excluding, for the avoidance of doubt, all PIK Interest that is paid in kind and deemed to be a part of the principal amount of the Loans pursuant to Section 2.06(b)), shall be in an amount not to exceed the aggregate Commitments for Second Amendment Date Loans of all Lenders as set forth under the heading "Second Amendment Date Loans" on Schedule 1.01 and (ii) for each Lender shall be in an amount of such Lender's Commitment for Second Amendment Date Loans as set forth under the heading "Second Amendment Date Loans" on Schedule 1.01 (excluding, for the avoidance of doubt, all interest that is paid in kind and deemed to be a part of the principal amount of the Loans pursuant to Section 2.06(b)).

(c)Incremental Loans. Subject to and upon the terms and conditions herein set forth herein and in the Incremental Loan Agreement, each Lender party thereto agrees, severally in accordance with its Incremental Loan Commitment and not jointly with any other Lender, to make a term loan (each, ~~a~~an "*Incremental Loan*"~~,~~ and collectively, the "*Incremental Loans*") to Borrowers on the ~~Closing~~Incremental Loan Effective Date, which Incremental Loans (a) when aggregated with each other Loan made hereunder, shall be in an amount not to exceed the Aggregate Commitment ~~and~~, (b) ~~for each Lender,~~ when aggregated with each other Incremental Loan made ~~by such Lender~~ hereunder, shall be in an amount not to exceed, the aggregate amount of the Incremental Loan Commitments and (c) for each Lender, shall be in an amount not to exceed such Lender's Incremental Loan Commitment. Each Incremental Loan may be repaid or prepaid in accordance with the provisions hereof, but once repaid or prepaid may not be reborrowed.

(d)Institution of Incremental Loans.

(i)Request for Incremental Loans. Upon notice to Administrative Agent, Borrowers may request, on one occasion at any time prior to the Maturity Date, to borrow Incremental Loans; provided that (A) the aggregate principal amount of the Incremental Loans shall be in a minimum amount of $1,000,000 and in increments of $1,000,000 in excess thereof, (B) the aggregate principal amount of the Incremental Loans made available pursuant to this Section 2.01(d) shall not exceed $30,000,000, (C) Required Lenders consent to such increase in writing, which consent may be granted and withheld in each Lender's discretion, and (D) in no event shall the proceeds of the Incremental Loans be used to prepay or repay any Loans. Administrative Agent shall notify the Lenders of such request promptly after receipt thereof.

(ii)Notification by Administrative Agent; Additional Lenders. To achieve the full amount of the requested increase, and subject to the reasonable approval of Administrative Agent, Borrowers may invite additional Persons to become Lenders pursuant to an Incremental Loan Agreement (each, an "*Incremental Loan Lender*"); provided, however, that such Person must be eligible to be an assignee under Section 12.06(b). Any existing Lender approached to provide all, or a portion, of the Incremental Loan Facility may elect or decline to do so, in its discretion, and no Agent shall have any obligation to arrange all, or a portion, of the Incremental Loan Facility without its prior written agreement.

(iii)Effective Date and Allocations. If the Incremental Loan Commitments are provided in accordance with this Section 2.01(d), Administrative Agent and Borrowers shall determine the Incremental Loan Effective Date, which date shall be at least 60 days after the Business Day on which Administrative Agent receives the request for the Incremental Loan Facility, and the final allocation of such increase. Administrative Agent shall promptly notify Borrowers, the Lenders and the Incremental Loan Lenders of the final allocation of such increase and such Incremental Loan Effective Date.

(iv)Conditions to Effectiveness of the Incremental Loans. Notwithstanding the foregoing, the Incremental Loan Commitments shall not be effective with respect to any Incremental Loan Lender unless Borrowers comply with each condition set forth in Section 5.03; provided, however, that the Incremental Loan Lenders may, collectively, waive any such condition in their discretion. As of the Incremental Loan Effective Date, upon satisfaction or, as applicable, waiver of the conditions set forth in this Section 2.01(c) and Section 5.03 and the making of the Incremental Loans, Administrative Agent shall record the information contained in the Incremental Loan Agreement in the Register and give prompt notice of the Incremental Loan Commitments to Borrowers and the Lenders (including each Incremental Loan Lender).

(v)Conflicting Provisions. This Section 2.01(d) shall supersede any provisions in Section 11.11 or 12.01 to the contrary.

(1)Amendments. If any amendment to this Agreement (which is of a technical nature to provide for the Incremental Loans) is required to give effect to the borrowing of the Incremental Loans pursuant to this Section 2.01(d), such amendment shall be effective if executed by Borrowers, any other Credit Parties party thereto, each Lender providing an Incremental Loan Commitment and Administrative Agent. Except as otherwise specifically set forth herein, all of the other terms and conditions applicable to the Incremental Loans shall be identical to the terms and conditions applicable to the Second Amendment Date Loans (other than with respect to the applicable interest rate, any upfront fees and any arrangement fees), including Collateral. In addition to the foregoing, Administrative Agent is authorized to amend Schedule 1.01 to reflect the existence of the Incremental Loan Commitments, and the related Commitment Percentages, of the Lenders.

(e)Payments on Loans. Each Loan may be repaid or prepaid in accordance with the provisions hereof, but once repaid or prepaid may not be reborrowed.

SECTION 2.02 [Intentionally Omitted]. SECTION 2.03 [Intentionally Omitted].

SECTION 2.04 Disbursement of Funds.

(a)If all the conditions set forth in Section 5.01 to the effectiveness of this Agreement are met prior to 12:00 noon on the Business Day immediately preceding the Closing Date, then, each Lender will make available its *pro rata* portion of the Loans to be made on the Closing Date in the manner provided below no later than 4:00 p.m. on the Closing Date. If all the conditions set forth in Section 5.02 are met prior to 12:00 noon on the Business Day immediately preceding the Second Amendment Date, then, each Lender having a Commitment for Second Amendment Date Loans as set forth under the heading "Second Amendment Date Loans" will make available its *pro rata* portion of such Loans to be made on the Second Amendment Date as applicable in the manner provided below no later than 4:00 p.m. on the Second Amendment Date.

(b)Each Lender shall make available all amounts it is to fund to Borrowers and will remit such amounts, in immediately available funds and in Dollars to Borrowers, by remitting the same to such Persons and such accounts as may be designated by Borrowers to Administrative Agent in writing. The failure of any Lender to make available the amounts it is to fund to Borrowers hereunder or to make a payment required to be made by it under any Credit Document shall not relieve any other Lender of its obligations under any Credit Document, but no Lender shall be responsible for the failure of any other Lender to make any payment required to be made by such other Lender under any Credit Document.

(c)Notwithstanding anything to the contrary herein, following the funding of the advances from the Lenders of the Loans on the Closing Date, the Administrative Agent shall hold
$1,800,000 of such advances (the "*Koach Reserve Amount*") in an account designated by Administrative Agent, of which Administrative Agent shall disburse to Borrowers (i) on February 22, 2022, $450,000 from the Koach Reserve Amount, (ii) on May 22, 2022, $450,000 from the Koach Reserve Amount, (iii) on August 22, 2022, $450,000 from the Koach Reserve Amount and (iv) on November 21, 2022,
$450,000 from the Koach Reserve Amount; provided, that, before and after giving effect to the disbursement of the applicable portion of the Koach Reserve Amount on each such date, no Default or Event of Default shall have occurred and be continuing and all representations and warranties of the Credit Parties set forth in this Agreement and the other Credit Documents are true and correct in all material respects (other than such representations and warranties that are already qualified by materiality, Material Adverse Effect or similar language, in which case such representations and warranties shall be true and correct in all respects) on such date; provided, further, for the avoidance of doubt, the Koach Reserve Amount shall be deemed advanced to Borrowers on the Closing Date for purposes of the calculation of fees and interest payable to Agents and Lenders hereunder. Administrative Agent shall have exclusive control, including the exclusive right of withdrawal, over the monies funding the Koach Reserve Amount. Such monies shall not bear interest or profits for the account of Borrowers.

(d)Notwithstanding anything to the contrary herein, following the funding of the advances from the Lenders of the Loans on the Closing Date, Dentons Canada LLP shall hold, at the request of Parent and with the consent of Administrative Agent, $4,500,000 of such advances (the "*Land Contracts Reserve Amount*") in the Land Contracts Trust Account, and such Land Contracts Reserve Amount will be disbursed on December 31, 2021 (or such later date to which Administrative Agent agrees in its discretion in connection with the satisfaction of the Land Contracts Reserve Release Conditions) (i) if the Land Contracts Reserve Release Conditions have been satisfied, to the Borrowers in an amount equal to the Land Contracts Reserve Disbursement and (ii) to the Lenders in an amount equal to the Land Contracts Reserve Amount Excess to be applied as set forth in Section 4.02(a)(vii); provided, further, for the avoidance of doubt, the Land Contracts Reserve Amount shall be deemed advanced to Borrowers on the Closing Date for purposes of the calculation of fees and interest payable to Agents and Lenders hereunder. Borrowers agree that the Land Contracts Reserve Amount and the Land Contracts Trust Account have been established for the benefit of the Secured Parties and the Land Contracts

Reserve Amount is being held in trust for the Secured Parties. Parent shall not withdraw, transfer or otherwise direct disbursement of the Land Contracts Reserve Amount or the monies funding the Land Contracts Trust Account without the express prior written consent of Administrative Agent. At all times while the Land Contracts Reserve Amount remains outstanding and the Land Contracts Trust Account is in effect, Parent shall provide Administrative Agent with account statements, confirmation of the account balance and any other information relating to the Land Contracts Reserve Amount and the Land Contracts Trust Account as Administrative Agent may reasonably request from time to time.

(e)Nothing in this Section 2.04 shall be deemed to relieve any Lender from its obligation to fulfill its commitments and obligations hereunder or to prejudice any rights that Borrowers may have against any Lender as a result of any default by such Lender hereunder (it being understood, however, that no Lender shall be responsible for the failure of any other Lender to fulfill its commitments and obligations hereunder).

(f)Each of Borrowers and Lenders agrees that on the Second Amendment Date and, unless otherwise set forth in the Incremental Loan Agreement, any Incremental Loan Effective Date, Borrowers shall receive proceeds of the Loans disbursed on such date based on a purchase price of 99.00% of the principal amount thereof. For the avoidance of doubt, on each such borrowing date each Lender shall advance to Borrowers an amount equal to 99.00% of its ratable share of all Loans requested by Borrowers as of such date in exchange for Borrowers' obligations to repay in full the face amount of such Loans, plus interest accrued thereon in accordance with the terms hereof.

SECTION 2.05 Payment of Loans; Evidence of Debt.

(a)Borrowers agree to pay to Administrative Agent, for the benefit of the Lenders, or to Lenders, at the direction of each Lender, ~~the~~(i) commencing on May 31, 2023, and on each Payment Date occurring thereafter, a principal repayment in an amount equal to the Amortization Amount on such Payment Date; and (ii) the remaining outstanding principal and interest due on the Loans on the Maturity Date or upon such earlier date on which the Obligations are accelerated pursuant to the terms of this Agreement.

(b)Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the Indebtedness of Borrowers to the appropriate lending office of such Lender resulting from each Loan made by such lending office of such Lender from time to time, including the amounts of principal and interest payable and paid to such lending office of such Lender from time to time under this Agreement.

(c)Borrowers agree that from time to time on or after the Closing Date, upon the request to Administrative Agent by any Lender, at Borrowers' own expense, Borrowers will execute and deliver to such Lender a Note evidencing the Loans, and payable to such Lender or registered assigns in a maximum principal amount equal to such Lender's applicable Commitment. Administrative Agent shall maintain the Register pursuant to Section 12.06(b)(iii), and a subaccount for each Lender, in which Register and subaccounts (taken together) shall be recorded (i) the amount of each Loan made hereunder,
(ii) the amount of any principal or interest due and payable or to become due and payable from Borrowers to each Lender hereunder and (iii) the amount of any sum received by Administrative Agent from Borrowers and each Lender's share thereof.

(d)The entries made in the Register and accounts and subaccounts maintained pursuant to Sections 2.05(b) and 2.05(c) shall be conclusive evidence (absent manifest error) of the existence and amounts of the obligations of Borrowers therein recorded; provided that the failure of any Lender or Administrative Agent to maintain such account, such Register or such subaccount, as

applicable, or any error therein, shall not in any manner affect the obligation of Borrowers to repay (with applicable interest) the Loans made to Borrowers by such Lender in accordance with the terms of this Agreement.

(e)In addition to the foregoing, each Borrower hereby irrevocably promises to pay all Obligations, including the outstanding aggregate principal amount of the Loans and interest and fees with respect to the foregoing, as the same become due and payable hereunder and, in any event, on the Maturity Date.

SECTION 2.06 Interest.

(a)~~The~~Except as otherwise provided in Section 2.06(d), the unpaid principal amount of the Loans shall bear interest from the Closing Date at the Cash Interest Rate and shall be due and payable in cash monthly on each Payment Date, in arrears, with the first installment being payable on the last day of the first month following the Closing Date.

(b)Except as otherwise provided in Section 2.06(d), the unpaid principal amount of the Loans shall also bear interest at the PIK Interest Rate and shall be due and payable in kind monthly on each Payment Date, in arrears, with the first installment being payable on the last day of the first month following the Second Amendment Date. On each Payment Date, such paid in kind interest that is accrued and unpaid and that has not been previously added to the principal amount of the Loans shall be added, and amounts so added shall thereafter be deemed to be a part of the principal amount of the Loans.

(c)~~(b)~~ Interest on the Loans shall accrue from and including the Closing Date, the Second Amendment Date or the Incremental Loan Effective Date, as applicable, through and including the date of ~~any~~the repayment in full thereof.

(d)~~(c)~~ From and after the occurrence and during the continuance of any Event of Default, Borrowers shall pay interest on the principal amount of all Loans and all other unpaid Obligations, to the extent permitted by Applicable Law, at the Default Rate, which Default Rate shall accrue from the date of such Event of Default (regardless of the date of notice of the imposition of the Default Rate) until waived in writing and shall be payable on demand and in cash.

(e)~~(d)~~ All computations of interest hereunder shall be made in accordance with Section 4.05.

SECTION 2.07 Increased Costs, Illegality, Etc.

(a)In the event that any Lender shall have reasonably determined (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) at any time, after the later of the Closing Date and the date such entity became a Lender hereunder, that such Lender shall incur increased costs or reductions in the amounts received or receivable hereunder with respect to the Loans, including as a result of any Tax (other than any (x) Indemnified Taxes, (y) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes or (z) Connection Income Taxes) because of any change since the date hereof in any Applicable Law (or in the interpretation or administration thereof and including the introduction of any new Applicable Law), such as, for example, without limitation, a change in official reserve requirements (but excluding changes in the rate of tax on the overall net income of such Lender), then, and in any such event, such Lender shall promptly give notice (if by telephone, confirmed in writing) to Parent and Administrative Agent of such determination (which notice Administrative Agent shall promptly transmit to each of the other Lenders). Thereafter,

Borrowers shall pay to such Lender, within 10 Business Days after receipt of written demand therefor such additional amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its reasonable discretion shall determine) as shall be required to compensate such Lender for such increased costs or reductions in amounts receivable hereunder (it being agreed that a written notice as to the additional amounts owed to such Lender submitted to Borrowers by such Lender shall, absent manifest error, be final and conclusive and binding upon all parties hereto).

(b)If, after the later of the date hereof and the date such entity becomes a Lender hereunder, the adoption of any Applicable Law regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any Governmental Authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by a Lender or its parent with any request or directive made or adopted after such date regarding capital adequacy (whether or not having the force of law) of any such authority, association, central bank or comparable agency, has the effect of reducing the rate of return on such Lender's or its parent's capital or assets as a consequence of such Lender's commitments or obligations hereunder to a level below that which such Lender or its parent could have achieved but for such adoption, effectiveness, change or compliance (taking into consideration such Lender's or its parent's policies with respect to capital adequacy), then within 10 days after receipt of written demand by such Lender (with a copy to Administrative Agent), Borrowers shall pay to such Lender such additional amount or amounts as will compensate such Lender or its parent for such reduction, it being understood and agreed, however, that a Lender shall not be entitled to such compensation as a result of such Lender's compliance with, or pursuant to any request or directive to comply with, any such Applicable Law as in effect on the date hereof. Each Lender (on its own behalf), upon determining in good faith that any additional amounts will be payable pursuant to this Section 2.07(b), will, as promptly as practicable upon ascertaining knowledge thereof, give written notice thereof to Parent, which notice shall set forth in reasonable detail the basis of the calculation of such additional amounts. Without limiting Section 2.07(d), the failure to give any such notice with respect to a particular event shall not release or diminish any of Borrowers' obligations to pay additional amounts pursuant to this Section 2.07(b) for amounts accrued or incurred after the date of such notice with respect to such event. Notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all rules, regulations, orders, requests, guidelines or directives in connection therewith, and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or other foreign regulatory authorities, in each case pursuant to Basel III, in each case, are deemed to have been adopted and to have taken effect after the Closing Date.

(c)This Section 2.07 shall not apply to Taxes to the extent duplicative of Section 4.04. In addition, this Section 2.07 shall not apply to any demand made after the 180th day following the requesting Lender's knowledge that it would be entitled to any such amounts.

(d)If any Lender shall give notice to Parent that such Lender is entitled to receive and is requesting payments under this Section 2.07 or requires Borrowers to pay additional amounts pursuant to Section 4.04 (any such Lender, an "*Increased Cost Lender*"), then Borrowers may, at their sole expense and effort, permanently replace such Increased Cost Lender with one or more substitute Lenders reasonably acceptable to Administrative Agent (each, a "*Replacement Lender*"), and such Increased Cost Lender shall have no right to refuse to be replaced hereunder. Such notice to replace the Increased Cost Lender shall specify an effective date for such replacement, which date shall not be sooner than five Business Days and not be later than 10 Business Days after the date such notice is given, provided that (i) such Increased Cost Lender shall have received payment of an amount equal to the outstanding Obligations payable to it from the assignee (to the extent of outstanding principal and accrued interests and fees) or Borrowers (in the case of all other amounts) and (ii) such assignment does not conflict with Applicable Law. Notwithstanding anything to the contrary herein, a Lender shall not be

required to make any such assignment pursuant to this Section 2.07(d) if, prior to the effective date for such replacement, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrowers to require such assignment pursuant to this Section 2.07(d) cease to apply.

(e)Prior to the effective date of such replacement pursuant to Section 2.07(d), the Increased Cost Lender and each Replacement Lender shall execute and deliver an Assignment and Acceptance, subject only to the Increased Cost Lender being repaid all Obligations owed to it through the effective date of the replacement. If the Increased Cost Lender shall refuse or fail to execute and deliver any such Assignment and Acceptance prior to the effective date of such replacement, the Increased Cost Lender shall be deemed to have executed and delivered such Assignment and Acceptance. The replacement of any Increased Cost Lender shall be made in accordance with the terms of Section 12.06.

(f)A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 2.07(a) or 2.07(b) of this Section and delivered to the Borrower, shall be conclusive absent manifest error.

SECTION 2.08 Multiple Borrowers.

(a)It is the intent of the parties to this Agreement that Borrowers shall be jointly and severally obligated hereunder and under the Notes, as co-borrowers under this Agreement and as co-makers of the Notes, in respect of the principal of and interest on, and all other amounts owing in respect of, the Loans and the Notes. Each Borrower hereby (i) jointly and severally and irrevocably and unconditionally accepts, not merely as a surety but also as a co-debtor, joint and several liability with the other Borrowers with respect to the payment and performance of all of the Obligations hereunder, it being the intention of the parties hereto that all such Obligations shall be the joint and several obligations of each Borrower without preferences or distinction among them and that the obligations of each Borrower hereunder shall be unconditional irrespective of any circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a guarantor or surety, and (ii) further agrees that if any such Obligations are not paid in full when due (whether at stated maturity, as mandatory prepayment or cash collateralization, by acceleration or otherwise), Borrowers will, jointly and severally, promptly pay the same, without any demand or notice whatsoever. Each Borrower acknowledges and agrees that the delivery of funds to any Borrower under this Agreement shall constitute valuable consideration and reasonably equivalent value to all Borrowers for the purpose of binding them and their assets on a joint and several basis for the Obligations hereunder.

(b)Each Borrower expressly waives any and all rights of subrogation, reimbursement, indemnity, exoneration, contribution of any other claim which such Borrower may now or hereafter have against the other Borrowers or any other Person directly or contingently liable for the Obligations hereunder, or against or with respect to any other Borrowers' property (including any property which is Collateral for the Obligations), arising from the existence or performance of this Agreement, until termination of this Agreement and repayment in full of the Obligations.

(c)Notwithstanding anything contained herein to the contrary, the obligations of each Borrower under the Credit Documents at any time shall be limited to the maximum amount as will result in the obligations of such Borrower under the Credit Documents not constituting a fraudulent transfer or conveyance for purposes of any Debtor Relief Laws.

(d)If any payment shall be required to be made to any Secured Party under any Credit Document, each Borrower hereby unconditionally and irrevocably agrees it will contribute, to the

maximum extent permitted by law, such amounts to each other Credit Party so as to maximize the aggregate amount paid to the Secured Parties under or in connection with the Credit Documents.

(e)This Section 2.08 is intended solely to preserve the rights of Agents and the other Secured Parties hereunder and under the other Credit Document to the maximum extent that would not cause the Obligations or the Secured Obligations (as defined in the Security Agreement) of each Borrower to be subject to avoidance or unenforceability under any Debtor Relief Laws, and neither any Borrower nor any other Person shall have any right or claim under this Section ~~2.06~~2.08 as against any Agent or any other Secured Party that would not otherwise be available to such Person under the Bankruptcy Code or such other laws.

SECTION 2.09 Borrower Representative. Each Borrower, by its execution of this Agreement, irrevocably appoints Parent to act on its behalf as its agent in relation to the Credit Documents and irrevocably authorizes:

(a)Parent on its behalf to supply all information concerning itself contemplated by this Agreement to Agents and Lenders and to give and receive all notices, instructions and other communications, to sign all certificates, to make such agreements and to effect the relevant amendments, supplements, variations and waivers capable of being given, made or effected by any Borrower, notwithstanding that they may affect such Borrower, without further reference to or the consent of such Borrower; and

(b)Agents and Lenders to give any notice, demand or other communication to such Borrower pursuant to the Credit Documents to Parent,

and in each case such Borrower shall be bound as though such Borrower itself had given the notices and instructions or executed or made the agreements or effected the amendments, supplements or variations, or received the relevant notice, demand or other communication.

Every act, omission, agreement, undertaking, settlement, waiver, amendment, supplement, variation, notice, instruction or other communication given or made by Parent or given to Parent under any Credit Document on behalf of another Borrower (whether or not known to any other Borrower and whether occurring before or after such other Borrower became a Borrower under any Credit Document) shall be binding for all purposes on such Borrower as if such Borrower had expressly agreed, executed, made, given or concurred with it or received the relevant notice, demand or other communication. In the event of any conflict between any notices or other communications of Parent and any other Borrower, those of Parent shall prevail.

SECTION 2.10 Defaulting Lender.

(a)Notwithstanding anything to the contrary contained herein, in the event any Lender is a Defaulting Lender, all rights and obligations hereunder of such Defaulting Lender and of the other parties hereto shall be modified to the extent of the express provisions of this Section 2.10 so long as such Lender is a Defaulting Lender.

(b)Except as otherwise expressly provided for in this Section 2.10, Loans shall be made pro rata from the Lenders holding Commitments which are not Defaulting Lenders based on their respective Commitment Percentages, and no Commitment Percentage of any Lender or any pro rata share of any Loans required to be advanced by any Lender shall be increased as a result of any Lender being a Defaulting Lender. Amounts received in respect of principal of any type of Loans shall be applied to reduce such type of Loans of each Lender (other than any Defaulting Lender) holding a Commitment in

accordance with their Commitment Percentages; provided that Administrative Agent shall not be obligated to transfer to a Defaulting Lender any payments received by Administrative Agent for Defaulting Lender's benefit, nor shall a Defaulting Lender be entitled to the sharing of any payments hereunder (including any principal, interest or fees). Amounts payable to a Defaulting Lender shall instead be paid to or retained by Administrative Agent (it being understood that such retention by Administrative Agent shall not trigger an Event of Default due to such Defaulting Lender not receiving such funds). Administrative Agent may hold and, in its discretion, re-lend to Borrowers the amount of such payments received or retained by it for the account of such Defaulting Lender.

(c)A Defaulting Lender shall not be entitled to give instructions to Administrative Agent or to approve, disapprove, consent to or vote on any matters relating to this Agreement or the other Credit Documents, and all amendments, waivers and other modifications of this Agreement or the other Credit Documents may be made without regard to a Defaulting Lender and, for purposes of the definition of Required Lenders, a Defaulting Lender shall not be deemed to be a Lender, to have any outstanding Loans or a Commitment Percentage; provided that this Section 2.10(c) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification described in Sections 12.01(a) and 12.01(c).

(d)Other than as expressly set forth in this Section 2.10, the rights and obligations of a Defaulting Lender (including the obligation to indemnify Agents) and the other parties hereto shall remain unchanged. Nothing in this Section 2.10 shall be deemed to release any Defaulting Lender from its obligations under this Agreement or the other Credit Documents, shall alter such obligations, shall operate as a waiver of any default by such Defaulting Lender hereunder, or shall prejudice any rights which any Borrower, any Agent or any Lender may have against any Defaulting Lender as a result of any default by such Defaulting Lender hereunder.

(e)In the event that Administrative Agent and Borrowers agree in writing that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then Administrative Agent will so notify the parties hereto.

(f)If any Lender is a Defaulting Lender, Borrowers may, within 90 days of receipt of such Lender becoming a Defaulting Lender, by notice in writing to Administrative Agent and such Defaulting Lender (i) request the Defaulting Lender to cooperate with Borrowers in obtaining a Replacement Lender; (ii) request the Non-Defaulting Lenders to acquire and assume all of the Defaulting Lender's Loans and its Commitment Percentage as provided herein, but none of such Lenders shall be under any obligation to do so; or (iii) propose a Replacement Lender subject to approval by Administrative Agent in its good faith business judgment. If any satisfactory Replacement Lender shall be obtained, or if any one or more of the Non-Defaulting Lenders shall agree to acquire and assume all of the Defaulting Lender's Loans and its Commitment Percentage, then such Defaulting Lender shall assign, in accordance with Section 12.06, all of its Loans and its Commitment Percentage and other rights and obligations under this Agreement and the other Credit Documents to such Replacement Lender or Non-Defaulting Lenders, as the case may be, in exchange for payment of the principal amount so assigned and all interest and fees accrued on the amount so assigned, plus all other Obligations then due and payable to the Defaulting Lender. Nothing in this Section 2.10 shall limit any other remedies available at law or in equity to Borrowers against any Defaulting Lender for damages sustained by Borrowers due to such Lender being a Defaulting Lender.

ARTICLE III
Fees and Commitment Terminations

SECTION 3.01 Exit Fee. Borrower shall pay to the Administrative Agent, for the pro rata benefit of the Lenders, an exit fee (the "Exit Fee") in the amount of (a) with respect to any Loans (other than the Incremental Loans), $500,000 or (b) with respect to the Incremental Loans, the amount set forth in the Incremental Loan Agreement for such Incremental Loans, in each case, payable in full on the earliest of (i) the Maturity Date, (ii) such earlier date on which the Obligations are accelerated pursuant to the terms of this Agreement and (iii) any date of prepayment made pursuant to Section 4.01(a) or 4.02; provided that the amount of the Exit Fee due on any such date of prepayment described in clause (iii) shall be in an amount equal to 2.00% of the aggregate amount of the Loans being prepaid and the remainder of the Exit Fee shall be due on any subsequent date described in clauses (i), (ii) or (iii) set forth in this Section 3.01.

SECTION 3.02 ~~SECTION 3.01~~ Mandatory Reduction of Commitments. The Commitment of each Lender shall be permanently reduced by the amount of each Loan made by such Lender on the Closing Date, the Second Amendment Date or the Incremental Loan Effective Date, as applicable.

ARTICLE IV
Payments

SECTION 4.01 Voluntary Prepayments.

(a)~~On and after May 22, 2022,~~ Borrowers shall have the right to prepay the outstanding remaining balance of the Loans in whole on ~~May 31, 2022, and~~ the last Business Day of each month ~~thereafter~~; provided that Borrowers shall give Administrative Agent written notice (or telephonic notice promptly confirmed in writing) of their intent to make such prepayment and the proposed date thereof no later than the date 90 days prior to such proposed date, and such notice shall promptly be transmitted by Administrative Agent to each of the relevant Lenders.

(b)In the event the Credit Parties fail to comply with the Financial Performance Covenant set forth in Section 9.14(b) as of the last day of any fiscal quarter, Borrowers shall have the right to prepay the Loans in an amount equal to $1,500,000 within 30 days after the date on which financial statements for such fiscal quarter are required to be delivered pursuant to Section 8.01(a) in order to cure such failure.

(c)~~(b)~~ Any voluntary prepayment of the Loans hereunder that is made prior to the Maturity Date, or any payment upon acceleration in accordance with Section 10.02 (including, for the avoidance of doubt, in connection with an Event of Default under Section 10.01(a), 10.01(h) or 10.01(j)
and, for the avoidance of doubt, any refinancing of the Loans shall be accompanied by all accrued
interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee; provided, however, that (i) no Make-Whole Amount shall be required to be paid in connection with the refinancing of the Obligations pursuant to Section 13.01(b)(ii) and (ii) no Exit Fee shall be required to be paid in connection with the voluntary prepayment of the Loans pursuant to Section 4.01(b).

SECTION 4.02 Mandatory Prepayments.

(a)Types of Mandatory Prepayments.

(i)Within three Business Days of the receipt by any Credit Party or any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) of any Net Cash Proceeds from the

incurrence of any Indebtedness by any Credit Party or any such Subsidiary (other than Indebtedness permitted under Section 9.01), Borrowers shall prepay the Loans in an amount equal to 100.00% of such Net Cash Proceeds, to be applied as set forth in Section 4.02(c). Nothing in this Section 4.02(a)(i) shall be construed to permit or waive any Default or Event of Default arising from any incurrence of Indebtedness not permitted under the terms of this Agreement. Any mandatory prepayment of the Loans made pursuant to this Section 4.02(a)(i) shall be accompanied by all accrued interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee.

(ii)Within three Business Days of the receipt by any Credit Party or any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) of any Net Cash Proceeds from any Disposition (other than any Disposition permitted under Section 9.04(d) or Sections 9.04(g) through 9.04(n)), Borrowers shall prepay the Loans in an amount equal to (A) if such Disposition is in connection with the sale and leaseback permitted by Section 9.09, 50.00% of the Net Cash Proceeds from such Disposition, and (B) otherwise, 100.00% of the Net Cash Proceeds from such Disposition, to be applied as set forth in Section 4.02(c). Nothing in this Section 4.02(a)(ii) shall be construed to permit or waive any Default or Event of Default arising from any Disposition not permitted under the terms of this Agreement. Any mandatory prepayment of the Loans made pursuant to this Section 4.02(a)(ii) shall be accompanied by all accrued interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee.

(iii)Within three Business Days of the receipt by any Credit Party or any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) of any Net Cash Proceeds from any Casualty Event, Borrowers shall prepay the Loans in an amount equal to 100.00% of such Net Cash Proceeds, to be applied as set forth in Section 4.02(c); provided that Borrowers may, at their option by notice in writing to Administrative Agent no later than 30 days following the occurrence of the Casualty Event resulting in such Net Cash Proceeds, apply such Net Cash Proceeds to the rebuilding or replacement of such damaged, destroyed or condemned assets or property so long as such Net Cash Proceeds are in fact used to commence the rebuilding or replacement of the damaged, destroyed or condemned assets or property within 90 days following the receipt of such Net Cash Proceeds, with the amount of Net Cash Proceeds unused after such period to be applied as set forth in Section 4.02(c). Nothing in this Section 4.02(a)(iii) shall be construed to permit or waive any Default or Event of Default arising from, directly or indirectly, any Casualty Event. Any mandatory prepayment of the Loans made pursuant to this Section 4.02(a)(iii) shall be accompanied by all accrued interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee.

(iv)Within three Business Days of the receipt by any Credit Party or any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) of any Net Cash Proceeds from the issuance of any Capital Stock (other than Excluded Issuances), Borrowers shall prepay the Loans in an amount equal to 100.00% of such Net Cash Proceeds, to be applied as set forth in Section 4.02(c). Nothing in this Section 4.02(a)(iv) shall be construed to permit or waive any Default or Event of Default arising, directly or indirectly, from any such issuance of Capital Stock. Any mandatory prepayment of the Loans made pursuant to this Section 4.02(a)(iv) shall be accompanied by all accrued interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee.

(v)Within three Business Days of the receipt by any Credit Party of any proceeds from any Extraordinary Receipts, Borrowers may, if no Event of Default has occurred and is continuing, and shall, if an Event of Default has occurred and is continuing, prepay the Loans in an amount equal to 100.00% of such Extraordinary Receipts, to be applied as set forth in Section 4.02(c). Nothing in this Section 4.02(a)(v) shall be construed to permit or waive any Default or Event of Default arising, directly or indirectly, from any event or circumstance giving rise to any Extraordinary Receipts. Any mandatory prepayment of the Loans made pursuant to this Section 4.02(a)(v) shall be accompanied

by all accrued interest on the amount prepaid, together with the applicable Make-Whole Amount and Exit Fee.

(vi)The aggregate amount of the Koach Reserve Amount that has not been disbursed on or before November 21, 2022, shall be used to prepay the Loans in an amount equal to 100.00% of such aggregate amount, to be applied as set forth in Section 4.02(c).

(vii)The aggregate amount of the Land Contracts Reserve Amount Excess shall be used to prepay the Loans in an amount equal to 100.00% of such aggregate amount, to be applied as set forth in Section 4.02(c).

(viii)Immediately upon any acceleration of the Maturity Date of any Loans pursuant to Section 10.02, Borrowers shall repay all the Loans, unless only a portion of all the Loans is so accelerated (in which case the portion so accelerated shall be repaid).

(b)Option to Decline Prepayment. Notwithstanding anything to the contrary herein, any mandatory prepayment pursuant to Section 4.02(a) may be declined in whole or in part by any Lender without prejudice to such Lender's rights hereunder to accept or decline any future payments in respect of any mandatory prepayment. If a Lender chooses not to accept payment in respect of a mandatory prepayment, in whole or in part, the other Lenders that accept such mandatory prepayment shall have the option to share such proceeds on a pro rata basis (and if declined by all Lenders, such declined proceeds shall be retained by Borrowers). Each Lender shall have until the Business Day immediately preceding the Business Day on which such prepayment is due in order to decline such prepayment (and any election by a Lender delivered prior to such Business Day can be rescinded by such Lender at its discretion until such Business Day).

(c)Application of Payments. With respect to each prepayment of the Loans required by Section 4.02(a), the amounts prepaid shall be applied, so long as no Application Event shall have occurred and be continuing, first to pay any fees and expenses of Agents and the Lenders under the Credit Documents until paid in full, second to any accrued and unpaid interest on the Loans until paid in full and thereafter to the outstanding principal on the Loan until the Loans are paid in full.

(d)Application of Collateral Proceeds. Notwithstanding anything to the contrary in Section 4.01 or this Section 4.02, all proceeds of Collateral received by Collateral Agent or any other Person pursuant to the exercise of remedies against the Collateral, and all payments received upon and after the acceleration of any of the Obligations (an "*Application Event*") shall be applied as follows (subject to adjustments pursuant to any agreements entered into among the Lenders):

(i)first, to pay any costs and expenses of Agents (in their respective capacity as Agent) and fees then due to Agents (in their respective capacity as Agent) under the Credit Documents, including any indemnities then due to any Agents (in their respective capacity as Agent) under the Credit Documents, until paid in full,

(ii)second, to pay any fees and premiums then due to Agents (in their respective capacity as Agent) under the Credit Documents until paid in full,

(iii)third, ratably to pay any costs, expense reimbursements, fees or premiums of the Lenders and indemnities then due to any of the Lenders under the Credit Documents until paid in full,

(iv)fourth, ratably to pay interest due in respect of the outstanding Loans until paid in full,

(v)fifth, ratably to pay the outstanding principal balance of the Loans in the inverse order of maturity until the Loans are paid in full,

(vi)sixth, to pay any other Obligations, and

(vii)seventh, to Borrowers or such other Person entitled thereto under Applicable Law.

SECTION 4.03 Payment of Obligations; Method and Place of Payment.

(a)The obligations of each Credit Party hereunder and under each other Credit Document are not subject to counterclaim, set-off, right of rescission, recoupment or deduction of any kind. Subject to Section 4.03(b), and except as otherwise specifically provided herein, all payments under any Credit Document shall be made by Borrowers, without counterclaim, set-off, right of rescission, recoupment or deduction of any kind, to Administrative Agent for the ratable account of the Secured Parties entitled thereto, not later than 5:00 p.m. on the date when due and shall be made in immediately available funds in Dollars to Administrative Agent. Administrative Agent will thereafter cause to be distributed on the same day (if payment was actually received by Administrative Agent prior to 5:00 p.m. on such day) like funds relating to the payment of principal or interest or fees ratably to the Secured Parties entitled thereto.

(b)For purposes of computing interest or fees, any payments under this Agreement that are made later than 5:00 p.m., shall be deemed to have been made on the next succeeding Business Day. Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the due date thereof shall be extended to the next succeeding Business Day and, with respect to payments of principal, interest shall continue to accrue during such extension at the applicable rate in effect immediately prior to such extension.

(c)Borrowers shall make each payment under any Credit Document by wire transfer to such deposit account as Administrative Agent shall notify Parent in writing from time to time within a reasonable time prior to such payment.

SECTION 4.04 Taxes.

(a)Any and all payments by or on account of any obligation of any Credit Party under any Credit Document shall be made without deduction or withholding for any Taxes, except as required by Applicable Law. If any Applicable Law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Credit Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section 4.04) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b)The Credit Parties shall timely pay, and shall authorize Administrative Agent to pay in their name, to the relevant Governmental Authority in accordance with Applicable Law, or at the

option of Administrative Agent timely reimburse it for the payment of, any Other Taxes. As soon as practicable after the date of any payment of Taxes or Other Taxes by any Credit Party, the Credit Parties shall furnish to Agent, at its address referred to in Section 12.02, the original or a certified copy of a receipt evidencing payment thereof or other evidence of payment reasonably satisfactory to Administrative Agent.

(c)The Credit Parties shall jointly and severally indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section 4.04) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any costs and expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrowers by a Lender (with a copy to Administrative Agent), or by Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d)Each Lender shall severally indemnify Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Credit Party has not already indemnified Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Credit Parties to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.06(c) relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by Administrative Agent in connection with any Credit Document, and any costs and expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Credit Document or otherwise payable by Administrative Agent to the Lender from any other source against any amount due to Administrative Agent under this Section 4.04(d).

(e)As soon as practicable after any payment of Taxes by any Credit Party to a Governmental Authority pursuant to this Section 4.04, such Credit Party shall deliver to Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Administrative Agent.

(f)Status of Lenders.

(i)Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Credit Document shall deliver to Parent and Administrative Agent, at the time or times reasonably requested by Parent or Administrative Agent, such properly completed and executed documentation reasonably requested by Parent or Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by Parent or Administrative Agent, shall deliver such other documentation prescribed by Applicable Law or reasonably requested by Parent or Administrative Agent as will enable Borrowers or Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 4.04(f)(ii)(A), 4.04(f)(ii)(B) and 4.04(f)(ii)(D)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject

such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii)Without limiting the generality of the foregoing,

(A)any Lender that is a U.S. Person shall deliver to Parent and Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Parent or Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Parent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Parent or Administrative Agent), whichever of the following is applicable:

(1)in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Credit Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Credit Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2)executed copies of IRS Form W-8ECI;

(3)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Parent within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code in customary form consistent with the Model Credit Agreement Provisions of the Loan Syndications and Trading Association (a "*U.S. Tax Compliance Certificate*") and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(4)to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, a U.S. Tax Compliance Certificate, IRS Form W-9, or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Parent and Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Parent or Administrative Agent), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary

documentation as may be prescribed by applicable law to permit Borrowers or Administrative Agent to determine the withholding or deduction required to be made; and

(D)if a payment made to a Lender under any Credit Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Parent and Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Parent or Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Parent or Administrative Agent as may be necessary for Borrowers and Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this Section 4.04(f)(ii)(D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Parent and Administrative Agent in writing of its legal inability to do so.

(g)If any Recipient determines, in its discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 4.04 (including by the payment of additional amounts pursuant to this Section 4.04), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section 4.04 with respect to the Taxes giving rise to such refund), net of all costs and expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this Section 4.04(g) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this Section 4.04(g), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this Section 4.04(g) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This Section 4.04(g) shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(h)Each party's obligations under this Section 4.04 shall survive the resignation or replacement of Administrative Agent or any assignment of rights by, or the replacement of, a Lender, and the repayment, satisfaction or discharge of all obligations under any Credit Document.

SECTION 4.05 Computations of Interest and Fees. All interest and fees shall be computed on the basis of the actual number of days occurring during the period for which such interest or fee is payable over a year comprised of 360 days, and with respect to the Incremental Loans, all interest and fees shall be computed as set forth in the Incremental Loan Agreement. For the purposes of the *Interest Act* (Canada) or any successor or similar legislation, whenever any interest or fee under this Agreement is calculated using a rate based on a period other than a calendar year or similar expression, such interest rate, fee or other amount shall be determined pursuant to such calculation, when expressed as an annual

rate, is equivalent to such rate as determined multiplied by the actual number of days in the calendar year in which the period for which such interest or fee is payable (or compounded) ends and divided by the number of days comprising such other period. Each determination by Administrative Agent of an interest rate and fees hereunder shall be presumptive evidence of the correctness of such rates and fees, absent manifest error. Payments due on a day that is not a Business Day shall (except as otherwise required by Administrative Agent) be made on the immediately preceding Business Day and such reduction of time shall not be included in computing interest and fees in connection with that payment but shall be included in computing interest and fees in connection with the immediately succeeding payment.

SECTION 4.06 Maximum Interest.

(a)In no event whatsoever shall interest and other charges charged hereunder exceed the highest rate permissible under applicable law. In the event interest and other charges as computed hereunder would otherwise exceed the highest rate permitted under applicable law: (i) the interest rates hereunder will be reduced to the maximum rate permitted under applicable law; (ii) such excess amount shall be first applied to any unpaid principal balance owed by Borrowers; and (iii) if the then remaining excess amount is greater than the previously unpaid principal balance, the applicable Lender shall promptly refund such excess amount to Borrowers and the provisions hereof shall be deemed amended to provide for such permissible rate.

(b)If the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under the Credit Documents would otherwise contravene the provisions of Section 347 of the *Criminal Code* (Canada), Section 8 of the *Interest Act* (Canada) or any successor or similar legislation (including any usury law in the U.S.), or would exceed the amounts which any Lender is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received such Lender shall apply such excess against the outstanding Loans and refund any further excess amount to the applicable Borrower.

(c)If any provision of this Agreement or any other Credit Document would obligate Borrowers or a Credit Party to make any payment of interest or other amount payable to any Lender in an amount or calculated at a rate which would be prohibited by law or would result in a receipt by any Lender of interest at a criminal rate (as construed under the *Criminal Code* (Canada)), then notwithstanding that provision, that amount or rate shall be deemed to have been adjusted with retroactive effect to the maximum amount or rate of interest, as the case may be, as would not be so prohibited by law or result in a receipt by such Lender of interest at a criminal rate, the adjustment to be effected, to the extent necessary, as follows:

(i)first, by reducing the amount or rate of interest required to be paid to such Lender under this Section 4.06; and

(ii)thereafter, by reducing any fees, commissions, premiums and other amounts required to be paid to such Lender which would constitute interest for purposes of the *Criminal Code* (Canada) or other applicable law;

provided that, notwithstanding the foregoing, and after giving effect to all adjustments contemplated thereby, if any Lender receives an amount in excess of the maximum permitted by the *Criminal Code* (Canada) or other Applicable Law, then Borrowers shall be entitled, by notice in writing to such Lender, to obtain reimbursement from such Lender in an amount equal to the excess, and

pending reimbursement, the amount of the excess shall be deemed to be an amount payable by such Lender to Borrowers and shall be promptly paid to Borrowers.

Any amount or rate of interest referred to in this Agreement shall be determined in accordance with generally accepted actuarial practices and principles as an effective annual rate of interest over the term that any Loan remains outstanding on the assumption that any charges, fees or expenses that fall within the meaning of "interest" (as defined in the *Criminal Code* (Canada)) shall, if they relate to a specific period of time, be pro-rated over that period of time and otherwise be pro-rated over the period from the earlier of the date of advance and the Closing Date to the relevant Maturity Date and, in the event of a dispute, a certificate of a Fellow of the Canadian Institute of Actuaries appointed by Administrative Agent shall be conclusive for the purposes of that determination.

ARTICLE V
Conditions Precedent to Loans

SECTION 5.01 Closing Date ~~Loan~~Loans. The obligation of each Lender to make the Loans on the Closing Date as provided for hereunder is subject to the fulfillment, to the satisfaction of Agents and each Lender, of each of the following conditions precedent on or before the Closing Date, unless any such condition is waived in accordance with Section 12.01:

(a)Credit Documents. Administrative Agent shall have received the following documents, duly executed by an Authorized Officer of each applicable Credit Party and each other relevant party:

(i)this Agreement;

(ii)the Notes;

(iii)Mortgages with respect to the Michigan Real Property;

(iv)the Information Certificate;

(v)a duly executed and delivered Collateral Access Agreement from the landlord for the U.S. Credit Parties' chief executive office located at 888 W. Big Beaver Rd., Suite 870, Troy, Michigan 48048;

(vi)one or more duly executed and delivered counterparts of Collateral Assignments of Licensing Contracts with respect to each of the Licensing Contracts;

(vii)a duly executed and delivered Collateral Assignment of Lease from the landlord for the U.S. Credit Parties' chief executive office located at 888 W. Big Beaver Rd., Suite 870, Troy, Michigan 48048;

(viii)the TerrAscend Letter Agreement;

(ix)the other Security Documents; and

(x)each other Credit Document.

(b)Collateral.

(i)All Capital Stock of each Credit Party and Subsidiary (other than Parent, Excluded Subsidiaries and minority interests in the Capital Stock of certain Credit Parties owned by non-Credit Parties on the date hereof, as previously disclosed to Administrative Agent prior to the date hereof) shall have been pledged pursuant to the Security Documents and Collateral Agent shall have received all certificates, if any, representing such securities pledged under the Security Documents, accompanied by instruments of transfer and undated stock powers endorsed in blank, or evidence that arrangements for receipt reasonably satisfactory to Collateral Agent have been made.

(ii)All Indebtedness owed to any of the Credit Parties (other than any Indebtedness of another Credit Party) which exceeds $100,000 individually or $250,000 in the aggregate that is evidenced by one or more promissory notes shall have been pledged pursuant to the Security Documents, and Collateral Agent shall have received original executed versions of all such promissory notes, together with instruments of transfer with respect thereto endorsed in blank, or evidence that arrangements for receipt reasonably satisfactory to Collateral Agent have been made.

(iii)Collateral Agent shall have received the results of a search of the UCC filings, PPSA registrations and equivalent filings, as applicable, in addition to tax Lien, judgment Lien, bankruptcy and litigation searches made with respect to each Credit Party, together with copies of the financing statements, PPSA registrations and other filings (or similar documents) disclosed by such searches, and accompanied by evidence satisfactory to Collateral Agent that the Liens indicated in any such financing statement, PPSA registration and other filings (or similar document) are Permitted Liens or have been released or will be released substantially simultaneously with the making of the Loans hereunder.

(iv)Collateral Agent shall have received evidence, in form and substance satisfactory to Collateral Agent, that appropriate UCC financing statements (including fixture filings), PPSA registrations or equivalent filings, as applicable, have been duly filed in such office or offices as may be necessary or, in the opinion of Collateral Agent, desirable, to perfect Collateral Agent's Liens in and to the Collateral and certified searches reflecting the filing of all such financing statements and PPSA registrations.

(c)Legal Opinions.

(i)Administrative Agent shall have received an executed legal opinion of Dickinson Wright PLLC, counsel to the Credit Parties, which opinion shall be addressed to Agents and the other Secured Parties and shall be in form and substance reasonably satisfactory to Administrative Agent;

(ii)Administrative Agent shall have received an executed legal opinion of Clark Hill PLC, special Illinois counsel to the Credit Parties, which opinion shall be addressed to Agents and the other Secured Parties and shall be in form and substance reasonably satisfactory to Administrative Agent; and

(iii)Administrative Agent shall have received an executed legal opinion of Dentons Canada LLP, special Canadian counsel to the Credit Parties, which opinion shall be addressed to Agents and the other Secured Parties and shall be in form and substance reasonably satisfactory to Administrative Agent.

(d)Officer's Certificates. Administrative Agent shall have received a certificate for each Credit Party, dated the Closing Date, duly executed and delivered by an Authorized Officer of such Credit Party, as to:

(i)resolutions of each such Person's board of managers/directors (or other managing body, in the case of a Person that is not a corporation) then in full force and effect expressly and specifically authorizing, to the extent relevant, all aspects of the Credit Documents applicable to such Person and the execution, delivery and performance of each Credit Document, in each case, to be executed by such Person;

(ii)the incumbency and signatures of its Authorized Officers and any other of its officers, managing member or general partner, as applicable, authorized to act with respect to each Credit Document to be executed by such Person and a list of all officers and directors of the Credit Parties;

(iii)each such Person's Organization Documents, as amended, modified or supplemented as of Closing Date, certified by the appropriate officer or official body of the jurisdiction of organization of such Person; and

(iv)each such Person's investor rights agreements, voting agreements, registration rights agreements and other stockholders agreements, if any,

which certificates shall provide that each Secured Party may conclusively rely thereon until it shall have received a further certificate of an Authorized Officer of the applicable Person canceling or amending the prior certificate of such Person as provided in Section 8.01(k).

(e)Other Documents and Certificates. Administrative Agent shall have received the following documents and certificates, each of which shall be dated the Closing Date and duly executed by an Authorized Officer of each applicable Credit Party, in form and substance reasonably satisfactory to Administrative Agent:

(i)a certificate of an Authorized Officer of Parent, certifying as to such items as reasonably requested by Administrative Agent, including:

(A)the receipt of all required approvals and consents of all Governmental Authorities and other third parties, if applicable, with respect to the consummation of the Transactions and the operation of the Credit Parties' business, each of which shall be in full force and effect,

(B)both before and after giving effect to the Transactions, including the borrowing of the Loans on the Closing Date, (1) no Default or Event of Default shall have occurred,
(2) no default, event of default or material breach under any Material Contract by Parent or its Subsidiaries shall have occurred and (3) each such Material Contract remains in full force and effect and no Credit Party or Subsidiary has received any notice of termination or non-renewal from the other party thereto, and

(C)the representations and warranties set forth in Article VII are true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof);

(ii)(A) certificates of good standing or letter of status (or the local equivalent thereof, if applicable) with respect to each Credit Party, each dated within a recent date prior to the Closing Date, such certificates to be issued by the appropriate officer or official body of the jurisdiction of organization of such Credit Party, which certificate shall indicate that such Credit Party is in good standing in such jurisdiction, and (B) certificates of good standing (or the local equivalent thereof, if applicable) with respect to each Credit Party, each dated within a recent date prior to the Closing Date, such certificates to be issued by the appropriate officer of the jurisdictions where such Credit Party is qualified to do business as a foreign entity, which certificate shall indicate that such Credit Party is in good standing in such jurisdictions; and

(iii)a disbursement letter detailing the planned distribution of proceeds from the Loans and a funds flow memorandum detailing the sources and uses of the Transactions.

(f)Solvency. Administrative Agent shall be reasonably satisfied, based on financial statements (actual and pro forma), projections and other evidence provided by the Credit Parties, or requested by Administrative Agent, that Parent and its Subsidiaries (on a consolidated basis), after incurring the Loans, will be Solvent and Administrative Agent shall have received and shall be reasonably satisfied with a Solvency Certificate of an Authorized Officer of Parent, on behalf of the Credit Parties, confirming the Credit Parties and their Subsidiaries (on a consolidated basis), after giving effect to the Transactions, are Solvent.

(g)Financial Information. Administrative Agent shall have received a certificate in form and substance satisfactory to it, dated the Closing Date and properly executed by an Authorized Officer of Parent, attaching the financial projections of the Consolidated Companies for each fiscal year of the Consolidated Companies during the period from the Closing Date through the Maturity Date along with a pro forma balance sheet of the Consolidated Companies giving effect to the Transactions (including actual results for the 12 months prior to the Closing Date), each in form and substance reasonably satisfactory to Administrative Agent.

(h)Insurance. Collateral Agent shall have received certificates of insurance naming Collateral Agent as an additional insured on behalf of the Lenders and lender loss payee as to casualty insurance, in each case, as to the insurance required by Section 8.03, in form and substance reasonably satisfactory to Administrative Agent, and evidence that arrangements for endorsements to such insurance policies reasonably satisfactory to Collateral Agent have been made.

(i)Payment of Outstanding Indebtedness. (i) On the Closing Date, the Credit Parties and each of their respective Subsidiaries shall have no outstanding Indebtedness other than the Loans hereunder and the Indebtedness (if any) listed on Schedule 7.24 or otherwise permitted by Section 9.01, and Administrative Agent shall have received copies of all documentation and instruments evidencing the discharge of all Indebtedness paid off in connection with the Transactions and the transactions contemplated by this Agreement, and (ii) all Liens (other than Permitted Liens) securing payment of any such Indebtedness shall have been released and Administrative Agent shall have received pay-off letters, all form UCC-3 and PPSA termination statements, all releases or terminations of intellectual property security agreements and other instruments as may be reasonably requested by Administrative Agent in connection therewith.

(j)Material Adverse Effect. Administrative Agent shall have determined that, both immediately before and immediately after giving effect to the Transactions, no Material Adverse Effect has occurred since December 31, 2020.

(k)Fees, Expenses and Interest. Each of Agents and the Lenders shall have received, for its own respective account, (i) all fees and expenses due and payable to such Person and (ii) the fees, costs and expenses due and payable to such Person pursuant to Section 12.05 (including the reasonable fees, disbursements and other charges of counsel).

(l)Patriot Act Compliance and Reference Checks. Administrative Agent shall have received completed reference checks with respect to each Credit Party's senior management, and any required Patriot Act compliance, the results of which are satisfactory to Administrative Agent in its discretion.

(m)Due Diligence. Administrative Agent shall have completed and be reasonably satisfied its business, legal, and collateral due diligence on Parent and its Subsidiaries, including (i) corporate, capital and legal structure of Parent and its Subsidiaries, (ii) securities, labor, insurance, tax, litigation and environmental matters, (iii) review of all third party reports and (iv) an independent quality of earnings report, third party accounting review, and the results of Borrowers' pipeline and backlog.

(n)Material Contracts. Administrative Agent shall have received copies of (i) any agreement or other document evidencing any Restricted Debt and (ii) each other Material Contract of each Consolidated Company (if written), and, in each case, the results of Administrative Agent's review thereof shall be reasonably satisfactory to Administrative Agent.

(o)No Default, Representations and Warranties and No Injunctions.

(i)No Default or Event of Default shall have occurred and be continuing.

(ii)All representations and warranties of the Credit Parties set forth in this Agreement and the other Credit Documents are true and correct in all material respects (other than such representations and warranties that are already qualified by materiality, Material Adverse Effect or similar language, in which case such representations and warranties shall be true and correct in all respects) on the Closing Date.

(iii)No injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the Transactions shall have been issued and remain in force by any Governmental Authority against any Credit Party, any Agent or any Lender.

(iv)There shall be no order or injunction or pending litigation in which there is a reasonable possibility of a decision that could reasonably be expected to have a Material Adverse Effect on Parent and its Subsidiaries, taken as a whole, and no pending litigation seeking to prohibit, enjoin or prevent any of the Transactions.

(p)Loan Amount. The aggregate principal amount of the Loans funded on the Closing Date shall not exceed the Aggregate Commitment.

(q)Michigan Real Property. Administrative Agent shall have received, with respect to each parcel of the Michigan Real Property, each of the following, in form and substance reasonably satisfactory to Administrative Agent:

(i)evidence that a counterpart of a Mortgage and an Assignment of Leases and Rents with respect to such Michigan Real Property has been recorded, or that arrangements for recording reasonably satisfactory to Collateral Agent have been made, in the place necessary, in

Collateral Agent's reasonable judgment, to create a valid and enforceable first priority Lien in favor of Collateral Agent for the benefit of itself and the other Secured Parties;

(ii)if such Michigan Real Property is in a flood zone, a flood notification form signed by Parent and evidence that flood insurance is in place for the buildings and their contents located thereon; and

(iii)an appraisal.

SECTION 5.02 Second Amendment Date Loans. The effectiveness of the Second Amendment, and the obligation of each Lender to make the Second Amendment Date Loans as provided for hereunder is subject to the fulfillment of the conditions precedent set forth in the Second Amendment.

SECTION 5.03 Incremental Loans. The obligation of each Incremental Loan Lender to make the Incremental Loans on the Incremental Loan Effective Date, as provided for hereunder, is subject to the fulfillment, to the satisfaction of Administrative Agent and each Incremental Loan Lender, of each of the following conditions precedent on or before such date, unless any such condition is waived in accordance with Section 12.01:

(a)no Default or Event of Default shall have occurred and be continuing on such date and after giving effect to the Incremental Loans;

(b)Parent shall have certified to Administrative Agent and the Lenders, in form and substance satisfactory to Administrative Agent and the Lenders, that immediately after giving effect to advance of the Incremental Loans, the Credit Parties are in compliance with each Financial Performance Covenant determined on a pro forma basis as of the last day of the most recent fiscal quarter for which financial statements have been delivered (or were required to have been delivered) pursuant to Section 8.01(a) or 8.01(b), as applicable;

(c)all representations and warranties made by each Credit Party contained herein or in the other Credit Documents shall be true and correct in all material respects (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality, Material Adverse Effect or similar language, or by a qualifying exhibit or schedule), in each case, with the same effect as though such representations and warranties had been made on and as of such date (except where such representations and warranties expressly relate to an earlier date, in which case such representations and warranties shall have been true and correct in all material respects as of such earlier date (except that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality, Material Adverse Effect or similar language, or by a qualifying exhibit or schedule));

(d)no injunction, writ, restraining order, or other order of any nature restricting or prohibiting, directly or indirectly, the Transactions shall have been issued and remain in force by any Governmental Authority against any Credit Party, Administrative Agent or any Lender;

(e)there shall be no order or injunction or pending litigation in which there is a reasonable possibility of a decision that could reasonably be expected to have a Material Adverse Effect, and no pending litigation seeking to prohibit, enjoin or prevent any of the Transactions;

(f)Administrative Agent shall have received the Incremental Loan Agreement providing for Incremental Loan Commitments in the applicable amount;

(g)Administrative Agent shall have received such resolutions, manager's certificates, legal opinions, Mortgage amendments, title policy updates and other agreements, instruments and documents requested by Administrative Agent, or the Incremental Loan Lenders in connection therewith; and

(h)Administrative Agent shall have received evidence, in form and substance satisfactory to Administrative Agent, confirming that Borrowers shall have achieved positive cash flow for three consecutive calendar months as of the last day of the most recent fiscal quarter for which financial statements have been delivered (or were required to have been delivered) pursuant to Section 8.01(a) or 8.01(b), as applicable.

ARTICLE VI
Guarantee

SECTION 6.01 Guarantee.

(a)To induce the Lenders to make the Loans and each other Secured Party to make credit available to or for the benefit of one or more Credit Parties, each Guarantor hereby, jointly and severally, absolutely, unconditionally and irrevocably, guarantees, as primary obligor and not merely as surety, the full and punctual payment when due, whether at stated maturity or earlier, by reason of acceleration, mandatory prepayment or otherwise in accordance with any Credit Document, of all the Obligations of each Borrower and each other Credit Party, whether existing on the date hereof or hereinafter incurred or created (collectively, the "*Guarantor Obligations*"). The Guarantor Obligations shall include interest accruing at the then-applicable rate provided herein after the maturity thereof and interest accruing at the then-applicable rate provided herein after the commencement of any Insolvency Event relating to any Borrower or any other Credit Party, whether or not a claim for post-filing or post-petition interest is allowed or allowable in such proceeding, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter incurred, which may arise under, out of, or in connection with this Agreement or any other Credit Document, in each case whether on account of principal, interest, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel and other advisors retained by, or for the benefit of, Agents or to the other Secured Parties that are required to be paid by Borrowers pursuant to the terms of any of the foregoing agreements) and all obligations and liabilities of such Guarantor that arise or may arise under or in connection with this Agreement or any other Credit Document to which such Guarantor is a party, in each case whether on account of guarantee obligations, reimbursement obligations, fees, indemnities, costs, expenses or otherwise (including all fees and disbursements of counsel and other advisors retained by, or for the benefit of, Agents or the other Secured Parties that are required to be paid by such Guarantor pursuant to the terms of any such Credit Document) whether or not claims for any such amounts are allowed or allowable in any Insolvency Event. Each Guarantor's guarantee hereunder constitutes a guarantee of payment and not of collection.

(b)Any term or provision of this Agreement or any other Credit Document to the contrary notwithstanding, the maximum aggregate amount for which any Guarantor shall be liable under this guarantee shall not exceed the maximum amount for which such Guarantor can be liable without rendering the obligations of such Guarantor under this Agreement or any other Credit Document, as it relates to such Guarantor, subject to avoidance under Applicable Laws relating to fraudulent conveyance or fraudulent transfer (including the Uniform Fraudulent Conveyance Act, the Uniform Fraudulent Transfer Act and Section 548 of the Bankruptcy Code or any applicable provisions of comparable Applicable Laws). Any analysis of the provisions of this Article VI for purposes of such Applicable Laws shall take into account the right of contribution established in Section 6.02 and, for purposes of

such analysis, give effect to any discharge of intercompany debt as a result of any payment made under this Article VI.

(c)Each Guarantor agrees that the Obligations may at any time and from time to time exceed the amount of the liability of such Guarantor hereunder without impairing this guarantee or affecting the rights and remedies of any Secured Party hereunder.

(d)This guarantee shall remain in full force and effect until the Termination Date occurs, notwithstanding that from time to time during the term of this Agreement no Guarantor Obligations may be outstanding.

(e)No payment made by any Borrower, any Guarantor, any other guarantor or any other Person or received or collected by any Secured Party from any Borrower, any Guarantor, any other guarantor or any other Person by virtue of any action or proceeding or any set-off or appropriation or application at any time or from time to time in reduction of or in payment of the Obligations shall be deemed to modify, reduce, release or otherwise affect the liability of any Guarantor hereunder, and each Guarantor shall, notwithstanding any such payment (other than any payment made by such Guarantor in respect of the Obligations or any payment received or collected from such Guarantor in respect of the Obligations), remain liable for the Obligations up to the maximum liability of such Guarantor hereunder until the Termination Date occurs.

SECTION 6.02 Right of Contribution. Each Guarantor hereby agrees that to the extent that a Guarantor shall have paid more than its proportionate share of any payment made hereunder, such Guarantor shall be entitled to seek and receive contribution from and against any other Guarantor hereunder which has not paid its proportionate share of such payment. Each Guarantor's right of contribution shall be subject to the terms and conditions of Section 6.03. The provisions of this Section 6.02 shall in no respect limit the obligations and liabilities of any Guarantor to the Secured Parties, and each Guarantor shall remain liable to the Secured Parties for the full amount guaranteed by such Guarantor hereunder.

SECTION 6.03 No Subrogation. Notwithstanding any payment made by any Guarantor hereunder or any set-off or application of funds of any Guarantor by any Secured Party, no Guarantor shall be entitled to be subrogated to any of the rights of any Secured Party against any Borrower or any other Credit Party or any collateral security or guarantee or right of offset held by any Secured Party for the payment of the Obligations, nor shall any Guarantor seek or be entitled to seek any contribution or reimbursement from any Borrower or any other Credit Party in respect of payments made by such Guarantor under this guarantee, in each case, until after the Termination Date occurs. If any amount shall be paid to any Guarantor on account of such subrogation rights at any time on or prior to the Termination Date, such amount shall be held by such Guarantor for the benefit of Secured Parties, segregated from other funds of such Guarantor, and shall, forthwith upon receipt by such Guarantor, be turned over to Collateral Agent in the exact form received by such Guarantor (duly indorsed by such Guarantor to Collateral Agent, if required), to be applied against the Obligations, whether matured or unmatured, as Collateral Agent may determine in accordance with Section 4.02(d).

SECTION 6.04 Modification of the Guarantor Obligations. Each Guarantor shall remain obligated hereunder notwithstanding that, without any reservation of rights against any Guarantor and without notice to or further assent by any Guarantor, any demand for payment of any of the Guarantor Obligations made by any Secured Party may be rescinded by such Secured Party and any of the Guarantor Obligations continued, and the Guarantor Obligations, or the liability of any other Person upon or for any part thereof, or any collateral security or guarantee therefor or right of offset with respect thereto, may, from time to time, in whole or in part, be renewed, extended, amended, modified,

accelerated, compromised, waived, surrendered, subordinated or released by any Secured Party, and this Agreement and the other Credit Documents, and any other documents executed and delivered in connection therewith may be amended, amended and restated, supplemented or otherwise modified or terminated, in whole or in part, as Agents (or Required Lenders or all Lenders, as the case may be) may deem advisable from time to time, and any collateral security, guarantee or right of offset at any time held by any Secured Party for the payment of the Guarantor Obligations may be sold, exchanged, waived, surrendered, subordinated or released. No Secured Party shall have any obligation to protect, secure, perfect or insure any Lien at any time held by it as security for the Guarantor Obligations or for this Agreement or any other Credit Document or any property subject thereto.

SECTION 6.05 Guarantee Absolute and Unconditional. Each Guarantor waives to the fullest extent permitted by Applicable Law any and all notice of the creation, renewal, extension or accrual of any of the Obligations and notice of or proof of reliance by any Secured Party upon this Agreement or acceptance of the guarantee contained in this Article VI. The Obligations, and any of them, shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended or waived, in reliance upon this Article VI and all dealings between any Borrower or any other Credit Party, on the one hand, and the Secured Parties, on the other hand, likewise shall be conclusively presumed to have been had or consummated in reliance upon this Article VI. Each Guarantor, to the fullest extent permitted by Applicable Law, waives diligence, presentment, protest, demand for payment and notice of default or nonpayment to or upon any Borrower or any other Credit Party with respect to the Obligations. Each Guarantor waives, to the fullest extent permitted by law, any right such Guarantor may now have or hereafter acquire to revoke, rescind, terminate or limit (except as expressly provided herein) the guarantee set forth in this Article VI or any of its obligations hereunder. Each Guarantor understands and agrees, to the fullest extent permitted by Applicable Law, that the guarantee set forth in this Article VI shall be construed as a continuing, absolute and unconditional guarantee of payment without regard to (a) the validity, enforceability or avoidability of this Agreement or any other Credit Document, any of the Guarantor Obligations or any other collateral security therefor or guarantee or right of offset with respect thereto at any time or from time to time held by any Secured Party, (b) any defense, set-off or counterclaim (other than a defense of payment or performance) which may at any time be available to or be asserted by any Borrower or any other Person against any Secured Party, or (c) any other circumstance whatsoever (with or without notice to or knowledge of any Borrower or any Guarantor) which constitutes, or might be construed to constitute, an equitable or legal discharge of any Borrower with respect to any Obligations, or of such Guarantor under this guarantee, in bankruptcy or in any other instance. When making any demand hereunder or otherwise pursuing its rights and remedies hereunder against any Guarantor, any Secured Party may, but shall be under no obligation to, make a similar demand on or otherwise pursue such rights and remedies as it may have against any Borrower, any other Guarantor or any other Person or against any collateral security or guarantee for the Guarantor Obligations or any right of offset with respect thereto, and any failure by any Secured Party to make any such demand, to pursue such other rights or remedies or to collect any payments from any Borrower, any other Guarantor or any other Person or to realize upon any such collateral security or guarantee or to exercise any such right of offset, or any release of any Borrower, any other Guarantor or any other Person or any such collateral security, guarantee or right of offset, shall not relieve any Guarantor of any obligation or liability hereunder, and shall not impair or affect the rights and remedies, whether express, implied or available as a matter of law, of any Secured Party against any Guarantor. For the purposes hereof, “demand” shall include the commencement and continuance of any legal proceedings.

SECTION 6.06 Reinstatement. The guarantee set forth in this Article VI shall continue to be effective, or be reinstated, as the case may be, if at any time payment, or any part thereof, of any of the Guarantor Obligations is rescinded or must otherwise be restored or returned by any Secured Party, including upon the insolvency, bankruptcy, examinership, dissolution, liquidation or reorganization of any Borrower or any other Credit Party, or upon or as a result of the appointment of a receiver, examiner,

intervenor or conservator of, or trustee or similar officer for, any Borrower or any other Credit Party or any substantial part of its property, or otherwise, all as though such payments had not been made.

SECTION 6.07 Payments. Each Guarantor hereby guarantees that payments hereunder will be paid to Administrative Agent, for the benefit of the Lenders, without set-off or counterclaim in Dollars in accordance with Section 4.03(c).

SECTION 6.08 Taxes. Each payment of the Guarantor Obligations will be made by each Guarantor subject to the same provisions as are set forth in Section 4.04.

ARTICLE VII
Representations, Warranties and Agreements

In order to induce the Lenders to enter into this Agreement and continue the Loans as provided for herein, the Credit Parties make the following representations and warranties to, and agreements with, the Lenders, all of which shall survive the execution and delivery of this Agreement and the making of the Loans, but subject to Section 13.01:

SECTION 7.01 Status. Each Credit Party (a) is a duly organized or formed and validly existing limited liability company or other registered entity in good standing under the laws of the jurisdiction of its organization and has the corporate or other organizational power and authority to own its property and assets and to transact the business in which it is engaged and (b) has duly qualified and is authorized to do business and is in good standing in all jurisdictions where it does business or owns assets, except, in the case of this clause (b), where the failure to be so qualified could not reasonably be expected to result in a Material Adverse Effect.

SECTION 7.02 Power and Authority. Each Credit Party has the corporate or other organizational power and authority to execute, deliver and carry out the terms and provisions of the Credit Documents to which it is a party and has taken all necessary corporate or other organizational action to authorize the execution, delivery and performance of the Credit Documents to which it is a party. Each Credit Party has duly executed and delivered the Credit Documents to which it is a party and such Credit Documents constitute the legal, valid and binding obligation of such Credit Party enforceable against each Credit Party that is a party thereto in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent conveyance, moratorium, examinership, reorganization and other similar laws relating to or affecting creditors' rights generally and general principles of equity (whether considered in a proceeding in equity or law).

SECTION 7.03 No Violation. None of (a) the execution, delivery and performance by any Credit Party of the Credit Documents to which it is a party and compliance with the terms and provisions thereof, (b) the consummation of the Transactions, or (c) the consummation of the other transactions contemplated hereby or thereby on the relevant dates therefor will (i) contravene any applicable provision of any material Applicable Law of any Governmental Authority, (ii) result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien upon any of the property or assets of any Credit Party (other than Liens created under the Credit Documents) pursuant to, (A) the terms of any material indenture, loan agreement, lease agreement, mortgage or deed of trust, or (B) any other Material Contract of any Credit Party, in the case of either of clauses (A) and (B), to which any Credit Party is a party or by which it or any of its property or assets is bound, or (iii) violate any provision of the Organization Documents or Permit of any Credit Party, except, with respect to any conflict, breach or contravention or default (but not creation of Liens) referred to in clause (ii), to the extent that such

conflict, breach, contravention or default could not reasonably be expected to have a Material Adverse Effect.

SECTION 7.04 Litigation, Labor Controversies, Etc. There is no pending or, to the knowledge of any Credit Party, threatened in writing, litigation, action, proceeding or labor controversy (including strikes, lockouts or slowdowns against the Credit Parties or any of their respective Subsidiaries pending or, to the knowledge of any Credit Party, threatened in writing) (a) which could reasonably be expected to have a Material Adverse Effect, (b) which purports to affect the legality, validity or enforceability of any Credit Document or the Transactions or (c) relating to any Indebtedness or purported Indebtedness of any Credit Party or any Subsidiary having a principal or stated amount, individually or in the aggregate, in excess of $500,000. There is no outstanding judgment rendered by any court or tribunal against any Credit Party or any Subsidiary.

SECTION 7.05 Use of Proceeds; Regulations U and X. The proceeds of the Loans are intended to be and shall be used solely for the purposes set forth in and permitted by Section 8.10. No Credit Party is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock, and no proceeds of the Loans will be used to purchase or carry margin stock or otherwise for a purpose which violates, or would be inconsistent with Regulation U or Regulation X.

SECTION 7.06 Approvals, Consents, Etc. No authorization or approval or other action by, and no notice to or filing with, any Governmental Authority or other Person, and no consent or approval under any contract or instrument (other than (a) those that have been duly obtained or made and which are in full force and effect, or if not obtained or made, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect, (b) the filing of UCC financing statements, PPSA registrations and other equivalent filings for foreign jurisdictions, and (c) the filings or other actions necessary to perfect Liens under the Credit Documents) is required for the consummation of the Transactions or the due execution, delivery or performance by any Credit Party of any Credit Document to which it is a party, or for the due execution, delivery or performance of the Credit Documents, in each case by any of the Credit Parties party thereto. There does not exist any judgment, order, injunction or other restraint issued or filed against the Credit Parties or, to the knowledge of the Credit Parties, any other Person with respect to the transactions contemplated by the Credit Documents, the consummation of the Transactions, the making of the Loans or the performance by the Credit Parties or any of their respective Subsidiaries of their Obligations under the Credit Documents.

SECTION 7.07 Investment Company Act. No Credit Party is, or will be after giving effect to the Transactions and the transactions contemplated under the Credit Documents, an "investment company" or a company "controlled" by a Person required to be registered as an "investment company", within the meaning of the Investment Company Act of 1940.

SECTION 7.08 Accuracy of Information.

(a)None of the factual information and data (taken as a whole) at any time furnished by any Credit Party, any of their respective Subsidiaries or any of their respective authorized representatives in writing to any Agent or any Lender (including all information contained in the Credit Documents) for purposes of or in connection with this Agreement or any of the Transactions contains any untrue statement of a material fact or omits to state any material fact necessary to make such information and data (taken as a whole) not materially misleading, in each case, at the time such information was provided in light of the circumstances under which such information or data was furnished; provided that, to the extent any such information was based upon or constitutes a forecast or projection, the Credit Parties represent only that the Credit Parties acted in good faith and utilized assumptions believed to be reasonable at the time and in the circumstances made and due care in the

preparation of such information, it being understood that forecast and projections are subject to uncertainties and contingencies and no assurance can be given that any forecast or projection will be realized.

(b)The Budgets and pro forma financial information provided to Administrative Agent were prepared in good faith based upon assumptions believed by the Credit Parties to be reasonable at the time and in the circumstances made, it being recognized by Administrative Agent and the Lenders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

(c)As of the Closing Date, the information included in the Beneficial Ownership Certification provided on or prior to the Closing Date to any Lender in connection with this Agreement, and the information in the Information Certificate, is true and correct in all material respects.

SECTION 7.09 Financial Condition; Financial Statements. The Tax returns and financial statements delivered to Administrative Agent present fairly in all material respects the financial position and results of operations of Financial Reporting Companies at the respective dates of such information and for the respective periods covered thereby, subject in the case of unaudited financial information, to changes resulting from normal year-end audit adjustments and to the absence of footnotes. The Tax returns, financial statements and all of the balance sheets, all statements of income and of cash flow and all other financial information furnished pursuant to Section 8.01 have been and will for all periods following the Closing Date be prepared in accordance with Applicable Accounting Standards consistently applied. All of the financial information to be furnished pursuant to Section 8.01 will present fairly in all material respects the financial position and results of operations of Financial Reporting Companies at the respective dates of such information and for the respective periods covered thereby, subject in the case of unaudited financial information, to changes resulting from normal year-end audit adjustments and to the absence of footnotes. None of the Credit Parties or any of their respective Subsidiaries has any Indebtedness or other material obligations or liabilities, direct or contingent that, either individually or in the aggregate, has had or could reasonably be expected to have, a Material Adverse Effect.

SECTION 7.10 Tax Returns and Payments. Each Credit Party and its Subsidiaries has timely filed or caused to be timely filed all Tax returns and reports required to have been filed (and all such Tax returns are true, complete and correct in all material respects) and has paid or caused to be paid all Taxes required to have been paid by it prior to becoming delinquent, except Taxes (or any requirement to file Tax returns with respect thereto) that are being contested in good faith by appropriate proceedings and for which the Credit Party or such Subsidiary, as applicable, has set aside on its books adequate reserves in accordance with Applicable Accounting Standards. There are no proposed or pending tax assessments, deficiencies, audits or other proceedings with respect to any material amount of Taxes. None of the Credit Parties nor any of their Subsidiaries has ever "participated" in a "reportable transaction" within the meaning of Section 1.6011-4 of the Treasury Regulations or was subject to reporting pursuant to Section 237.3 of the ITA. None of the Credit Parties nor any of their Subsidiaries is a party to any tax sharing or similar agreement. No Lien has been filed and no material claim is being asserted, with respect to any such Tax, fee, or other charge.

SECTION 7.11 Benefit Plans.

(a)No Reportable Event or Prohibited Transaction, as each such term is defined in ERISA, has occurred or is reasonably expected to occur, and no Credit Party has failed to meet the minimum funding requirements of ERISA.

(b)No Credit Party sponsors, contributes to or administers any Canadian Pension Plans. All obligations of each Credit Party (including fiduciary, contribution, funding, investment and administration obligations) required to be performed in connection with any employee benefit plans and any funding agreements therefor under the terms thereof and applicable statutory and regulatory requirements, have been performed or satisfied in a timely and proper fashion and in compliance with Applicable Law and the terms of the applicable employee benefit plan. There have been no improper withdrawals or applications of the assets of any Credit Party's employee benefit plans. There are no outstanding material disputes concerning the assets or liabilities of any Credit Party's employee benefit plans. No Credit Party has a material contingent liability with respect to any post-employment or post-retirement benefits under an employee benefit plans and all post-employment and post-retirement liabilities, if any, under any employee benefit plans have been properly identified in the financial statements of the Credit Parties.

SECTION 7.12 Subsidiaries; Partnership Interest Units of Parent. None of the Credit Parties has any Subsidiaries other than the Subsidiaries listed on Schedule 7.12. Schedule 7.12 describes the direct and indirect ownership interest of each of the Credit Parties in each Subsidiary. Mayde holds no assets and does not have any operations.

SECTION 7.13 Intellectual Property; Licenses, Etc. Each Credit Party and each of its Subsidiaries owns, or possesses the right to use, all of the trademarks, service marks, trade names, Internet domain names, copyrights and copyrightable works, patents, inventions, trade secrets, know-how, proprietary computer software, franchises, intellectual property licenses and other intellectual property rights, including all registrations and applications to register any of the foregoing and all rights to sue or recover at law or in equity for any past, present or future infringement, misappropriation, dilution, violation or other impairment thereof that are necessary for the operation of their respective businesses (collectively, the "*IP Rights*"). To the knowledge of the Credit Parties, the conduct and operations of the businesses of each Credit Party and each of its Subsidiaries do not infringe, misappropriate, dilute, or otherwise violate in any material respect any intellectual property owned by any other Person, no other Person has challenged in writing or questioned any right, title or interest of any Credit Party or any of its Subsidiaries in any IP Rights of such Credit Party or Subsidiary, and no Credit Party or Subsidiary thereof has received a written challenge from any other Person contesting the use of any IP Rights owned by such Credit Party or Subsidiary or the validity or enforceability of such IP Rights other than as set forth on Schedule 7.13. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of such Credit Party threatened in writing other than as set forth on Schedule 7.13. Schedule 7.13 is a complete and accurate list of (i) all IP Rights registered or pending registration with the United States Copyright Office, the United States Patent and Trademark Office or the Canadian Intellectual Property Office and owned by each Credit Party and each of its Subsidiaries as of the ~~First~~Second Amendment Date and (ii) all material license agreements or similar arrangements granting IP Rights of another Person to any Credit Party or any of its Subsidiaries, other than software license agreement for "off-the-shelf" or "click-through" agreements. As of the ~~First~~Second Amendment Date, none of the IP Rights owned by any Credit Party or any of its Subsidiaries is subject to any licensing agreement, other than (i) non-exclusive licenses granted to customers in the ordinary business, or (ii) as set forth on Schedule 7.13.

SECTION 7.14 Environmental Warranties.

(a)Except as set forth in Schedule 7.14:

(i)The Credit Parties, their Subsidiaries and their respective businesses, operations and Real Property are and have at all times during the Credit Parties' or their Subsidiaries' ownership, lease or operation thereof been in material compliance with, and the Credit Parties and their Subsidiaries have no material liability under, any applicable Environmental Law.

(ii)The Credit Parties and their Subsidiaries have obtained all material permits, licenses, certificates or authorizations required under Environmental Law (collectively, "*Environmental Permits*") and necessary for the conduct of their businesses and operations, and the ownership, operation and use of their Real Property. The Credit Parties and their Subsidiaries are in material compliance with the terms and conditions of such Environmental Permits, and all such Environmental Permits are valid and in good standing.

(iii)There has been no Release or threatened Release or any handling, management, generation, treatment, storage or disposal of Hazardous Materials in, on, at, under, to, or from any Real Property presently or, to the knowledge of any Credit Party, formerly owned, leased or operated by any of the Credit Parties, their Subsidiaries or their respective predecessors in interest that has resulted in, or is reasonably expected to result in, material liability or obligations by any of the Credit Parties under Environmental Law or result in a material Environmental Claim.

(iv)There is no material Environmental Claim pending or, to the knowledge of the Credit Parties, threatened in writing against any of the Credit Parties or their Subsidiaries, or relating to the Real Property currently or formerly owned, leased or operated by any of the Credit Parties or their Subsidiaries or relating to the operations of the Credit Parties or their Subsidiaries, and, to the knowledge of the Credit Parties, there are no actions, activities, circumstances, conditions, events or incidents that are reasonably likely to form the basis of a material Environmental Claim.

(v)No Person with a material indemnity, contribution or other obligation to any of the Credit Parties or their Subsidiaries relating to compliance with or liability under Environmental Law is in default with respect to any such indemnity, contribution or other obligation.

(vi)No Real Property owned, leased or operated by the Credit Parties or their Subsidiaries and, to the knowledge of the Credit Parties, no Real Property or facility formerly owned, leased or operated by any of the Credit Parties or any of their predecessors in interest is (i) listed or proposed for listing on the National Priorities List as defined in and promulgated pursuant to CERCLA or (ii) listed on the Comprehensive Environmental Response, Compensation and Liability Information System promulgated pursuant to CERCLA or (iii) included on any similar list maintained by any governmental or regulatory authority that indicates that any Credit Party or Subsidiary has or may have an obligation to undertake investigatory or remediation obligations under applicable Environmental Laws.

(vii)No Lien has been recorded or, to the knowledge of any Credit Party, threatened in writing under any Environmental Law with respect to any Real Property of the Credit Parties or their Subsidiaries.

(b)None of the matters, individually or in the aggregate, disclosed in Schedule 7.14 could reasonably be expected to have a Material Adverse Effect.

(c)The Credit Parties and their Subsidiaries have made available to Administrative Agent all material reports, assessments, audits, studies and investigations in the possession, custody or control of the Credit Parties and their Subsidiaries concerning Environmental Claims or compliance with or liability or obligation under Environmental Law, including those concerning the condition of the Real Property or the existence of Hazardous Materials at Real Property or facilities formerly owned, operated, leased or used by any of the Credit Parties, their Subsidiaries or their predecessors-in-interest.

SECTION 7.15 Ownership of Properties. Set forth on Schedule 7.15 is a list of all of the Real Property owned, leased or operated by any of the Credit Parties as of the ~~First~~Second Amendment Date, indicating in each case whether the respective property is owned or leased, the identity of the owner or lessor, the location of the respective property and the status of any construction at the respective property. Each Credit Party owns (a) in the case of owned Real Property, good and valid fee simple title to such Real Property, (b) in the case of owned personal property, good and valid title to such personal property, and (c) in the case of leased Real Property or material leased personal property, valid and enforceable (except as may be limited by bankruptcy, insolvency, examinership, moratorium, fraudulent conveyance or other laws applicable to creditors' rights generally and by generally applicable equitable principles, whether considered in an action at law or in equity) leasehold interests (as the case may be) in such leased property, in each case, free and clear in each case of all Liens or claims, except for Permitted Liens.

SECTION 7.16 No Default. None of the Credit Parties or any of their respective Subsidiaries (a) is in default or material breach under any Contractual Obligation of any of the Licensing Contracts or (b) is in default or material breach under or with respect to, or a party to, any other Contractual Obligation except, with respect to any default or material breach referred to in this clause (b), to the extent that such default or material breach could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. On the Closing Date, after giving effect to the Transactions, none of the Credit Parties or any of their respective Subsidiaries is in default under or with respect to (a) any Contractual Obligation in respect of Indebtedness or purported Indebtedness or (b) any of the Licensing Contracts.

SECTION 7.17 Solvency. On the Closing Date after giving effect to the Transactions and the other transactions related thereto, the Consolidated Companies are Solvent.

SECTION 7.18 Locations of Offices, Records and Collateral. The address of the principal place of business and chief executive office of each Credit Party is, and the books and records of each Credit Party and all of its Chattel Paper (as defined in the UCC) and records of Accounts (as defined in the UCC) are maintained exclusively in the possession of such Credit Party at, the address of such Credit Party specified in Schedule 7.18 (or, after the ~~First~~Second Amendment Date, at such other address permitted by Section 4.3(a)(i) of either Security Agreement). Except as otherwise agreed by Administrative Agent, each leased location of a Credit Party that is the headquarters of any Credit Party, where books and records of any Credit Party are maintained or where Collateral having value in excess of $500,000 is located, shall be subject to a Collateral Access Agreement to be provided by the landlord of such leased location in favor of Collateral Agent.

SECTION 7.19 Compliance with Laws and Permits; Authorizations.

(a)Each Credit Party and each of its Subsidiaries (a) is in material compliance with all Applicable Laws and Permits, including all applicable U.S. State Cannabis Laws and all Canadian Cannabis Laws and (b) has all requisite governmental licenses, Permits, authorizations, consents and approvals necessary to operate its business as currently conducted, except in such instances in which such requirement of Applicable Laws, Permits, government licenses, authorizations or approvals are being contested in good faith by appropriate proceedings diligently conducted. No Credit Party has

received any written notice that is outstanding or unresolved to the effect that its operations are not in material compliance with any Environmental Law or Permit or are the subject of any investigation by any Governmental Authority evaluating whether any cleanup or other action is needed to respond to a Release or impose further controls on any existing discharge of Hazardous Materials to the environment.

(b)No Credit Party, nor any Subsidiary, nor, to the knowledge of the Credit Parties and their Subsidiaries, any director, officer, employee, agent, Affiliate or representative thereof, is an individual or entity that is, or is owned or controlled by any Person that is (i) currently the subject or target of any Sanctions or Canadian Economic Sanctions and Export Control Laws, (ii) included on OFAC's List of Specially Designated Nationals or any similar list enforced by any other relevant sanctions authority or (iii) located, organized or resident in a Designated Jurisdiction. No Credit Party is engaged in any Restricted Cannabis Activities.

(c)The Credit Parties and their Subsidiaries have conducted their business in compliance with Anti-Corruption Laws, and have instituted and maintained policies and procedures designed to promote and achieve compliance with such laws.

SECTION 7.20 No Material Adverse Effect. Since December 31, 2020, (a) there has been no Material Adverse Effect, and (b) there has been no circumstance, event or occurrence, and no fact is known to the Credit Parties that could reasonably be expected to result in a Material Adverse Effect.

SECTION 7.21 Contractual or other Restrictions. Other than the Credit Documents, as set forth in Schedule 7.21 and to the extent permitted by Section 9.11, no Credit Party or any of its Subsidiaries is a party to any agreement or arrangement or subject to any Applicable Law that limits its ability to pay dividends to, or otherwise make Investments in or other payments to any Credit Party, that limits its ability to grant Liens in favor of Collateral Agent or that otherwise limits its ability to perform the terms of the Credit Documents.

SECTION 7.22 Collective Bargaining Agreements. Set forth on Schedule 7.22 is a list of all collective bargaining or similar agreements between or applicable to any Credit Party or any of its Subsidiaries and any union, labor organization or other bargaining agent in respect of the employees of any Credit Party or any of its Subsidiaries.

SECTION 7.23 Insurance. The properties of each Credit Party are insured as required by Section 8.03. As of the Closing Date, all premiums with respect thereto that are due and payable have been duly paid and no Credit Party has received or has knowledge of any written notice of violation or cancellation thereof and each Credit Party has complied in all material respects with the requirements of such policy.

SECTION 7.24 Evidence of other Indebtedness. Schedule 7.24 is a complete and correct list of each credit agreement, loan agreement, indenture, purchase agreement, guarantee, letter of credit or other arrangement providing for or otherwise relating to any Indebtedness or any extension of credit (or commitment for any extension of credit) to, any Credit Party or Subsidiary outstanding on the ~~First~~Second Amendment Date which will remain outstanding after the ~~First~~Second Amendment Date (other than this Agreement and the other Credit Documents), in each case, in excess of $50,000 and the aggregate principal or face amount outstanding or that may become outstanding under each such arrangement as of the ~~First~~Second Amendment Date is correctly described in Schedule 7.24. The aggregate principal amount of all Indebtedness of (and all commitments for extensions of credit to) the Credit Parties and their Subsidiaries outstanding on the ~~First~~Second Amendment Date which is not

disclosed on Schedule 7.24 by reason of the disclosure threshold set forth in the immediately preceding sentence does not exceed $50,000.

SECTION 7.25 Deposit Accounts and Securities Accounts.

(a) ~~.~~ Set forth in Schedule 7.25(a) is a list as of the ~~First~~Second Amendment Date of all of the deposit accounts and securities accounts of each Credit Party, including, with respect to each bank or securities intermediary at which such accounts are maintained by such Credit Party (~~a~~i) the name and location of such Person and (~~b~~ii) the account numbers of the deposit accounts or securities accounts maintained with such Person.

(b)Set forth in Schedule 7.25(b) is a list as of the Second Amendment Date of all of the deposit accounts and securities accounts of AEY Capital, including, with respect to each bank or securities intermediary at which such accounts are maintained by AEY Capital (i) the name and location of such Person and (ii) the account numbers of the deposit accounts or securities accounts maintained with such Person.

SECTION 7.26 Absence of any Undisclosed Liabilities. There are no material liabilities of any Credit Party of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in any such liabilities, other than those liabilities provided for or disclosed in the most recent financial statements delivered pursuant to Section 8.01.

SECTION 7.27 Material Contracts and Regulatory Matters.

(a)Schedule 7.27(a), as updated from time to time pursuant to Section 8.01(h)(viii), sets forth all Material Contracts of the Credit Parties. As of the ~~First~~Second Amendment Date, all Material Contracts are in full force and effect and no defaults currently exist thereunder.

(b)The relevant Credit Parties and Licensing Entities hold the applicable Regulatory License required for such Credit Party or Licensing Entity to conduct its Businesses. Each Material Regulatory License is in full force and effect in all material respects and has not been revoked, suspended, cancelled, rescinded, terminated, modified and has not expired. There are no pending or threatened actions by or before any Governmental Authority to revoke, suspend, cancel, rescind, terminate or materially adversely modify any Material Regulatory License. Schedule 7.27(b) sets forth all Sales Tracking Software.

SECTION 7.28 Anti-Terrorism Laws. No Credit Party or any Subsidiary is in violation of any Applicable Law relating to terrorism or money laundering, including the Patriot Act, Executive Order No. 13224 on Terrorism Financing, effective September 24, 2001 (the "*Executive Order*") and the Canadian Anti-Money Laundering & Anti-Terrorism Legislation (collectively, "*Anti-Terrorism Laws*"). No Credit Party, Subsidiary or agent acting or benefiting in any capacity in connection with the Loans is
(a) a Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order, (b) a Person owned or controlled by, or acting for or on behalf of, any Person that is listed in the Annex to, or is otherwise subject to the provisions of, the Executive Order, (c) a Person with whom any Lender is prohibited from dealing or otherwise engaging in any transaction by any Anti-Terrorism Law,
(d)a Person who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order, (e) a Person that is named as a "specially designated national and blocked person" on the most current list published by the United States Treasury Department Office of Foreign Asset Control at its official website or any replacement website or other replacement official publication of such list or
(f) a Canadian Blocked Person. No Credit Party or Subsidiary or, to the Credit Parties' knowledge, other

agents acting or benefiting in any capacity in connection with the Loans (i) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Person described in the preceding sentence, (ii) deals in, or otherwise engages in any transaction relating to, any property or interests in any property blocked pursuant to the Executive Order, or (iii) engages in or conspires to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any of the prohibitions set forth in the Anti-Terrorism Laws.

SECTION 7.29 Conduct of Business. Parent does not engage in any business or activity other than (a) the ownership of the Capital Stock in TerrAscend USA, prior to the consummation of the Cookies Transaction, Cookies, and Gage Innovations and activities reasonably incidental thereto, (b) the corporate actions required to maintain its existence and (c) the execution and delivery of the Credit Documents to which it is a party and the performance of its obligations thereunder. Parent does not directly own any assets other than Capital Stock of TerrAscend USA, prior to the consummation of the Cookies Transaction, Cookies, and Gage Innovations.

SECTION 7.30 Transactions with Affiliates. Except (a) transactions for the sale of goods or services rendered in the ordinary course of business upon terms no less favorable to such Person than such Person could obtain in a comparable arms-length transaction with an unrelated third party, (b) the payment of reasonable fees to directors of any Credit Party or any of its Subsidiaries who are not employees of a Credit Party or any of its Subsidiaries, and customary compensation, employment, termination and other employee benefit arrangements paid to, and indemnities provided for the benefit of, directors, officers or employees of any Credit Party or any Subsidiary in the ordinary course of business, and (c) transactions set forth on Schedule 7.30, there are no existing or proposed agreements, arrangements, understandings or transactions between any Credit Party and any of the officers, members, managers, directors, stockholders, parents, holders of other Capital Stock, employees or Affiliates (other than Subsidiaries that are Credit Parties) of any Credit Party.

SECTION 7.31 Canadian Securities Law Matters. Prior to the consummation of the TerrAscend Transaction:

(a)The outstanding subordinate voting shares in the share capital of Parent are listed and posted for trading on the CSE.

(b)Parent is a reporting issuer or the equivalent in each Reporting Jurisdiction and is in material compliance with the Applicable Securities Legislation of each Reporting Jurisdiction and the policies of the CSE and is not included in any list of defaulting reporting issuers maintained by the securities commission of any Reporting Jurisdiction.

(c)There is no “material change”, as defined in the Applicable Securities Legislation, relating to Parent that has not been fully disclosed in accordance with the requirements of the Applicable Securities Legislation and the policies of the CSE.

ARTICLE VIII
Affirmative Covenants

The Credit Parties hereby covenant and agree that on the Closing Date and thereafter, until the Loans, together with interest, fees and all other Obligations incurred hereunder (other than Unasserted Contingent Obligations) are paid in full in accordance with the terms of this Agreement, subject to Section 13.01:

SECTION 8.01 Financial Information, Reports, Notices and Information. The Credit Parties will furnish Administrative Agent and each Lender copies of the following financial statements, reports, notices and information:

(a)Quarterly Financial Statements. As soon as available and in any event within 45 days after the end of each fiscal quarter of Parent, unaudited (i) consolidated and consolidating balance sheets of Financial Reporting Companies as of the end of such fiscal quarter, (ii) consolidated and consolidating statements of income and cash flow of Financial Reporting Companies as of the end of such fiscal quarter, in each case, including in comparative form (both in Dollar and percentage terms) the figures for the corresponding fiscal quarter in the preceding fiscal year of Financial Reporting Companies and in the then-current Budget for such fiscal year, if applicable, and year-to-date portion of, the immediately preceding fiscal year of Financial Reporting Companies, and (iii) a management discussion and analysis (with reasonable detail and specificity) of the results of operations for the fiscal periods reported, including, in comparative form the figures for the corresponding fiscal quarter in, and year-to-date portion of, the immediately preceding fiscal year of Financial Reporting Companies, and period commencing at the end of the previous fiscal year of Financial Reporting Companies and ending with the end of such fiscal quarter.

(b)Annual Financial Statements. As soon as available and in any event within 120 days after the end of each fiscal year of Parent, copies of the consolidated and consolidating balance sheets of Financial Reporting Companies, and the related consolidated and consolidating statements of income and cash flows of Financial Reporting Companies for such fiscal year, setting forth in comparative form (both in Dollar and percentage terms) the figures for the immediately preceding fiscal year and in the then-current Budget for such fiscal year, such consolidated statements audited and certified without qualification, or exception as to the scope of such audit, by an independent public accounting firm reasonably acceptable to Administrative Agent, together with a management discussion and analysis (with reasonable detail and specificity) of the results of operations for the fiscal periods reported.

(c)Compliance Certificates. Concurrently with the delivery of the financial information pursuant to Sections 8.01(a) and 8.01(b), a Compliance Certificate, executed by an Authorized Officer of Parent, (i) certifying that such financial information presents fairly in all material respects the financial condition, results of operations and cash flows of Financial Reporting Companies in accordance with Applicable Accounting Standards at the respective dates of such information and for the respective periods covered thereby, subject in the case of unaudited financial information, to changes resulting from normal year-end audit adjustments and to the absence of footnotes, (ii) showing compliance with the Financial Performance Covenants, and stating that no Default or Event of Default has occurred and is continuing (or, if a Default or an Event of Default has occurred, specifying the details of such Default or Event of Default and the actions taken or to be taken with respect thereto) and containing the applicable certifications set forth in Section 7.09 with respect thereto, (iii) in the case of each Compliance Certificate delivered concurrently with the financial information pursuant to clause (b) above, specifying any change in the identity of the Subsidiaries as at the end of such fiscal year from the Subsidiaries provided to the Lenders on the Closing Date or the most recent fiscal year, as the case may be, and (iv) in the case of each Compliance Certificate delivered concurrently with the financial information pursuant to clause (b) above, including (A) updated Schedules 7.15 and 7.25(a) (if applicable) and (B) a written supplement substantially in the form of Schedules 1 through 3, as applicable, to each Security Agreement, in each case, with respect to any additional assets and property acquired by any Credit Party after the date hereof, all in reasonable detail.

(d)Additional Information. Promptly upon request, (i) such other information regarding the condition or operations (financial or otherwise and including receivable schedules, copies

of invoices, shipping documents, and delivery receipts), changes in ownership of Capital Stock, and business affairs of any Credit Party or any Subsidiary (excluding the Subsidiaries of TerrAscend USA other than WDB Holding and its Subsidiaries), or compliance with the terms of this Agreement, as Administrative Agent or any Lender (through Administrative Agent) may reasonably request and (ii) information and documentation reasonably requested by Administrative Agent or any Lender for purposes of compliance with applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act and the Beneficial Ownership Regulation.

(e)Cash Flow Forecast. No later than 60 days prior to the Maturity Date, (i) a cash flow forecast as of such date and (ii) if such cash flow forecast does not demonstrate, in a manner satisfactory to Administrative Agent in its reasonable discretion, that the Obligations will be paid in full on the scheduled maturity date thereof, a management plan, in form and substance acceptable to Agents in their reasonable discretion, which shall provide in reasonable detail Borrowers' sources of debt or equity financing permitted hereunder in an amount sufficient to pay in full the Obligations on or prior to the stated maturity date thereof, together with copies of documentation for legally binding commitments for such debt or equity financing, in form and substance acceptable to Administrative Agent in its discretion.

(f)Budget. No later than 30 days prior to the commencement of each fiscal year of Parent, the forecasted consolidated and consolidating financial projections for Financial Reporting Companies for such fiscal year (on a quarter-by-quarter basis) (including projected consolidated and consolidating income statements, balance sheets and Capital Expenditures on a quarter-by-quarter basis as of the end of such fiscal year, the related consolidated statements of projected cash flow and projected changes in financial position and a description of the underlying assumptions applicable thereto), in each case, prepared by management of the Credit Parties in good faith based upon assumptions believed by the Credit Parties to be reasonable at the time made, consistent in scope with the financial statements provided pursuant to Section 8.01(b), setting forth the principal assumptions on which such projections are based (such projections, together with the projections delivered as of the Closing Date pursuant to Section 5.01(g), collectively, the "***Budget***").

(g)Defaults; Litigation; Material Adverse Effect. As soon as possible and in any event within three Business Days after an Authorized Officer of any Credit Party or any of their respective Subsidiaries obtains knowledge thereof, notice from an Authorized Officer of Parent of (i) the occurrence of any event that constitutes a Default or an Event of Default, which notice shall specify the nature thereof, the period of existence thereof and what action the applicable Credit Parties propose to take with respect thereto, (ii) the commencement of any litigation, action, proceeding or labor controversy of the type and the materiality described in Section 7.04, and to the extent Administrative Agent requests, copies of all documentation related thereto, and (iii) the occurrence of any event that has had, or could reasonably be expected to result in, a Material Adverse Effect.

(h)Notices. The Credit Parties shall provide Administrative Agent with the following promptly (and in no event later than five Business Days after an Authorized Officer of any Credit Party becoming aware thereof, or, with respect to clause (v), after becoming publically available):

(i)notice of any pending or threatened (in writing) litigation, action, proceeding or other controversy which purports to affect the legality, validity or enforceability of any Credit Document, or any document or instrument referred to in Section 9.08, which notice shall be signed by an Authorized Officer of Parent and shall specify the nature thereof, and what actions the applicable Credit Parties propose to take with respect thereto, together with copies of all relevant documentation;

(ii)notice of the commencement of, or any material development in, any litigation, investigation (formal or informal), document request or proceeding affecting any Credit Party or any Subsidiary thereof, in which (A) the amount of damages claimed is $500,000 or more, (B) injunctive or similar relief is or may be sought and which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, (C) the relief sought is or may be an injunction or other stay of the performance of this Agreement or any other Credit Document or (D) the SEC or any other Governmental Authority is involved;

(iii)notice of any pending or threatened (in writing) labor dispute, strike, walkout, or union organizing activity with respect to any employees of a Credit Party;

(iv)notice of (i) any material default or breach by any Credit Party or Subsidiary under any Material Contract or (ii) any termination or non-renewal of any Material Contract or the receipt by any Credit Party or Subsidiary of any written notice from the other party to any Material Contract of such party's intent to terminate or not renew such Material Contract;

(v)copies of all material periodic and other reports, proxy statements and other materials filed by any Credit Party with the SEC, the CSA or the OSC, or with any national securities exchange, or distributed by Parent to its shareholders generally, as the case may be;

(vi)notice of the discharge or withdrawal or resignation by the Credit Parties' independent accountants;

(vii)copies of all amendments, consent letters, waivers or modifications to a Credit Party's Organization Documents (to the extent permitted hereunder);

(viii)copies of all significant written final reports submitted to the Credit Parties by its accountants in connection with each annual, interim or special audit or review of any type of the financial statements or related internal control systems, including any final comment letters delivered to management and all responses thereto;

(ix)notice of the entering into of any Material Contract following the ~~First~~Second Amendment Date, which notice shall include an updated Schedule 7.27(a) and, if such Material Contract is a Material Regulatory License, an updated Schedule 7.19;

(x)copies of all material written communications to and from applicable Governmental Authorities, including the Internal Revenue Service, the Environmental Protection Agency, and any other Governmental Authority regulating cannabis, regarding notice of enforcement proceedings, complaints, inspections and related matters addressed to any Borrower, any other Credit Party or any Subsidiary thereof or relating to any Regulatory License or any Credit Party or any Subsidiary;

(xi)copies of the results of any facility audit by any Governmental Authority to the extent such results are material and negative;

(xii)a copy of any warning document, letter or notice from any Governmental Authority that would have a material and negative impact on any Material Regulatory License or the ability of the Credit Parties to conduct all or any material portion of their business;

(xiii)copies of all material documents and information furnished to any Governmental Authority in connection with any investigation of any Credit Party other than (A) routine

inquiries by such Governmental Authority, (B) to the extent prohibited by Applicable Law or written request of any Governmental Authority having authority over such Credit Party, or (C) to the extent such documents and information are subject to attorney-client or similar privilege;

(xiv)notice of receipt of any rejection or non-renewal of (A) a Material Regulatory License or (B) any other Regulatory License, if such rejection or non-renewal of such other Regulatory License could reasonably be expected to have a Material Adverse Effect;

(xv)copies of any material notices that any Credit Party receives or delivers in connection with any leased real property; and

(xvi)notice of any written notice of default under an agreement evidencing Indebtedness owed to or from a Credit Party having a principal or stated amount, individually or in the aggregate, in excess of $500,000.

(a)Management Letters. Promptly upon, and in any event within five Business Days after receipt thereof, copies of all final "management letters" submitted to any Credit Party by the independent public accountants referred to in Section 8.01(b) in connection with each audit made by such accountants.

(b)Bankruptcy, Etc. Immediately upon becoming aware thereof, notice (whether involuntary or voluntary) of the bankruptcy, insolvency, examinership, reorganization of any Credit Party or any TerrAscend Guarantor, or the appointment of any trustee, assignee, receiver or similar estate fiduciary in connection with or anticipation of any such occurrence, or the taking of any step by any Person in furtherance of any such action or occurrence.

(c)Corporate Information. Promptly upon, and in any event within five Business Days after, becoming aware of any additional corporate or limited liability company information of the type delivered pursuant to Section 5.01(d), or of any change to such information delivered on or prior to the Closing Date or pursuant to this Section 8.01 or otherwise under the Credit Documents, a certificate, certified to the extent of any change from a prior certification, from an Authorized Officer of such Credit Party notifying Administrative Agent of such information or change and attaching thereto any relevant documentation in connection therewith.

(d)Right of First Offer. At any time prior to August 15, 2022 (the "*ROFO Deadline*"), Administrative Agent shall have the right, but not the obligation, to deliver to Borrowers a term sheet for the refinancing of all of the Loans on terms and conditions acceptable to Administrative Agent (the "*Refinancing Proposal*"). Borrowers and Administrative will negotiate in good faith for a period of 21 days following delivery of the Refinancing Proposal (the "*Determination Period*") to determine if Borrowers and Administrative Agent can agree on the principal terms of the refinancing of all of the Loans. If Administrative Agent and Borrowers come to an agreement during the Determination Period, Administrative Agent and Credit Parties shall thereafter endeavor in good faith to amend, modify, or amend and restate the Credit Agreement and the other Credit Documents, as needed, to incorporate the new terms agreed upon by Administrative Agent and Borrowers. If Borrowers and Administrative Agent fail to reach an agreement during the Determination Period for any reason, then Credit Parties may go to market and solicit refinancing offers for the Loans on any terms whatsoever.

(e)Other Information. With reasonable promptness, such other information (financial or otherwise) that is reasonably related to the Credit Documents, the transactions contemplated

thereby or the administration thereof as any Agent on its own behalf or at the request of any Lender may reasonably request in writing from time to time.

The documents required to be delivered pursuant to Section 8.01(a), 8.01(b), or 8.01(h)(v) shall be deemed delivered as of the date Parent notifies Administrative Agent of the public filing of such documents with EDGAR, SEDAR or the CSE. Other than each notice to be provided pursuant to the immediately preceding sentence, any notices required to be provided to Administrative Agent or Lenders pursuant to this Section 8.01 shall be deemed provided as of the date Parent notifies Administrative Agent of the public filing of such documents with EDGAR, SEDAR or the CSE.

SECTION 8.02 Books, Records and Inspections. The Credit Parties will, and will cause each of their respective Subsidiaries to, maintain proper books of record and account, in which entries that are full, true and correct in all material respects and are in conformity with Applicable Accounting Standards (subject to normal year-end adjustments pursuant to the audit required under Section 8.01(b)) consistently applied shall be made of all material financial transactions and matters involving the assets and business of the Credit Parties or such Subsidiary, as the case may be. The Credit Parties will, and will cause each of their respective Subsidiaries to, permit Administrative Agent and its representatives and independent contractors to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof at, unless an Event of Default has occurred and is continuing, the location of the requested information or abstracts therefrom, and to discuss its affairs, finances and accounts with its directors, officers, and independent public accountants, all at the expense of the Credit Parties; provided that such visits or inspections shall be at reasonable times during normal business hours, upon reasonable advance notice to the Credit Parties, but not more often than two times per year (except that none of the limitations in this proviso shall apply if an Event of Default then exists). Any information obtained by Administrative Agent pursuant to this Section 8.02 may be shared with Collateral Agent or any Lender upon the request of such Secured Party. Administrative Agent shall give the Credit Parties the opportunity to participate in any discussions with the Credit Parties' directors, officers and independent public accountants.

SECTION 8.03 Maintenance of Insurance. The Credit Parties will, and will cause each of their respective Subsidiaries to, at all times maintain in full force and effect, with insurance companies that the Credit Parties believe (in their reasonable business judgment) are financially sound and reputable at the time the relevant coverage is placed or renewed, insurance in at least such amounts and against at least such risks (and with such risk retentions) as are usually insured against in the same general area by companies engaged in businesses similar to those engaged in by the Credit Parties; and will furnish to Collateral Agent for further delivery to the Lenders, upon written request from Collateral Agent, information presented in reasonable detail as to the insurance so carried, including (i) endorsements to (A)all "All Risk" policies naming Collateral Agent, on behalf of the Secured Parties, as lender loss payee and (B) all general liability and other liability policies naming Collateral Agent, on behalf of the Secured Parties, as additional insured and (ii) legends providing that no cancellation, material reduction in amount or material change in insurance coverage thereof shall be effective until at least 30 days (10 days with respect to failure to pay premium) after receipt by Collateral Agent of written notice thereof.

SECTION 8.04 Payment of Taxes. The Credit Parties will timely pay and discharge, and will cause each of their respective Subsidiaries to timely pay and discharge, all Taxes, assessments and governmental charges or levies imposed upon them or upon their income or profits, or upon any properties belonging to it, prior to the date on which such Tax, assessment or governmental charge is delinquent, and all lawful claims that, if unpaid, could reasonably be expected to become a Lien having priority over Collateral Agent's Liens (other than Permitted Liens) or an otherwise material Lien upon any properties of the Credit Parties or any of their respective Subsidiaries; provided that none of the Credit Parties or any of their respective Subsidiaries shall be required to pay any such Tax, assessment,

charge, levy or claim that is being contested in good faith and by proper proceedings that stays execution and as to which such Credit Party has maintained adequate reserves with respect thereto in accordance with Applicable Accounting Standards.

SECTION 8.05 Maintenance of Existence; Compliance with Laws, Etc. Each Credit Party will, and will cause its Subsidiaries to, (a) preserve and maintain in full force and effect its organizational existence (except in a transaction permitted by Section 9.03), (b) preserve and maintain its good standing under the laws of its state or jurisdiction of incorporation, organization or formation, and each state or other jurisdiction where such Person is qualified, or is required to be so qualified, to do business as a foreign entity or extra provincial corporation (as applicable), except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect, and (c) comply in all material respects with all Applicable Laws, including compliance with safety regulations applicable to any Borrower or any of its Subsidiaries.

SECTION 8.06 Environmental Compliance.

(a)Each Credit Party will, and will cause its Subsidiaries to, comply in all material respects with all Environmental Laws and Environmental Permits applicable to their business, operations and Real Property; obtain and maintain in full force and effect all material Environmental Permits applicable to its business, operations and Real Property; and conduct all response, investigation, remediation, cleanup or monitoring activity required by any Governmental Authority or any applicable Environmental Laws, and in accordance with, the requirements of any Governmental Authority and applicable Environmental Laws in all material respects.

(b)Each Credit Party will, and will cause its Subsidiaries to, do or cause to be done all things required by Environmental Laws to prevent any Release of Hazardous Materials in, on, at, under, to or from any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries except in full compliance with applicable Environmental Laws or an Environmental Permit, and ensure that there shall be no Hazardous Materials in, on, at, under or from any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries except those that are present, used, stored, handled and managed in material compliance with applicable Environmental Laws.

(c)Each Credit Party will, and will cause its Subsidiaries to, undertake all actions, including response, investigation, remediation, cleanup or monitoring actions, necessary, at the sole cost and expense of the Credit Parties: (i) to address any Release of Hazardous Materials in, on, at, under, to or from any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries as required pursuant to Environmental Law; (ii) to address as may be required by Environmental Law any environmental conditions relating to any Credit Party, Subsidiary, or their respective business or operations or to any Real Property of any of the Credit Parties or their Subsidiaries; (iii) to keep any Real Property of any of the Credit Parties or their Subsidiaries free and clear of all Liens and other encumbrances pursuant to any Environmental Law; and (iv) to promptly notify Administrative Agent in writing of: (1) any material Release or threatened Release of Hazardous Materials in, on, at, under, to, or from any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries, except those that are pursuant to and in compliance with the terms and conditions of Environmental Law or an Environmental Permit, (2) any material non-compliance with, or violation of, any Environmental Law applicable to any Credit Party or Subsidiary, any Credit Party's or Subsidiary's business and any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries, (3) any Lien pursuant to Environmental Law imposed on any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries, (4) any response, investigation, remediation, cleanup or monitoring activity at any Real Property owned, leased or operated by any of the Credit Parties or their Subsidiaries required to be undertaken pursuant to Environmental Law, and (5) any written notice or other written

communication received by any Credit Party from any person or Governmental Authority relating to any material Environmental Claim against any Credit Party or Subsidiary pursuant to any Environmental Law.

(d)If a Default caused by reason of a breach of Section 7.14 or this Section 8.06 shall have occurred and is not reasonably curable within 30 days or shall be continuing for more than 30 days without the Credit Parties commencing activities reasonably likely to cure such Default, the Credit Parties shall, at the written request of Administrative Agent, (i) provide to Administrative Agent within 45 days after such request, at the expense of the Credit Parties, an environmental assessment report regarding the matters which are the subject of such Default, including, where appropriate, any soil or groundwater sampling, prepared by a nationally recognized environmental consulting firm reasonably acceptable to Administrative Agent and in the form and substance reasonably acceptable to Administrative Agent and evaluating the presence or absence of Hazardous Materials and the estimated cost of any compliance or response action to address such Default and findings; (ii) promptly undertake all actions required by applicable Environmental Law to address any non-compliance with or violation of Environmental Law; (iii) promptly undertake all response actions required by Environmental Laws to address any recognized environmental conditions identified in the environmental assessment report to the reasonable satisfaction of Administrative Agent; and (iv) permit Administrative Agent and its representatives to have access to all Real Property and all facilities owned, leased or operated by any of the Credit Parties and their Subsidiaries which are the subject of such Default for the purpose of conducting such environmental audits and testing as is reasonably necessary, including subsurface sampling of soil and groundwater, the cost for which shall be payable by the Credit Parties.

SECTION 8.07 Maintenance of Properties. Each Credit Party will, and will cause its Subsidiaries to, maintain, preserve, protect and keep its properties and assets in good repair, working order and condition (ordinary wear and tear excepted and subject to casualty, condemnation and dispositions permitted pursuant to Section 9.04), and make necessary repairs, renewals and replacements thereto and will maintain and renew as necessary all licenses, Permits (including the Regulatory Licenses) and other clearances necessary to use and occupy such properties and assets, in each case so that the business carried on by such Person may be properly conducted at all times, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Each Credit Party will, and will cause its Subsidiaries to, timely pay any and all installment payments or other amounts due under the Land Contracts.

SECTION 8.08 End of Fiscal Years; Fiscal Quarters. The Credit Parties will, for financial reporting purposes, cause (a) each of their, and each of the Financial Reporting Companies' fiscal years to end on December 31 of each year and (b) each of their, and each of the Financial Reporting Companies', fiscal quarters to end on dates consistent with such fiscal year-end and Borrowers' past practice.

SECTION 8.09 Additional Credit Parties. Any Subsidiary (other than any Excluded Subsidiary) that is not a Credit Party on the Closing Date, and any direct or indirect Subsidiary (other than any Excluded Subsidiary) formed or acquired after the Closing Date (including by division of any existing limited liability company pursuant to a "plan of division" under the Delaware Limited Liability Company Act), shall be subject to the following requirements:

(a)within five Business Days of such event, the Credit Parties will cause to be delivered to Administrative Agent each of the following, as applicable, in each case reasonably acceptable to Administrative Agent and, as applicable, duly executed by the parties thereto: (i) a Credit Agreement Joinder pursuant to which such Subsidiary shall become, as elected by Administrative Agent and Required Lenders, a Borrower or a Guarantor, together with other Credit Documents requested by

Administrative Agent, including all Security Documents and other documents requested by Administrative Agent to establish and preserve the Lien of Collateral Agent in all assets of such Subsidiary of the type included in the Collateral; (ii) UCC financing statements, PPSA financing statements, Documents (as defined in the UCC), Documents of Title (as defined in the PPSA) and original collateral (including pledged Capital Stock, other securities and Instruments (as defined in the UCC or the PPSA, as applicable)) and such other documents and agreements as may be reasonably requested by Administrative Agent, all as necessary or desirable to establish and maintain a valid, perfected Lien in all assets of the type included in the Collateral in which such Subsidiary has an interest;
(iii) an opinion of counsel to such Subsidiary addressed to Administrative Agent and the Lenders, in form and substance reasonably acceptable to Administrative Agent; (iv) current copies of the Organization Documents of such Subsidiary, resolutions of the board, other governing body thereof, or appropriate committees thereof (and, if required by such Organization Documents or applicable law, of the shareholders, members or partners) of such Person authorizing the actions and the execution and delivery of documents described in this Section 8.09, all certified by an Authorized Officer of such Subsidiary. In addition to the foregoing, the Credit Parties will promptly pledge to Collateral Agent, for the benefit of the Secured Parties, (i) all the Capital Stock of each Subsidiary held by a Credit Party; and (ii) any promissory notes executed after the Closing Date evidencing Indebtedness owing to any Credit Party in an amount which exceeds $100,000 individually or $250,000 in the aggregate; and

(b)the Credit Parties and each Subsidiary shall otherwise comply with Section 8.11.

SECTION 8.10 Use of Proceeds. The proceeds of the Loans shall be used (a) to ~~fund certain Permitted Acquisitions and the reasonable costs and expenses incurred in connection therewith~~refinance certain Indebtedness owing by Borrowers on the Second Amendment Date, (b) to pay the transaction fees, costs and expenses incurred directly in connection with the Transactions~~ and~~, (c) to fund certain Capital Expenditures of Borrowers and (d) for general working capital purposes, in each case, to the extent consistent with the terms of the Credit Documents and Applicable Law.

SECTION 8.11 Further Assurances.

(a)The Credit Parties will execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, financing change statements, fixture filings, mortgages, deeds of trust and other documents), which may be required under any Applicable Law, or which Collateral Agent may reasonably request, in order to grant, preserve, protect and perfect the validity, enforceability, priority and non-avoidability of the security interests created or intended to be created by any Credit Document, all at the sole cost and expense of Borrowers.

(b)If any Credit Party acquires any fee simple interest in Real Property with a fair market value in excess of $50,000, Borrowers will notify Collateral Agent and the Lenders thereof promptly (and in any event within five Business Days) and will cause such assets to be subjected to a Lien securing the applicable Obligations and will take, and cause the other Credit Parties to take, such actions as shall be necessary or reasonably requested by Collateral Agent to grant or perfect such Liens consistent with the applicable requirements of the Security Documents, including actions described in Section 8.11(a), all at the sole cost and expense of Borrowers; provided that in the case of leasehold interests, no Mortgage shall be required except to the extent requested by Administrative Agent in its reasonable discretion. Any Mortgage delivered to Collateral Agent in accordance with the preceding sentence shall be furnished to Collateral Agent within 45 days of the acquisition of such Real Property accompanied by (i) a policy or policies (or unconditional binding commitment thereof) of title insurance issued by a nationally recognized title insurance company insuring the Lien of such Mortgage as a valid Lien (with the priority described therein) on the Real Property described therein, free of any other Liens

except as expressly permitted by Section 9.02, together with such endorsements and reinsurance as Collateral Agent may reasonably request, (ii) a current ALTA survey of such Real Property, satisfactory in form and substance to Collateral Agent and the title insurance company issuing the title policies (or unconditional binding commitments thereof) referenced in clause (i) above, which is prepared by a licensed surveyor satisfactory to Collateral Agent, (iii) a flood zone determination issued by a national certification agency to Collateral Agent indicating the flood zone for each Real Property, together with evidence that the mortgagee under such Mortgage carries flood insurance reasonably satisfactory to Collateral Agent if such Real Property is located in a special flood hazard area, (iv) a zoning report and environmental site assessment reflecting such Real Property's compliance with Applicable Law ~~and~~, (v) an appraisal that is conducted by an appraiser reasonably acceptable to Administrative Agent and (vi) an opinion of local counsel to the applicable Credit Party(ies) in form and substance reasonably satisfactory to Collateral Agent.

(c)Notwithstanding anything herein to the contrary, if Collateral Agent determines that the cost of creating or perfecting any Lien on any property is excessive in relation to the practical benefits afforded to the Lenders thereby, then such property may be excluded from the Collateral for all purposes of the Credit Documents.

SECTION 8.12 Collateral Access Agreements. The Credit Parties shall obtain a Collateral Access Agreement for each leased location to the extent required by any Security Agreement.

SECTION 8.13 Bank Accounts.

(a)Subject to Section ~~8.20~~8.23, the Credit Parties shall establish and deliver to Collateral Agent a Control Agreement with respect to each of their respective securities accounts, deposit accounts and investment property, each of which is set forth on Schedule 7.25(a), other than those accounts which are Excluded Accounts. The Credit Parties shall not allow any Collections to be deposited to any accounts other than those listed on Schedule 7.25(a) which are subject to a Control Agreement (to the extent such Control Agreement has been put in place upon the request of Collateral Agent as set forth above); provided that so long as no Event of Default has occurred and is continuing, the Credit Parties may establish new deposit accounts, commodities accounts or securities accounts so long as, prior to or concurrently with the time such account is established: (i) the Credit Parties have delivered to Agents an amended Schedule 7.25(a) including such account and (ii) the Credit Parties have delivered to Collateral Agent a form of Control Agreement with respect to such account to the extent such account is not an Excluded Account, which Control Agreement shall be executed within seven days of opening such account.

(b)Each Control Agreement shall provide, among other things, that upon notice (a "*Notice of Control*") from Collateral Agent, the bank, securities intermediary or other financial institution party thereto will comply with instructions of Collateral Agent directing the disposition of funds or other financial assets in the account without further consent by the applicable Credit Party; provided that Collateral Agent agrees not to issue a Notice of Control unless an Event of Default has occurred and is then continuing. In the event Collateral Agent issues a Notice of Control under any Control Agreement, all Collections or other amounts subject to such Control Agreement and all Collections or other amounts in the Alterna Accounts shall be transferred as directed by Collateral Agent and used to pay the Obligations in the manner set forth in Section 4.02(d).

(c)If, notwithstanding the provisions of this Section 8.13, after the occurrence and during the continuance of an Event of Default, the Credit Parties receive or otherwise have dominion over or control of any Collections or other amounts, the Credit Parties shall hold such Collections and amounts in trust for Collateral Agent and shall not commingle such Collections with any other funds of

any Credit Party or other Person or deposit such Collections in any account other than those accounts set forth on Schedule 7.25(a).

(d)Within three Business Days after written request by Administrative Agent, the Credit Parties shall provide Collateral Agent with copies of all monthly (or other, periodic) bank (or other financial intermediary) statements of account with respect to all securities accounts, deposit accounts and investment property of the Credit Parties.

SECTION 8.14 Sanctions; Anti-Corruption Laws.

(a)No Credit Party shall (or shall permit any Subsidiary to) directly or indirectly, use any Loan or the proceeds of any Loan, or lend, contribute or otherwise make available such Loan or the proceeds of any Loan to any Person, to fund any activities of or business with any Person, or in any Designated Jurisdiction, that, at the time of such funding, is the subject of Sanctions, or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as Lender, Agent, Arranger or otherwise) of Sanctions.

(b)No Credit Party shall (or shall permit any Subsidiary to) directly or indirectly, use any Loan or the proceeds of any Loan for any purpose which would breach any Anti-Corruption Law.

SECTION 8.15 Regulatory Matters. The Credit Parties shall ensure that all Material Regulatory Licenses remain in full force and e ffect in all material respects.

SECTION 8.16 Annual Lender Meeting. Borrowers will participate in a meeting of the Lenders as frequently as may be reasonably required by Administrative Agent or Required Lenders but at least once each year and no more than once each month unless an Event of Default has occurred and is continuing, to be held via teleconference or in person at a time selected by Administrative Agent and reasonably acceptable to the Lenders and Parent. The purpose of this meeting shall be to present the Credit Parties' previous fiscal years' financial results and to present the Budget for the current fiscal year.

SECTION 8.17 Licensing Contracts. The Credit Parties will (a) preserve and maintain in full force and effect each of the Licensing Contracts, (b) comply in all material respects with each of their respective rights, duties and obligations under each of the Licensing Contracts, in each case, so that the business carried on by the parties to such Licensing Contracts may be properly conducted in accordance with Applicable Law at all times and (c) cause any Affiliate thereof which becomes a Licensing Entity to execute and deliver to Collateral Agent a Collateral Assignment of Licensing Contract with such Credit Party.

SECTION 8.18 Lien Releases. Prior to the commencement of any construction, improvement or related activity on any Real Property after the date the Mortgage on such Real Property has been recorded, the Credit Parties shall obtain a Lien release or subordination of Lien, in form and substance satisfactory to Collateral Agent, from each contractor, mechanic, materialman, laborer or other Person involved with the construction, build-out and equipping of any Real Property that also provided work, supplies or services, or has an Affiliate that provided work, supplies or services, on such Real Property prior to the date the Mortgage on such Real Property was recorded.

SECTION 8.19 Sales-Tracking Software. Upon the occurrence and during the continuance of an Event of Default, the Credit Parties shall grant to Administrative Agent view access with respect to their Sales Tracking Software.

SECTION 8.20 Canadian Securities Law Matters. Prior to the consummation of the TerrAscend Transaction, Parent shall (a) maintain the listing and posting for trading of its subordinate voting shares on the CSE unless such Capital Stock is listed and posting for trading on the New York Stock Exchange or Nasdaq, in which case it shall maintain such listing and posting on such exchange, and (b) maintain its status as a "reporting issuer", or, if Parent's Capital Stock is listed and posting for trading on the New York Stock Exchange or Nasdaq, the equivalent thereof in the United States, and, in each case not in default (beyond any notice and cure period) of the requirements of the Applicable Securities Legislation in the Reporting Jurisdictions.

SECTION 8.21 TerrAscend Transaction. In connection with the TerrAscend Transaction and the consummation of the sale of at least 68.74% of the Capital Stock of the Cookies Subsidiaries as contemplated by the TerrAscend Transaction Documents: (a) at Borrowers' expense, Collateral Agent (i) released (A) the Cookies Subsidiaries as Borrowers and Guarantors hereunder and under the other Credit Documents and (B) its security interests, for the benefit of the Secured Parties, in the Collateral granted to it by the Cookies Subsidiaries under the Security Documents, and (C) its security interests, for the benefit of the Secured Parties, in that portion of the Capital Stock of the Cookies Subsidiaries being divested by Cookies in connection with the TerrAscend Transaction, as granted to Collateral Agent by Cookies under the Security Documents, and (ii) executed and delivered to the applicable Credit Party such documents as such Credit Party reasonably requested to evidence the releases described in clause (i) above, in each case in accordance with the terms of the Credit Documents; (b) at Borrowers' expense, Borrowers delivered to Collateral Agent an amendment to the Canadian Security Agreement, or another Security Document in form and substance reasonably satisfactory to Collateral Agent, ensuring that Collateral Agent retained a pledge of all Capital Stock and all related assets of the Cookies Subsidiaries owned by a Credit Party; and (c) Borrowers have caused each Cookies Subsidiary, or any successor thereto or any TerrAscend Affiliate which, in each case, becomes a Licensing Entity, to execute and deliver to Collateral Agent a Collateral Assignment of Licensing Contract with the applicable Credit Party. Before or concurrently with the consummation of with the TerrAscend Transaction, Parent has caused each of the Debentures to be repaid in full and all of Parent's obligations thereunder to be terminated to the extent not previously repaid and terminated.

SECTION 8.22 Cookies Transaction. Subject to the consummation of the Cookies Transaction: (a) at Borrowers' expense, Collateral Agent (i) shall release (A) Cookies as a Borrower and Guarantor hereunder and under the other Credit Documents and (B) its security interests, for the benefit of the Secured Parties, in the Collateral granted to it by Cookies under the Security Documents, and (C) its security interests, for the benefit of the Secured Parties, in that portion of the Capital Stock of Cookies being divested by Parent in connection with the Cookies Transaction, as granted to Collateral Agent by Parent under the Security Documents, and (ii) shall execute and deliver to the applicable Credit Party such documents as such Credit Party reasonably requested to evidence the releases described in clause (i) above, in each case in accordance with the terms of the Credit Documents; (b) at Borrowers' expense, Borrowers shall deliver to Collateral Agent an amendment to the Canadian Security Agreement, or another Security Document in form and substance reasonably satisfactory to Collateral Agent, ensuring that Collateral Agent retained a pledge of all Capital Stock and all related assets of Cookies owned by a Credit Party, if any; and (c) Borrowers shall cause any TerrAscend Affiliate which becomes a Licensing Entity upon the consummation of the Cookies Transaction, to execute and deliver to Collateral Agent a Collateral Assignment of Licensing Contract with the applicable Credit Party.

SECTION 8.23 ~~SECTION 8.22~~ Post-Closing Matters.

(a)On or before December 15, 2022 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver to Agents, in form and substance satisfactory to Agents, revised Schedules to this Agreement and each of the Security Agreements

reflecting all relevant disclosures for each New Borrower (as such term is defined in the Second Amendment).

(b)On or before December 15, 2022 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver to Collateral Agent the results of a search of the UCC filings, PPSA registrations and equivalent filings, as applicable, made with respect to each Credit Party, together with copies of the financing statements, PPSA registrations and other filings (or similar documents) disclosed by such searches, and accompanied by evidence satisfactory to Collateral Agent that the Liens indicated in any such financing statement, PPSA registration and other filings (or similar document) are Permitted Liens.

(c)On or before January 13, 2023 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver to Agents, in form and substance satisfactory to Agents, all Security Documents requested by Agents in connection with the revised Schedules described in Section 8.23(a), including a Control Agreement with respect to each securities account and deposit account maintained by any New Borrower (as such term is defined in the Second Amendment) with Dart Bank.

(d)~~(a)~~ On or before ~~September 10, 2022~~January 13, 2023 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver ~~the following~~ to Agents, in form and substance satisfactory to Agents, certificates of insurance and endorsements to such insurance policies naming Collateral Agent as an additional insured on behalf of the Lenders and lender loss payee, as applicable, with respect to each Credit Party's insurance policies, in each case, pursuant to the insurance required by Section 8.03;.

(e)~~(b)~~ On or before ~~August 31~~January 13, ~~2022~~2023 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver ~~the following to~~ Agents, in form and substance satisfactory to Agents, with respect to each parcel of the Michigan Real Property ~~acquired on or after the First Amendment Date:~~, an appraisal that is conducted by an appraiser reasonably acceptable to Administrative Agent.

~~(i)A duly recorded Mortgage with respect to such Michigan Real Property;~~

~~(ii)a mortgagee's title insurance policy with respect to each Mortgage and Assignment of Leases and Rents, in form and substance satisfactory to Agents;~~

~~(iii)an ALTA survey prepared by a surveyor reasonably acceptable to Collateral Agent and certified to Collateral Agent and the issuer of the title insurance policy in a manner reasonably satisfactory to Collateral Agent; and~~

~~(iv)a zoning report and environmental site assessment reflecting such Michigan Real Property's compliance with Applicable Law.~~

(f)~~(c)~~ On or before ~~August 31~~January 13, ~~2022~~2023 (or such later date to which Administrative Agent agrees in its discretion), the Credit Parties shall deliver to Agents, in form and substance satisfactory to ~~Agents, evidence of the closure of all credit cards issued by Alterna~~Administrative Agent, an executed legal opinion of Dickinson Wright PLLC, counsel to the Credit Parties~~and the discharge of all UCC financing statement filings or PPSA registrations with respect thereto, including, without limitation, the discharge of the following PPSA registration against~~

~~Parent (formerly known as Wolverine Partners Corp.).~~, which opinion shall be addressed to Agents and the other Secured Parties.

~~Secured Party~~	~~Debtor~~	~~Jurisdiction~~	~~Registration No~~

ARTICLE IX
Negative Covenants

The Credit Parties hereby covenant and agree that until the Loans, together with interest, fees and all other Obligations incurred hereunder (other than Unasserted Contingent Obligations) are paid in full in accordance with the terms of this Agreement, subject to Section 13.01:

SECTION 9.01 Limitation on Indebtedness. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, directly or indirectly, create, incur, issue, assume, guarantee, suffer to exist or otherwise become directly or indirectly liable, contingently or otherwise with respect to any Indebtedness, except for:

(a)Indebtedness in respect of the Obligations;

(b)Indebtedness existing as of the ~~First~~Second Amendment Date which is identified on Schedule 7.24 and which is not otherwise permitted by this Section 9.01, and any Refinancing Indebtedness in respect of such Indebtedness;

(c)unsecured Indebtedness (i) incurred in the ordinary course of business of such Credit Party and its Subsidiaries in respect of open accounts extended by suppliers on normal trade terms in connection with purchases of goods and services which are not overdue for a period of more than 90 days or, if overdue for more than 90 days, as to which a dispute exists and adequate reserves in conformity with Applicable Accounting Standards have been established on the books of such Credit Party and (ii) in respect of performance, surety or appeal bonds provided in the ordinary course of business and consistent with past practice, but excluding (in each case) Indebtedness incurred through the borrowing of money or Contingent Liabilities in respect thereof;

(d)[intentionally omitted];

(e)Indebtedness (i) evidencing the deferred purchase price of newly acquired property or incurred to finance the acquisition of equipment of such Credit Party and its Subsidiaries (pursuant to purchase money mortgages or otherwise, whether owed to the seller or a third party) used in the ordinary course of business of such Credit Party and its Subsidiaries (provided that such Indebtedness is incurred within 60 days of the acquisition of such property), and (ii) constituting Capitalized Lease Obligations; provided that the principal amount of such Indebtedness under clauses (i) and (ii) shall not exceed the aggregate principal amount permitted in the definition of Permitted Capital Lease Debt;

(f)Contingent Liabilities of any Credit Party in respect of Indebtedness otherwise permitted hereunder of any Credit Party (other than Indebtedness described in clause (l)(ii) below);

(g)non-recourse Indebtedness incurred by any Borrower or any Subsidiary to finance the

payment of insurance premiums;

(h)intercompany Indebtedness (i) between any Credit Parties, so long as such Indebtedness is evidenced by a note which is pledged to Collateral Agent and is subject to a subordination agreement (or evidenced by a note which includes subordination terms) in form and substance satisfactory to Collateral Agent, (ii) by any Credit Party owing to any Subsidiary that is not a Credit Party, so long as such Indebtedness is subject to a subordination agreement (or evidenced by a note which includes subordination terms) in form and substance satisfactory to Collateral Agent, (iii) between any Subsidiaries that are not Credit Parties, and (iv) by any Subsidiary that is not a Credit Party owing to any Credit Party in an aggregate amount not to exceed, when combined with the aggregate amount of Investments made pursuant to Section 9.05(d), $100,000;

(i)the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of business;

(j)Indebtedness in respect of netting services, overdraft protection and otherwise in connection with deposit accounts or similar accounts incurred in the ordinary course of business;

(k)Indebtedness owed to any Person providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance to any Borrower or any Subsidiary incurred in connection with such Person providing such benefits or insurance pursuant to customary reimbursement or indemnification obligations to such Person, in each case, in the ordinary course of business;

(l)Indebtedness in respect of surety bonds, performance bonds and similar instruments issued in the ordinary course of business in an aggregate amount not to exceed (i) $100,000 in respect of each such surety bond, performance bond and similar instrument or (ii) $250,000 in respect of all such surety bonds, performance bonds and similar instruments in the aggregate;

(m)Indebtedness of any Credit Party to the extent constituting an Investment permitted by Section 9.05(g);

(n)Indebtedness relating to judgments, including appeal bonds, or awards not constituting an Event of Default under Section 10.01(g); and

(o)Indebtedness incurred in connection with a Permitted Acquisition consisting of seller notes, seller land contracts, or other deferred purchase price for the property acquired or to-be-acquired in such Permitted Acquisition in an amount not to exceed (i) with respect to a Permitted Acquisition permitted pursuant to clause (II) of the definition of "Permitted Acquisitions", $28,600,000 in the aggregate, and (ii) for all other Permitted Acquisitions, $500,000 in the aggregate.

SECTION 9.02 Limitation on Liens. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of any such Person (including its Capital Stock), whether now owned or hereafter acquired, except for the following (collectively, the "*Permitted Liens*"):

(a)Liens securing payment of the Obligations;

(b)Liens existing as of the ~~First~~Second Amendment Date and disclosed in Schedule 9.02 securing Indebtedness permitted under Section 9.01(b) and replacement Liens securing Refinancing Indebtedness permitted under Section 9.01(b); provided that no such Lien shall encumber any additional property and the amount of Indebtedness secured by such Lien shall not be increased or its term extended

from that existing on the ~~First~~Second Amendment Date (as such Indebtedness may be permanently reduced subsequent to the ~~First~~Second Amendment Date) except to the extent permitted by Section 9.01(b);

(c)Liens securing Indebtedness of the type permitted under Section 9.01(e); provided that (i) such Lien is granted within 60 days after such Indebtedness is incurred, (ii) the Indebtedness secured thereby does not exceed the lesser of the cost and the fair market value of the applicable property, improvements or equipment at the time of such acquisition (or construction) and (iii) such Lien secures only the assets that are the subject of the Indebtedness referred to in Section 9.01(e) and the proceeds thereof;

(d)Liens arising by operation of law in favor of carriers, warehousemen, mechanics, materialmen and landlords incurred in the ordinary course of business for amounts not yet overdue or being diligently contested in good faith by appropriate proceedings that stay execution of such Lien and for which adequate reserves in accordance with Applicable Accounting Standards shall have been established on its books;

(e)Liens incurred or pledges or deposits made in the ordinary course of business in connection with worker's compensation, employment insurance, unemployment insurance, workplace safety insurance or other forms of governmental insurance or benefits, or to secure performance of tenders, statutory obligations, bids, leases or other similar obligations (other than for borrowed money) entered into in the ordinary course of business or to secure obligations on surety, appeal or performance bonds;

(f)judgment Liens in existence for less than 60 days after the entry thereof, or with respect to which execution has been bonded, stayed or the payment of which is covered in full by insurance, and which judgment Liens do not otherwise result in an Event of Default under Section 10.01(g);

(g)easements, rights-of-way, servitudes, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not, in each case, interfering in any material respect with the value or use of the property to which such Lien is attached;

(h)Liens for Taxes, assessments or other governmental charges or levies (excluding any Lien imposed pursuant to the provisions of ERISA) not yet due and payable, or that are being diligently contested in good faith by appropriate proceedings that stays execution and for which adequate reserves in accordance with Applicable Accounting Standards shall have been established on its books;

(i)Liens arising in the ordinary course of business by virtue of any contractual, statutory or common law provision relating to banker's Liens, rights of set-off or similar rights and remedies covering deposit accounts or securities accounts (including funds or other assets credited thereto) or other funds maintained with a depository institution or securities intermediary, so long as the applicable provisions of Section 8.13 have been complied with in respect of such deposit accounts and securities accounts;

(j)any interest or title of a lessor, licensor or sublessor under any lease, license or sublease (and precautionary UCC filings or PPSA registrations with respect thereto) entered into by any such Credit Party or Subsidiary in the ordinary course of its business and covering only the assets so leased, licensed or subleased;

(k)Liens solely on any cash earnest money deposits made by such Person in connection with any letter of intent or purchase agreement permitted hereunder;

(l)Liens of sellers of goods to such Person arising under Article II of the Uniform Commercial Code or similar provisions of Applicable Law in the ordinary course of business, covering only the goods sold or securing only the unpaid purchase price of such goods and related expenses to the extent such Indebtedness is permitted hereunder;

(m)Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto to the extent such financing is permitted under Section 9.01(g);

(n)Liens (including the right of set-off) in favor of a bank or other depository institution arising as a matter of law encumbering deposits so long as the applicable provisions of Section 8.13 have been complied with;

(o)Canadian Statutory Liens;

(p)deposits to secure the performance of bids, trade contracts, leases, statutory obligations, surety and appeal bonds, performance bonds, letters of credit and other obligations of a like nature, in each case in the ordinary course of business; and

(q)(i) Liens on Real Property acquired in a Permitted Acquisition securing Indebtedness of the type permitted under Section 9.01(o)(i) incurred in connection with such Permitted Acquisition; provided that (v) such Lien is granted at the time such Indebtedness is incurred, (w) the Indebtedness secured thereby does not exceed the lesser of the cost and the fair market value of the applicable Real Property at the time of such acquisition, (x) such Lien secures only the Real Property so acquired in such Permitted Acquisition that is the subject of the Indebtedness referred to in Section 9.01(o) and the proceeds thereof, (y) notwithstanding the existence of such Lien and unless the Administrative Agent otherwise consents in writing, the applicable Credit Party provides a second-lien Mortgage and the other items described in Section 8.11 with respect to such Real Property, and (z) unless the Administrative Agent otherwise consents in writing, the applicable Credit Party shall cause the transaction documents governing such Permitted Acquisition to provide Agents and Lenders with the option to purchase the Indebtedness secured thereby at par value, plus any accrued interest if an event of default has occurred under such applicable transaction documents; and (ii) Liens on Real Property acquired in a Permitted Acquisition securing Indebtedness of the type permitted under Section 9.01(o)(ii) incurred in connection with such Permitted Acquisition if consented to by the Administrative Agent in writing.

Notwithstanding anything to the contrary set forth in this Section 9.02, in no event shall any Credit Party create, incur, assume or suffer to exist any Lien (other than Canadian Statutory Liens and Liens in favor of Collateral Agent pursuant to the Credit Documents) upon the rights of any Credit Party or Subsidiary under any Material Contract or any accounts receivable, Collections or proceeds arising thereunder or with respect thereto.

SECTION 9.03 Consolidation, Merger, Etc. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Subsidiaries of TerrAscend USA that are not Credit Parties on and as of the First Amendment Date) to, liquidate or dissolve, consolidate with, amalgamate with or into, or merge into or with, any other Person or purchase or otherwise acquire all or substantially all of the assets of any Person (or any division thereof); provided that (a) any Credit Party or Subsidiary of any Credit Party may liquidate or dissolve voluntarily into, and may merge or amalgamate with and into, any Borrower other than Parent (so long as such Borrower is the surviving entity), (b) any Guarantor may

liquidate or dissolve voluntarily into, and may merge or amalgamate with and into any other Guarantor (other than Parent) organized under the laws of the same jurisdiction, (c) the assets or Capital Stock of any Credit Party (other than Parent) may be purchased or otherwise acquired by any Borrower, (d) the Capital Stock of Parent and the Cookies Subsidiaries may be purchased or otherwise acquired pursuant to the TerrAscend Transaction, (e) Parent may enter into the amalgamation with a TerrAscend Affiliate as contemplated in the TerrAscend Transaction Documents, and (f) the assets or Capital Stock of any Guarantor may be purchased or otherwise acquired by any other Credit Party (other than Parent).

SECTION 9.04 Permitted Dispositions. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, make a Disposition, or enter into any agreement to make a Disposition, of such Credit Party's or such other Person's assets (including accounts receivable and Capital Stock of Subsidiaries) to any Person in one transaction or a series of related transactions unless such Disposition:

(a)is in the ordinary course of its business and is of obsolete, surplus or worn out property or property no longer used in its business;

(b)is made as a consequence of any loss, damage, distribution or other casualty or any condemnation or taking of such assets by eminent domain proceedings, provided that the Net Cash Proceeds thereof are applied in accordance with this Agreement;

(c)is for fair market value and the following conditions are met:

(i)the aggregate amount of Dispositions during any fiscal year shall not exceed $500,000 and the amount of any single Disposition shall not exceed $500,000;

(ii)immediately prior to and immediately after giving effect to such Disposition, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(iii)Borrowers apply any Net Cash Proceeds arising therefrom pursuant to Section 4.02(a)(ii); and

(iv)no less than 80.00% of the consideration received for such sale, transfer, lease, contribution or conveyance is received in cash;

(d)is a sale of Inventory (as defined in the UCC) in the ordinary course of business;

(e)is a sale or disposition of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement equipment, or the proceeds of such Dispositions are reasonably promptly applied to the purchase price of similar replacement equipment, all in the ordinary course of business in accordance with Section 4.02(a)(ii);

(f)is an abandonment, failure to renew, or other disposition in the ordinary course of business of any intellectual property that is not material to the conduct of the business of any Credit Party or any Subsidiary of such Credit Party;

(g)is otherwise permitted by Section 9.03, 9.05(d) or 9.05(h);

(h)is by (i) any Credit Party or Subsidiary thereof to WDB Holding, (ii) any Subsidiary of a Credit Party (other than a Borrower) to any Credit Party (other than Parent) or (iii) any Credit Party to another Credit Party (other than Parent);

(i)consists of the granting of Permitted Liens;

(j)consists of a Disposition of cash or Cash Equivalents;

(k)is a sale or discount of accounts receivable arising in the ordinary course of business in connection with the collection thereof;

(l)consists of the leasing or licensing (pursuant to leases or licenses entered into in the ordinary course of business) of real or personal property in the ordinary course of business;

(m)~~[intentionally omitted]~~consists of the Cookies Transaction;

(n)is a disposition of Real Property to a Governmental Authority that results from a condemnation, provided that the proceeds thereof are applied in accordance with this Agreement; or

(o)consists of the issuance of Capital Stock of Parent in connection with an Excluded Issuance.

Notwithstanding anything to the contrary set forth in this Section 9.04, in no event shall any Credit Party sell, transfer, assign or otherwise dispose of (other than in connection with the grant of a Lien in favor of Collateral Agent pursuant to the Credit Documents) any of its rights under or in respect of any Material Contract or any accounts receivable, Collections or proceeds arising thereunder or with respect thereto.

SECTION 9.05 Investments. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, purchase, make, incur, assume or permit to exist any Investment in any other Person, including the formation, creation or acquisition of any Subsidiary, except:

(a)Investments existing on the ~~First~~Second Amendment Date and identified in Schedule 9.05;

(b)Investments in cash and Cash Equivalents;

(c)Investments received in connection with the bankruptcy or reorganization of, or settlement of delinquent accounts and disputes with, customers and suppliers, in each case in the ordinary course of business;

(d)Investments by way of contributions to capital or purchases of Capital Stock by any Credit Party in any Subsidiary thereof that is a Credit Party (or will become a Credit Party in connection with such Investment); provided that such Credit Party or such Subsidiary shall be required to comply with (i) Section 9.01 in the event such Investment constitutes Indebtedness of the party making such Investment and (ii) Sections 8.09 and 8.11;

(e)Investments constituting (i) accounts receivable arising, (ii) trade debt granted, or (iii) deposits made in connection with the purchase price of goods or services, in each case in the ordinary course of business;

(f)Investments consisting of any deferred portion of the sales price received by any Credit Party in connection with any Disposition permitted under Section 9.04;

(g)other Investments in an aggregate principal amount at any time not to exceed $150,000;

(h)intercompany Indebtedness permitted pursuant to Section 9.01(h), so long as the applicable Persons have complied with the requirements set forth in such Section;

(i)the maintenance of deposit accounts in the ordinary course of business so long as the applicable provisions of Section 8.13 have been complied with in respect of such deposit accounts;

(j)Guarantee Obligations to the extent permitted by Section 9.01(f);

(k)loans and advances to officers, directors and employees of any Credit Party for reasonable and customary business related travel expenses, entertainment expenses, moving expenses and similar expenses, in each case incurred in the ordinary course of business, in an aggregate outstanding principal amount at any time not to exceed $50,000;

(l)Investments consisting of loans made in lieu of Restricted Payments which are otherwise permitted under Section 9.07;

(m)deposits, prepayments and other credits to suppliers and deposits in connection with lease obligations, taxes, insurance and similar items, in each case made in the ordinary course of business and securing Contractual Obligations of a Credit Party, in each case to the extent constituting a Permitted Lien;

(n)Permitted Acquisitions; and

(o)the Real Estate Settlement;

provided that no Investment otherwise permitted under clauses (d)(ii), (f), (g) or (k) shall be permitted to be made if, at the time of making any such Investment, any Default or Event of Default has occurred and is continuing or would result therefrom.

SECTION 9.06 ERISA.

(a)No Credit Party will (a) fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as each term is defined in ERISA, to occur or (b) withdraw or permit any Subsidiary to withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of a Credit Party or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other governmental agency.

(b)None of the Credit Parties shall maintain, administer, contribute or have any liability in respect of any Canadian Pension Plan or acquire an interest in any Person if such Person sponsors, maintains, administers or contributes to, or has any liability in respect of any Canadian Pension Plan.

SECTION 9.07 Restricted Payments. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, make any Restricted Payment, or make any deposit for any Restricted Payment, other than:

(a)Restricted Payments by any Subsidiary of a Credit Party to (i) its direct parent, so long as such parent is a Credit Party or (ii) WDB Holding;

(b)Restricted Payments by any Credit Party or any its Subsidiaries to pay dividends with respect to its Capital Stock payable solely in additional shares of such Capital Stock (other than Disqualified Capital Stock);

(c)[intentionally omitted]; and

(d)the repurchase, redemption, or other acquisition for value by Parent of any of its Capital Stock to the extent reasonably necessary to remove a holder of such Capital Stock to maintain compliance with U.S. State Cannabis Laws.

SECTION 9.08 Payments and Modification of Certain Agreements. Each Credit Party will not, and will not permit any of its Subsidiaries to:

(a)Make any payment on account of (i) Indebtedness that has been contractually subordinated in right of payment to the Obligations if such payment is not permitted at such time under the subordination terms and conditions applicable thereto or (ii) any other Restricted Debt unless, with respect to this clause (ii), no Default or Event of Default has occurred and is continuing or would result therefrom.

(b)Consent to any amendment, supplement, waiver or other modification of, or enter into any forbearance from exercising any rights with respect to the terms or provisions contained in
(i) any Organization Documents, in each case, other than any amendment, supplement, waiver, termination, modification or forbearance (A) that is not materially adverse to the Secured Parties and (B) notice of which was received by Administrative Agent at least five Business Days (or such shorter period as Administrative Agent may permit in its discretion) prior to its effectiveness, (ii) any document, agreement or instrument evidencing or governing any Indebtedness that has been subordinated to the Obligations in right of payment or any Liens that have been subordinated in priority to the Liens of Administrative Agent unless such amendment, supplement, waiver or other modification is permitted under the terms of the subordination agreement applicable thereto, or (iii) any Material Contract, in each case, other than any amendment, supplement, waiver or modification (A) that is not materially adverse to the Secured Parties and (B) notice of which was received by Administrative Agent at least five Business Days (or such shorter period as Administrative Agent may permit in its discretion) prior to its effectiveness.

SECTION 9.09 Sale and Leaseback. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, directly or indirectly, engage in any sale-leaseback, synthetic lease or similar transaction after the Closing Date with respect to any property of any Credit Party or any Subsidiary thereof.; provided, however, that a Credit Party may enter into a simultaneous sale and leaseback with respect to the cultivation facility of Borrowers located in Bay City, Michigan so long as (a) no Default or Event of Default has occurred and is continuing or would result from such transaction, (b) such Credit Party shall receive 100.00% cash consideration in an amount not less than the fair market value of such Real Property and (c) such Credit Party shall use 50.00% of such cash consideration to repay the Obligations in accordance with Section 4.02(a)(ii).

SECTION 9.10 Transactions with Affiliates. Except as set forth on Schedule 7.30, each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, enter into or cause or permit to exist any arrangement, transaction or contract (including for the purchase, lease or exchange of property or the rendering of services) with any Affiliate (other than arrangements, transactions or contracts solely among the Credit Parties) except (a) on fair and reasonable terms no less favorable to such Credit Party or such Subsidiary than it could obtain in an arm's-length transaction with a Person that is not an Affiliate, (b) any transaction expressly permitted under Section 9.01(h), 9.03, 9.05(d), 9.05(h), 9.05(j), 9.05(k) or 9.07, (c) so long as it has been approved by Parent's or its applicable Subsidiary's Board of Directors in accordance with Applicable Law, (i) customary fees to, and indemnifications of, non-officer directors of the Credit Parties and their respective Subsidiaries or
(ii)the payment of reasonable and customary compensation and indemnification arrangements and benefit plans for officers and employees of the Credit Parties and their respective Subsidiaries in the ordinary course of business, (d) transactions among Subsidiaries that are not Credit Parties in the ordinary course of business, and (e) transactions otherwise disclosed in writing to, and approved by, Administrative Agent in its reasonable discretion (such approval not to be unreasonably withheld, conditioned or delayed).

SECTION 9.11 Restrictive Agreements, Etc. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Subsidiaries of TerrAscend USA that are not Credit Parties on and as of the First Amendment Date) to, enter into any agreement (other than a Credit Document) prohibiting:

(a)the creation or assumption of any Lien upon its properties, revenues or assets, whether now owned or hereafter acquired;

(b)the ability of such Person to amend or otherwise modify any Credit Document or waive, consent to or otherwise deviate from any provision under any Credit Document; or

(c)the ability of such Person to make any payments, directly or indirectly, to any Borrower, including by way of dividends, advances, repayments of loans, reimbursements of management and other intercompany charges, expenses and accruals or other returns on investments.

The foregoing prohibitions shall not apply to customary restrictions of the type described in clause (a) above (which do not prohibit the Credit Parties from complying with or performing the terms of this Agreement and the other Credit Documents) which are contained in any agreement, (i) governing any Indebtedness permitted by Section 9.01(c) as to the transfer of assets financed with the proceeds of such Indebtedness, (ii) for the creation or assumption of any Lien on the sublet or assignment of any leasehold interest of any Credit Party or any of its Subsidiaries entered into in the ordinary course of business, (iii) for the assignment of any contract or licensed intellectual property entered into by any Credit Party or any of its Subsidiaries in the ordinary course of business or (iv) for the transfer of any asset pending the close of the sale of such asset pursuant to a Disposition permitted under this Agreement.

SECTION 9.12 Hedging Agreements. Each Credit Party will not, and will not permit any of its Subsidiaries (other than any Excluded TerrAscend Subsidiary) to, enter into any Hedging Agreement.

SECTION 9.13 Changes in Business and Fiscal Year.

(a)No Credit Party shall (or shall permit any Subsidiaries (other than any Excluded TerrAscend Subsidiary) to) (i) engage in any business activity directly other than any Support Business,
(ii) engage in any business activity indirectly other than any Cannabis Business, and then only through a Licensing Entity, or (iii) modify or change its fiscal year or its method of accounting (other than (A) following the consummation of the TerrAscend Transaction, to migrate from IFRS to GAAP so long as

the Credit Parties give the Administrative Agent written notice of the effective date of such migration, (B) as may be required to conform to Applicable Accounting Standards or (C) to the extent consented to by Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

(b)None of the Primary Officers shall engage in the Business in Michigan except through a Credit Party or a Licensing Entity.

SECTION 9.14 Financial Performance Covenants.

(a)Liquidity. The Credit Parties will not permit the average daily balance of Liquidity of the Credit Parties, measured on the last day of each fiscal month for such month, to be less than $~~5,200,000~~2,360,000.

(b)Revenue. Commencing on December 31, 2021, the Credit Parties will not allow the revenue of the Financial Reporting Companies, as determined in accordance with Applicable Accounting Standards for the Applicable Fiscal Period ending on the last day of each fiscal quarter, to be less than $~~75,000,000.~~55,000,000; provided that if (x) revenue of the Financial Reporting Companies on the last day of such fiscal quarter is less than $55,000,000, and (y) the Borrowers have prepaid the Loan as provided in Section 4.01(b), then compliance with this Section 9.14(b) shall be waived for such fiscal quarter.

SECTION 9.15 Operations of Parent. Parent will not hold any assets or engage in any business other than as set forth in Section 7.29.

SECTION 9.16 Holding Company. Parent shall not engage in any business or activity other than (a) the ownership of the Capital Stock in TerrAscend USA, prior to the consummation of the Cookies Transaction, Cookies, and Gage Innovations and activities reasonably incidental thereto, (b) the corporate actions required to maintain its existence and (c) the execution and delivery of the Credit Documents to which it is a party and the performance of its obligations thereunder. Parent does not directly own any assets other than Capital Stock of TerrAscend USA, prior to the consummation of the Cookies Transaction, Cookies, and Gage Innovations.

ARTICLE X
Events of Default

SECTION 10.01 Listing of Events of Default. Each of the following events or occurrences described in this Section 10.01 shall constitute an "*Event of Default*":

(a)Non-Payment of Obligations. (i) Any Borrower shall default in the payment of any principal of, or interest on, any Loan when such amount is due or (ii) any Credit Party or any TerrAscend Guarantor shall default in the payment of any other monetary Obligation and, in each case of this clause (ii), such default shall continue unremedied for a period of five days.

(b)Breach of Representations or Warranties. Any representation or warranty by any Credit Party or any TerrAscend Guarantor made or deemed to be made in any Credit Document (including any certificates delivered pursuant to Article V), is or shall be incorrect in any material respect when made or deemed to have been made.

(c)Non-Performance of Certain Covenants and Obligations. Any Credit Party shall default in the due performance or observance of any of its obligations under Section 8.01, 8.02, 8.03, 8.04, 8.05 (solely with respect to such Credit Party's existence in its jurisdiction of organization), 8.07

(solely with respect to timely payments on Land Contracts), 8.09, 8.10, 8.11, 8.12, 8.13, 8.14, 8.15, 8.16, 8.17, 8.18, 8.19, 8.20, 8.21 or 8.22 or Article IX.

(d)Non-Performance of Other Covenants and Obligations. Any Credit Party shall default in the due performance or observance of any of its obligations under Section 8.05 (solely with respect to such Credit Party's maintenance of good standing in its jurisdiction of organization), 8.06 or 8.07 (other than with respect to timely payments on Land Contracts), or any Credit Party or any TerrAscend Guarantor shall default in the due performance or observance of its obligations under any covenant applicable to it under any Security Document, and such default shall continue unremedied for a period of 10 days after the occurrence thereof.

(e)Non-Performance of Other Covenants and Obligations. Any Credit Party or any TerrAscend Guarantor shall default in the due performance and observance of any obligation contained in any Credit Document executed by it (other than as specified in Sections 10.01(a), 10.01(b), 10.01(c), or 10.01(d)), and such default shall continue unremedied for a period of 30 days after the occurrence thereof.

(f)Default on Other Indebtedness. (i) A default shall occur in the payment of any amount when due (subject to any applicable grace, notice or cure period), whether by acceleration or otherwise, of any principal or stated amount of, or interest or fees on, any Land Contract or any other Indebtedness (other than the Obligations) of any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding having a principal or stated amount, individually or in the aggregate, in excess of $500,000, or a default shall occur in the performance or observance of any obligation or condition with respect to any such Indebtedness if the effect of such default is to accelerate the maturity of such Indebtedness or to permit the holder or holders of such Indebtedness, or any trustee or agent for such holders, to cause or declare such Indebtedness to become immediately due and payable, or (ii) any Indebtedness of any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding having a principal or stated amount, individually or in the aggregate, in excess of $500,000 shall otherwise be required to be prepaid, redeemed, purchased or defeased, or require an offer to purchase or defease such Indebtedness to be made, prior to its expressed maturity (other than in connection with the incurrence of Refinancing Indebtedness permitted by Section 9.01 to repay such Indebtedness).

(g)Judgments; Fines. Any judgment, order for the payment of money, fines, settlements (other than the Real Estate Settlement) or enforcement penalties, in an amount individually or in the aggregate in excess of $500,000 (exclusive of any amounts covered by insurance (less any applicable deductible) and as to which the insurer has acknowledged its responsibility to cover such judgment or order) shall be rendered against any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding and such judgment, order, fine, settlement or penalty shall not have been vacated or discharged or stayed or bonded pending appeal within 60 days after the entry thereof or enforcement proceedings shall have been commenced by any creditor upon such judgment or order.

(h)Bankruptcy, Insolvency, Etc. Any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding shall:

(i)become insolvent or generally fail to pay, or admit in writing its inability or unwillingness generally to pay, its debts as they become due;

(ii)apply for, consent to, or acquiesce in the appointment of a trustee, receiver, sequestrator, examiner or other custodian for any substantial part of the assets or other property of any such Person, or make a general assignment for the benefit of creditors;

(iii)in the absence of such application, consent or acquiesce to or permit or suffer to exist, the appointment of a trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official for a substantial part of the property of any thereof, and such trustee, interim receiver, receiver, receiver and manager, administrative receiver, custodian, liquidator, provisional liquidator, administrator, sequestrator or other like official shall not be discharged within 60 days; provided that each Credit Party hereby expressly authorizes each Secured Party to appear in any court conducting any relevant proceeding during such 60-day period to preserve, protect and defend their rights under the Credit Documents;

(iv)permit or suffer to exist the commencement of any bankruptcy, reorganization, debt arrangement or other case or proceeding under any bankruptcy or insolvency law or other Insolvency Legislation or any dissolution, examinership, winding up or liquidation proceeding, in respect thereof, and, if any such case or proceeding is not commenced by such Person, such case or proceeding shall be consented to or acquiesced in by such Person, or shall result in the entry of an order for relief or shall remain for 60 days undismissed; provided that each Credit Party hereby expressly authorizes each Secured Party to appear in any court conducting any such case or proceeding during such 60-day period to preserve, protect and defend their rights under the Credit Documents; or

(v)take any action authorizing, or in furtherance of, any of the foregoing.

(i)Impairment of Security, Etc. Any Credit Document or any Lien granted thereunder shall (except in accordance with its terms), in whole or in part, terminate, cease to be effective or cease to be the legally valid, binding and enforceable obligation of any Credit Party or any TerrAscend Guarantor party thereto, or any Credit Party, any TerrAscend Guarantor or any other Person shall, directly or indirectly, contest or limit in any manner such effectiveness, validity, binding nature or enforceability; or, except as permitted under any Credit Document, any Lien (subject only to Permitted Liens) securing any Obligation shall, in whole or in part, cease to be a perfected Lien with respect to Collateral with a value in an aggregate amount in excess of $500,000 (other than as a result of voluntary and intentional discharge of the Lien by Collateral Agent).

(j)Change of Control. Any Change of Control shall occur.

(k)Restraint of Operations; Loss of Assets. Any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding shall be enjoined, restrained, or in any way prevented by court order or other Governmental Authority from continuing to conduct all or any material part of its business affairs for more than 30 consecutive Business Days or if any material portion of any Credit Party's, any TerrAscend Guarantor's or any of such Subsidiary's assets is attached, seized, subjected to a writ or distress warrant, or is levied upon, or comes into the possession of any third Person and the same is not discharged before the earlier of 60 days after the date it first arises or five days prior to the date on which such property or asset is subject to forfeiture by such Credit Party, such TerrAscend Guarantor or such Subsidiary.

(l)Material Adverse Effect. Any Material Adverse Effect shall occur.

(m)Regulatory Licenses. Any Material Regulatory License shall cease to be valid, subsisting and in good standing for a period of 30 days beyond any grace period provided for by the applicable Governmental Authority unless such status is being diligently contested in good faith by appropriate proceedings and the applicable Credit Party and the applicable Business are able to continue operations in accordance with Applicable Law while such status is being contested; or if any other Permit material to the business of the Credit Parties is withdrawn, cancelled, suspended or amended and such

withdrawal, cancellation, suspension or amendment of such other Permit would reasonably be expected to result in a Material Adverse Effect if such other Permit was not ultimately reinstated, replaced, or beneficially amended, and such other Permit is not so reinstated, replaced, or beneficially amended within 30 days from the later of the date of such withdrawal, cancellation, suspension or amendment and the last day of any grace period provided for by the applicable Governmental Authority for such reinstatement, replacement, or beneficial amendment, unless such status is being diligently contested in good faith by appropriate proceedings and the applicable Credit Party and the applicable Business are able to continue operations in accordance with Applicable Law while such status is being contested.

(n)Other Proceedings. Any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding, or any officer, director, member or, if such TerrAscend Guarantor, Credit Party or Subsidiary is manager-managed, manager thereof shall have been found guilty of an act of fraud or violation of U.S. State Cannabis Law, and such guilty verdict or plea results in the loss of a Regulatory License or, if such Person is an individual, such Person is not replaced with another individual reasonably acceptable to Administrative Agent within 90 days of such guilty verdict or plea.

(o)Restricted Cannabis Activity. Any TerrAscend Guarantor, any Credit Party or any Subsidiary of WDB Holding shall engage in any Restricted Cannabis Activity.

(p)Land Contracts Reserve Amount. Any Credit Party or officer or representative thereof shall instruct, direct, demand or otherwise request any funds from the Land Contracts Reserve Amount or the Land Contracts Trust Account without express prior written authorization from Administrative Agent.

SECTION 10.02 Remedies Upon Event of Default. If any Event of Default under Section 10.01(h) shall occur for any reason, whether voluntary or involuntary, all of the outstanding principal amount of the Loans and other Obligations shall automatically be due and payable and any commitments shall be terminated, in each case, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Credit Party. If any Event of Default (other than any Event of Default under Section 10.01(h)) shall occur for any reason, whether voluntary or involuntary, and be continuing, Administrative Agent may, and upon the direction of Required Lenders, Administrative Agent shall, declare all or any portion of the outstanding principal amount of the Loans and other Obligations to be due and payable and any commitment shall be terminated, whereupon the full unpaid amount of such Loans and other Obligations that shall be so declared due and payable shall be and become immediately due and payable, in each case, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by each Credit Party. In addition to the foregoing, Administrative Agent may, and upon the direction of Required Lenders, Administrative Agent shall, have the right to the appointment of a receiver for the property of the Credit Parties or a chief restructuring officer for the operation of any Credit Party, and the Credit Parties hereby consent to such rights and such appointment and hereby waive any objection the Credit Parties may have thereto or the right to have a bond or other security posted by any Secured Party in connection therewith. The Lenders and Collateral Agent shall have all other rights and remedies available at law or in equity or pursuant to any Credit Documents.

ARTICLE XI
Agents

SECTION 11.01 Appointment. Each Lender (and, if applicable, each other Secured Party) hereby appoints Chicago Atlantic as its Collateral Agent under and for purposes of each Credit Document, and hereby authorizes Collateral Agent to act on behalf of such Lender (or if applicable, each other Secured Party) under each Credit Document, and, in the absence of other written instructions from

the Lenders pursuant to the terms of the Credit Documents received from time to time by Collateral Agent, to exercise such powers hereunder and thereunder as are specifically delegated to or required of Collateral Agent by the terms hereof and thereof, together with such powers as may be incidental thereto. Each Lender (and, if applicable, each other Secured Party) hereby appoints Chicago Atlantic as its Administrative Agent under and for purposes of each Credit Document and hereby authorizes Administrative Agent to act on behalf of such Lender (or, if applicable, each other Secured Party) under each Credit Document and, in the absence of other written instructions from the Lenders pursuant to the terms of the Credit Documents received from time to time by Administrative Agent, to exercise such powers hereunder and thereunder as are specifically delegated to or required of Administrative Agent by the terms hereof and thereof, together with such powers as may be incidental thereto. Each Lender (and, if applicable, each other Secured Party) hereby designates and appoints each Agent as the agent of such Lender. Notwithstanding any provision to the contrary elsewhere in this Agreement, no Agent shall have any duties or responsibilities, except those expressly set forth herein, or any fiduciary relationship with any Lender or other Secured Party, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Agreement or any other Credit Document or otherwise exist against any Agent. Anything contained in any of the Credit Documents to the contrary notwithstanding, each Credit Party, Administrative Agent, Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce either Security Agreement or any other Security Documents, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by Agents, on behalf of the Secured Parties in accordance with the terms hereof, and all powers, rights and remedies under the Security Documents may be exercised solely by Agents, and (ii) in the event of a foreclosure by any of Agents on any of the Collateral pursuant to a public or private sale or other disposition, any Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and each Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations (including Obligations owed to any other Secured Party) as a credit on account of the purchase price for any Collateral payable by such Agent at such sale or other disposition.

SECTION 11.02 Delegation of Duties. Each Agent may execute any of its duties under this Agreement and the other Credit Documents by or through agents or attorneys in fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. No Agent shall be responsible for the negligence or misconduct of any agents or attorneys in fact selected by it with reasonable care.

SECTION 11.03 Exculpatory Provisions. Neither any Agent nor any of their respective officers, directors, employees, agents, attorneys in fact or Affiliates shall be (a) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Agreement or any other Credit Document (except to the extent that any of the foregoing are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from its or such Person's own gross negligence, bad faith or willful misconduct) or (b) responsible in any manner to any of the Lenders or any other Secured Party for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Agreement or any other Credit Document or in any certificate, report, statement or other document referred to or provided for in, or received by Agents under or in connection with, this Agreement or any other Credit Document or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Agreement or any other Credit Document or for any failure of any Credit Party or other Person to perform its obligations hereunder or thereunder. Agents shall not be under any obligation to any Lender to ascertain or to inquire as to the observance or

performance of any of the agreements contained in, or conditions of, this Agreement or any other Credit Document, or to inspect the properties, books or records of any Credit Party.

SECTION 11.04 Reliance by Agents. Each Agent shall be entitled to rely, and shall be fully protected in relying, upon any instrument, writing, resolution, notice, consent, certificate, affidavit, letter, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including counsel to the Credit Parties), independent accountants and other experts selected by such Agent. Agents may deem and treat the payee of any note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with Agents. Each Agent shall be fully justified in failing or refusing to take any action under this Agreement or any other Credit Document unless it shall first receive such advice or concurrence of Required Lenders (or, if so specified by this Agreement, all or other requisite Lenders) as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders against any and all liability and expense that may be incurred by it by reason of taking or continuing to take any such action. Agents shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Credit Documents in accordance with a request of Required Lenders (or, if so specified by this Agreement, all Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans and all other Secured Parties.

SECTION 11.05 Notice of Default. Administrative Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder, except with respect to any Default or Event of Default in the payment of principal, interest and fees required to be paid to Administrative Agent for the account of the Lenders unless Administrative Agent has received notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". Collateral Agent shall not be deemed to have knowledge or notice of the occurrence of any Default or Event of Default hereunder unless Collateral Agent has received notice from a Lender or a Borrower referring to this Agreement, describing such Default or Event of Default and stating that such notice is a "notice of default". In the event that an Agent receives such a notice, such Agent shall give notice thereof to the other Agent and the Lenders. Each Agent shall take such action with respect to such Default or Event of Default as shall be reasonably directed by Required Lenders (or, if so specified by this Agreement, all Lenders or any other instructing group of Lenders specified by this Agreement); provided that unless and until each Agent shall have received such directions, Agents may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Default or Event of Default as such Agent shall deem advisable in the best interests of the Secured Parties.

SECTION 11.06 Non-Reliance on Agents and other Lenders. Each Lender (and, if applicable, each other Secured Party) expressly acknowledges that neither Agents, Arranger, nor any of their respective officers, directors, employees, agents, attorneys in fact or Affiliates have made any representations or warranties to it and that no act by any Agent or Arranger hereafter taken, including any review of the affairs of a Credit Party or any Affiliate of a Credit Party, shall be deemed to constitute any representation or warranty by any Agent or Arranger to any Lender or any other Secured Party. Each Lender (and, if applicable, each other Secured Party) represents to Agents and Arranger that it has, independently and without reliance upon any Agent, Arranger or any other Lender or any other Secured Party, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Credit Parties and their Affiliates and made its own decision to make its Loans hereunder. Each Lender (and, if applicable, each other Secured Party) also represents that it will, independently and without reliance upon any Agent, Arranger or any other Lender or any other Secured Party, and based on such documents and information as it shall deem appropriate at the time, continue to

make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Credit Parties and their Affiliates. Except for notices, reports and other documents expressly required to be furnished to the Lenders by any Agent or Arranger hereunder, Agents and Arranger shall not have any duty or responsibility to provide any Lender or any other Secured Party with any credit or other information concerning the business, operations, property, condition (financial or otherwise), prospects or creditworthiness of any Credit Party or any Affiliate of a Credit Party that may come into the possession of such Agent or any of its officers, directors, employees, agents, attorneys in fact or Affiliates.

SECTION 11.07 Indemnification. The Lenders agree to indemnify each Agent in its capacity as such (to the extent not reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so), ratably according to their respective Total Credit Exposure in effect on the date on which indemnification is sought under this Section 11.07 (or, if indemnification is sought after the date upon which the Commitments shall have terminated and the Loans shall have been paid in full, ratably in accordance with such Total Credit Exposure immediately prior to such date), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time (whether before or after the payment of the Loans) be imposed on, incurred by or asserted against such Agent in any way relating to or arising out of, the Commitments, this Agreement, any of the other Credit Documents, or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by such Agent under or in connection with any of the foregoing; provided that no Lender shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements that are found by a final and non-appealable decision of a court of competent jurisdiction to have resulted from such Agent's gross negligence, bad faith or willful misconduct. The agreements in this Section 11.07 shall survive the payment of the Loans and all other amounts payable hereunder.

SECTION 11.08 Agent in Its Individual Capacity. Each Agent and its Affiliates may make loans to, accept deposits from and generally engage in any kind of business with any Credit Party as though such Agent were not an Agent. With respect to its Loans made or renewed by it, each Agent shall have the same rights and powers under this Agreement and the other Credit Documents as any Lender and may exercise the same as though it were not an Agent, and the terms "Lender", "Lenders", "Secured Party" and "Secured Parties" shall include each Agent in its individual capacity.

SECTION 11.09 Successor Agents. Either Agent may resign as Agent upon 20 days' notice to the Lenders, such other Agent and Borrowers. If either Agent shall resign as such Agent in its applicable capacity under this Agreement and the other Credit Documents, then Required Lenders shall appoint a successor agent, which successor agent shall, unless an Event of Default shall have occurred and be continuing, be subject to approval by Parent (which approval shall not be unreasonably withheld, delayed or conditioned), whereupon such successor agent shall succeed to the rights, powers and duties of such Agent in its applicable capacity, and the term "Administrative Agent" or "Collateral Agent", as the case may be, shall mean such successor agent effective upon such appointment and approval, and the former Agent's rights, powers and duties as Agent in its applicable capacity shall be terminated, without any other or further act or deed on the part of such former Agent or any of the parties to this Agreement or any holders of the Loans. If no applicable successor agent has accepted appointment as such Agent in its applicable capacity by the date that is 20 days following such retiring Agent's notice of resignation, such retiring Agent's resignation shall nevertheless thereupon become effective and the Lenders shall assume and perform all of the duties of such Agent hereunder until such time, if any, as Required Lenders appoint a successor agent as provided for above. After any retiring Agent's resignation as

Administrative Agent or Collateral Agent, as applicable, the provisions of this Article XI shall inure to its benefit as to any actions taken or omitted to be taken by it while it was an Agent under this Agreement and the other Credit Documents.

SECTION 11.10 Agents Generally. Except as expressly set forth herein, no Agent shall have any duties or responsibilities hereunder in its capacity as such. Arranger shall not have any obligations or duties whatsoever in such capacity under this Agreement or any other Credit Document and shall incur no liability hereunder or thereunder in such capacity, but Arranger and its Related Parties shall have the benefit of the indemnities provided for hereunder.

SECTION 11.11 Restrictions on Actions by Secured Parties; Sharing of Payments.

(a)Each of the Lenders agrees that it shall not, without the express written consent of Collateral Agent, and that it shall, to the extent it is lawfully entitled to do so, upon the written request of Collateral Agent, set off against the Obligations, any amounts owing by such Lender to any Credit Party or any of their respective Subsidiaries or any deposit accounts of any Credit Party or any of their respective Subsidiaries now or hereafter maintained with such Lender. Each of the Lenders further agrees that it shall not, unless specifically requested to do so in writing by Collateral Agent, take or cause to be taken any action, including, the commencement of any legal or equitable proceedings to enforce any Credit Document against any Credit Party or to foreclose any Lien on, or otherwise enforce any security interest in, any of the Collateral.

(b)Subject to Section 12.08(a), if, at any time or times any Lender shall receive (i) by payment, foreclosure, setoff, or otherwise, any proceeds of Collateral or any payments with respect to the Obligations, except for any such proceeds or payments received by such Lender from Agents pursuant to the terms of this Agreement, or (ii) payments from Agents in excess of such Lender's pro rata share of all such distributions by Agents, such Lender promptly shall (A) turn the same over to Collateral Agent, in kind, and with such endorsements as may be required to negotiate the same to Collateral Agent, or in immediately available funds, as applicable, for the account of all of the Lenders and for application to the Obligations in accordance with the applicable provisions of this Agreement, or (B) purchase, without recourse or warranty, an undivided interest and participation in the Obligations owed to the other Lenders so that such excess payment received shall be applied ratably as among the Lenders in accordance with their pro rata shares; provided that to the extent that such excess payment received by the purchasing party is thereafter recovered from it, those purchases of participations shall be rescinded in whole or in part, as applicable, and the applicable portion of the purchase price paid therefor shall be returned to such purchasing party, but without interest except to the extent that such purchasing party is required to pay interest in connection with the recovery of the excess payment.

(c)The benefit of the provisions of the Credit Documents directly relating to the Collateral or any Lien granted thereunder shall extend to and be available to any Secured Party that is not an Agent or a Lender as long as, by accepting such benefits, such Secured Party agrees, as among Agents and all other Secured Parties, that such Secured Party is bound by (and, if requested by any Agent, shall confirm such agreement in a writing in form and substance acceptable to the such Agent) this Article XI, including Sections 11.11(a) and (b), and the decisions and actions of Agents and Required Lenders (or, where expressly required by the terms of this Agreement, a greater proportion of the Lenders) to the same extent a Lender is bound; provided that, notwithstanding the foregoing, (i) except as set forth specifically herein, each Agent and each Lender shall be entitled to act in its discretion, without regard to the interest of such Secured Party, regardless of whether any Obligation to such Secured Party thereafter remains outstanding, is deprived of the benefit of the Collateral, becomes unsecured or is otherwise affected or put in jeopardy thereby, and without any duty or liability to such Secured Party or any such Obligation and (ii) except as specifically set forth herein, such Secured Party shall not have any right to be notified

of, consent to, direct, require or be heard with respect to, any action taken or omitted in respect of the Collateral or under any Credit Document.

SECTION 11.12 Agency for Perfection. Collateral Agent hereby appoints each other Secured Party as its agent and as sub-agent for the other Secured Parties (and each Secured Party hereby accepts such appointment) for the purpose of perfecting all Liens with respect to the Collateral, including with respect to assets which, in accordance with Article VIII or Article IX, as applicable, of the Uniform Commercial Code of any applicable state can be perfected only by possession or control. Should any Secured Party obtain possession or control of any such Collateral, such Secured Party shall notify Collateral Agent thereof, and, promptly upon Collateral Agent's request therefor shall deliver possession or control of such Collateral to Collateral Agent and take such other actions as agent or sub-agent in accordance with Collateral Agent's instructions to the extent, and only to the extent, so authorized or directed by Collateral Agent.

SECTION 11.13 Enforcement by Agents. All rights of action under this Agreement, the Notes and the other Credit Documents shall be instituted, maintained, pursued or enforced by Agents. Any suit or proceeding instituted by any Agent in furtherance of such enforcement shall be brought in such Agent's name without the necessity of joining any of the other Lenders. In any event, the recovery of any judgment by any Agent shall be for the ratable benefit of all Secured Parties, subject to the reimbursement of expenses and costs of such Agent.

SECTION 11.14 Credit Parties Not Beneficiaries. The provisions of this Article XI are solely for the benefit of Agents and Lenders, may not be enforced by any Credit Party, and may be modified or waived without the approval or consent of the Credit parties.

SECTION 11.15 Intercreditor and Subordination Agreements. Lenders hereby (a) authorize each Agent to execute and deliver any intercreditor agreement or subordination agreement on behalf of Agents and Lenders and to perform its obligations thereunder and (b) agree to be bound by the provisions of such documents.

ARTICLE XII
Miscellaneous

SECTION 12.01 Amendments and Waivers.

(a). Neither this Agreement nor any other Credit Document, nor any terms hereof or thereof, may be amended, supplemented, modified or waived except in accordance with the provisions of this Section 12.01. Required Lenders may, or, with the prior written consent of Required Lenders, Administrative Agent may, from time to time, enter into with the relevant Credit Party or Credit Parties written amendments, supplements or modifications hereto and to the other Credit Documents for the purpose of adding any provisions to this Agreement or the other Credit Documents or changing in any manner the rights of the Lenders or the Credit Parties hereunder or thereunder, waive, on such terms and conditions as Required Lenders or Administrative Agent, as the case may be, may specify in such instrument, any of the requirements of this Agreement or the other Credit Documents or any Default or Event of Default and its consequences or consent to any acts or omissions of the Credit Parties hereunder or under any other Credit Document that, but for such consent, would constitute a Default or Event of Default hereunder or thereunder; provided that no such waiver, amendment, supplement, modification, consent or waiver shall directly or indirectly:

(i)(a) (iA) reduce or forgive any portion of any Loan or extend the final scheduled maturity date of any Loan or reduce the stated interest rate (provided that only the consent of

Required Lenders shall be necessary to waive any obligation of Borrowers to pay interest at the Default Rate or amend Section 2.06(~~c~~d)), or (~~i~~iB) reduce or forgive any portion or extend the date for the payment, of any interest or fee payable hereunder (other than as a result of waiving the applicability of any post-default increase in interest rates and other than as a result of a waiver or amendment of any mandatory prepayment of Loans (which shall not constitute an extension, forgiveness or postponement of any date for payment of principal, interest or fees)), or (~~i~~iiC) amend or modify any provisions of Section 4.02(d) or any other provision that provides for the *pro rata* nature of disbursements by or payments to the Lenders, in each case without the written consent of each Lender directly and adversely affected thereby;

(ii)~~(b)~~ amend, modify or waive any provision of this Section 12.01 or reduce the percentages specified in the definitions of the term "Required Lenders" or consent to the assignment or transfer by any Credit Party of its rights and obligations under any Credit Document to which it is a party (except as permitted pursuant to Section 9.03), in each case without the written consent of each Lender directly and adversely affected thereby;

(iii)~~(c)~~ increase the aggregate amount of any Commitment of any Lender without the consent of such Lender;

(iv)~~(d)~~ allow any Credit Party or any Subsidiary thereto to incur any Indebtedness other than as permitted under Section 9.01 on the Closing Date, in each case without the written consent of each Lender;

(v)~~(e)~~ amend, modify or waive any provision of Article XI without the written consent of the then-current Collateral Agent and Administrative Agent; or

(vi)~~(f)~~ release (~~i~~A) any Borrower, (~~i~~iB) all or substantially all Guarantors, or (~~i~~iiC) any Liens in favor of Collateral Agent or the Lenders on all or substantially all of the Collateral under the Security Documents (except as expressly permitted thereby and in Section 12.18 or as expressly permitted in Section 8.21 and Section 8.22), in each case without the prior written consent of each Lender.

(b)Notwithstanding the foregoing, (i) any fee letter between Administrative Agent or any of its Affiliates, on the one hand, and one or more Borrowers, on the other hand, may be amended by the parties thereto and (ii) the Incremental Loan Agreement shall be effective to amend this Agreement as contemplated by Section 2.01(d)(vi) if executed by Borrowers, the other Credit Parties party thereto, each Lender providing an Incremental Loan Commitment and Administrative Agent.

SECTION 12.02 Notices and Other Communications.

(a)General. Unless otherwise expressly provided herein, all notices and other communications provided for hereunder or under any other Credit Document shall be in writing (including by facsimile or other electronic transmission). All such written notices shall be mailed, faxed or delivered to the applicable address or electronic mail address, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number, as follows:

(i)if to the Credit Parties or Agents, to the address, electronic mail address or telephone number specified for such Person on Schedule 12.02 or to such other address, electronic mail address or telephone number as shall be designated by such party in a notice to the other parties; and

(ii)if to any Lender, to the address, electronic mail address or telephone number specified (A) on Schedule 12.02 or (B) by such Lender in a notice to Parent and Agents.

All such notices and other communications shall be deemed to be given or made upon the earlier to occur of (i) actual receipt by the relevant party hereto and (ii) (A) if delivered by hand or by courier, when signed for by or on behalf of the relevant party hereto; (B) if delivered by mail, three Business Days after deposit in the mails, postage prepaid; and (C) if delivered by electronic mail (which form of delivery is subject to the provisions of Section 12.02(c)), when delivered if prior to 5:00 p.m. on a Business Day, and if after 5:00 p.m. on a Business Day, on the next following Business Day; provided that notices and other communications to Agents pursuant to Article II shall not be effective until actually received by such Person. In addition to the foregoing, to be effective, electronic mail notice must originate from an electronic mail address approved by all parties with at least 10 days' advance written notice to allow parties to allow their systems to properly recognize and allow for delivery of such messages.

(b)Effectiveness of Facsimile Documents and Signatures. Credit Documents may be transmitted or signed by facsimile or other electronic communication. The effectiveness of any such documents and signatures shall have the same force and effect as manually signed originals and shall be binding on all Credit Parties, Agents and the Lenders.

(c)Reliance by Agents and Lenders. Agents and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of any Credit Party even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof, unless Parent shall have notified Administrative Agent, on behalf of Lenders, in writing that the Person providing such notice is not authorized to provide such notice. All telephonic communications with either Agent may be recorded by such Agent, and each of the parties hereto hereby consents to such recording.

SECTION 12.03 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Agent or any Lender, any right, remedy, power or privilege hereunder or under the other Credit Documents shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

SECTION 12.04 Survival of Representations and Warranties. All representations and warranties made hereunder and in the other Credit Documents shall survive the execution and delivery of this Agreement and the making of the Loans hereunder.

SECTION 12.05 Payment of Expenses and Taxes; Indemnification. Each Borrower agrees (a) to pay or reimburse Agents and Arranger for all their reasonable, out-of-pocket and documented costs and expenses incurred in connection with due diligence in respect of the transactions contemplated by this Agreement, the development, preparation and execution of, and any amendment, supplement, or modification to, this Agreement and the other Credit Documents, including in connection with an initial syndication, and any other documents prepared in connection herewith or therewith, and the consummation, monitoring, oversight and administration of the transactions contemplated hereby and thereby, including the reasonable fees, disbursements and other charges of counsel retained by, or for the benefit of, Agents, (b) to pay or reimburse each Lender and Agents for all their costs and expenses incurred in connection with the exercise, enforcement or preservation of any rights under this Agreement,

the other Credit Documents and any such other documents, or in connection with the Loans made hereunder, including all such costs and expenses incurred during any workout, restructuring or negotiations in respect of such Loans, and including the reasonable fees, disbursements and other charges of counsel to each Lender and of counsel retained by or for the benefit of Agents, (c) to pay, indemnify, and hold harmless each Lender, Arranger and Agents from any and all Other Taxes, if any, that may be payable or determined to be payable in connection with the execution and delivery of, or consummation or administration of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Agreement, the other Credit Documents and any such other documents, (d) to pay or reimburse Administrative Agent and the Lenders for all reasonable fees, costs and expenses incurred in exercising its rights under Section 8.16 and (e) to pay, indemnify and hold harmless each Lender, Arranger and Agents and their respective Related Parties from and against any and all other liabilities, obligations, losses, damages, fines, fees, penalties, actions, judgments, suits, and reasonable costs, expenses or disbursements of any kind or nature whatsoever, including reasonable fees, disbursements and other charges of counsel, with respect to the execution, delivery, enforcement, performance and administration of this Agreement, the other Credit Documents and any such other documents, including any of the foregoing relating to a breach by any Credit Party of any representation or warranty in any Credit Document or the violation of, noncompliance with or liability under, any Environmental Law or any actual or alleged presence of Hazardous Materials applicable to the operations of each Credit Party, any of their respective Subsidiaries or any of their Real Property (all the foregoing in this clause (e), collectively, the *"Indemnified Liabilities"*); provided that the Credit Parties shall not have any obligation hereunder to Agents, Arranger or any Lender nor any of their Related Parties with respect to Indemnified Liabilities arising from the gross negligence or willful misconduct of the party to be indemnified as determined by a final and non-appealable decision of a court of competent jurisdiction. The agreements in this Section 12.05 shall survive repayment of the Loans and all other amounts payable hereunder and termination of this Agreement. To the fullest extent permitted by Applicable Law, no Credit Party shall assert, and each Credit Party hereby waives, any claim against any Lender, any Agent and their respective Related Parties, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Credit Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loans or the use of the proceeds thereof. None of the Lenders, Agents, Arranger or any of their respective Related Parties shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Credit Documents or the transactions contemplated hereby or thereby other than solely to the extent such liability results from such Lender, Agent, Arranger or Related Party's violation of Section 12.16.

SECTION 12.06 Successors and Assigns; Participations and Assignments; Replacement of Lender.

(a)The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that (i) except as set forth in Section 9.03, no Credit Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Agent and each Lender (and any attempted assignment or transfer by any Credit Party without such consent shall be null and void) and (ii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section 12.06. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants (to the extent provided in Section 12.06(c)) and, to the extent expressly contemplated hereby, the Related Parties of each of Agents and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement. Notwithstanding anything to the contrary herein, (x) any

Lender shall be permitted to pledge or grant a security interest in all or any portion of such Lender's rights hereunder including any Loans (without the consent of, or notice to or any other action by, any other party hereto) to secure the obligations of such Lender or any of its Affiliates to any Person providing any loan, letter of credit or other extension of credit to or for the account of such Lender or any of its Affiliates and any agent, trustee or representative of such Person and (y) Agents shall be permitted to pledge or grant a security interest in all or any portion of their respective rights hereunder or under the other Credit Documents, including rights to payment (without the consent of, or notice to or any other action by, any other party hereto), to secure the obligations of such Agent or any of its Affiliates to any Person providing any loan, letter of credit or other extension of credit to or for the account of such Agent or any of its Affiliates and any agent, trustee or representative of such Person.

(b)Subject to the conditions set forth in Section 12.06(b)(ii), any Lender may assign to one or more assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitments or the Loans at the time owing to it) with the prior written consent (which consent, in each case, shall not be unreasonably withheld, conditioned or delayed) of Administrative Agent; provided that no consent of Administrative Agent shall be required for an assignment to a Lender, an Affiliate of a Lender or an Approved Fund and the withholding of consent by Administrative Agent to an assignment to any Affiliate of any Credit Party shall be deemed to be not unreasonable;

(i)Assignments shall be subject to the following additional conditions:

(A)except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitments or Loans, the amount of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Administrative Agent) shall not be less than $1,000,000, unless Administrative Agent otherwise consents, which consent, in each case, shall not be unreasonably withheld or delayed; provided, however, that contemporaneous assignments to a single assignee made by Affiliates or related Approved Funds and contemporaneous assignments by a single assignor to Affiliates or related Approved Funds shall be aggregated for purposes of meeting the minimum assignment amount requirement stated above;

(B)each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement as to the Loans so assigned; provided that this paragraph shall not be construed to prohibit the assignment of a proportionate part of all the assigning Lender's rights and obligations in respect its Loans;

(C)the parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of
$3,500; provided that only one such fee shall be payable in connection with simultaneous assignments to two or more Approved Funds;

(D)the assignee, if it shall not be a Lender, shall deliver to Administrative Agent an Administrative Questionnaire;

(E)unless consented to by Required Lenders, no assignment may be made to a Credit Party or an Affiliate of a Credit Party; and

(F)unless an Event of Default has occurred and is continuing, no assignment may be made to a Disqualified Lender.

(ii)Subject to acceptance and recording thereof pursuant to Section 12.06(b)(iv), from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto but shall continue to be entitled to the benefits of Sections 2.06, 2.07, 4.03(b) and 12.05). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 12.06 shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.06(c).

(iii)Administrative Agent, acting for this purpose on behalf of Borrowers (but not as an agent, fiduciary or for any other purposes), shall maintain a copy of each Assignment and Acceptance delivered to it and a register in the United States for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amount (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). Further, the Register shall contain the name and address of Administrative Agent and the lending office through which each such Person acts under this Agreement. The entries in the Register shall be conclusive absent manifest error, and the Credit Parties, Agents and the Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register, as in effect at the close of business on the preceding Business Day, shall be available for inspection by any Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(iv)Upon its receipt of a duly completed Assignment and Acceptance executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire (unless the assignee shall already be a Lender hereunder) and any written consent to such assignment required by Section 12.06(b)(i), Administrative Agent shall accept such Assignment and Acceptance and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless and until it has been recorded in the Register as provided in this Section 12.06(b).

(c)Any Lender may, without the consent of Borrowers or Agents, sell participations to one or more banks or other entities (each, a "*Participant*") in all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitments and the Loans owing to it); provided that (i) such Lender's obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) Borrowers, Agents and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (iv) no such Participant may be a Credit Party or an Affiliate of a Credit Party; and provided, further, that no Participant shall be a Disqualified Lender unless an Event of Default has occurred and is continuing. Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and, as between such Lender, the Credit Parties, Agents and the other Lenders, to approve any amendment, modification, consent or waiver of any provision of this Agreement or any other Credit Document; provided that, notwithstanding the foregoing, such agreement or instrument may provide that (x) if such Participant is an Affiliate of such Lender, the Participant may, as between itself and such Lender (but not as between such Lender, Agents, the Credit Parties and the other Lenders), approve any amendment, modification, consent or waiver of any provision of this Agreement or any other Credit Document and (y) such Lender will not, without the consent of the Participant agree to any amendment, modification,

consent or waiver described in clause (i) of the first proviso to Section 12.01. Subject to Section 12.06(c)(ii), each Borrower agrees that each Participant shall be entitled to the benefits of Section 2.06, 2.07 and 4.04(a) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 12.06(b). To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.08(a) as though it were a Lender; provided that such Participant agrees to be subject to Section 12.08(a) as though it were a Lender.

(i)A Participant shall not be entitled to receive any greater payment under Section 2.06, 2.07 or 4.04(a) than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, (A) unless the sale of the participation to such Participant is made with Borrowers' prior written consent, and (B) except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the Participant acquired the applicable participation. A Participant that would be a Foreign Lender if it were a Lender shall not be entitled to the benefits of Section 4.03(b) that are greater than the applicable Lender unless Borrowers are notified of the participation sold to such Participant and such Participant agrees, for the benefit of Borrowers, to comply with Sections 4.04(a) and 4.04(c) as though it were a Lender.

(ii)Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrowers, maintain at one of its offices in the United States a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Credit Documents (the "*Participant Register*"). The entries in the Participant Register shall be conclusive absent manifest error, and the Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement. No Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Credit Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. For the avoidance of doubt, Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

(d)Nothing herein is intended to prevent, impair, limit or otherwise restrict the ability of a Lender to collaterally assign or pledge all or any portion of its interests in the Loans and the other rights and benefits under the Credit Documents to an unaffiliated third party lender of such Lender (each such Person, a "*Collateral Assignee*"); provided that unless and until Parent receives notification from a Collateral Assignee of such assignment directing payments to be made to such Collateral Assignee, any payment made by Borrowers for the benefit of such Lender in accordance with the terms of the Credit Documents shall satisfy Borrowers' obligations thereunder to the extent of such payment. Any such Collateral Assignee, upon foreclosure of its security interests in the Loans pursuant to the terms of such assignment and in accordance with Applicable Law, shall succeed to all the interests of or shall be deemed to be a Lender, with all the rights and benefits afforded thereby, and such transfer shall not be deemed to be a transfer for purposes of and otherwise subject to the provisions of this Section 12.06. Notwithstanding the foregoing, Lender shall remain responsible for all obligations and liabilities arising hereunder or under any other Credit Document, and, except as otherwise expressly set forth in any applicable pledge or assignment, nothing herein is intended or shall be construed to impose any obligations upon or constitute an assumption by a Collateral Assignee thereof.

SECTION 12.07 Pledge of Loans. The Credit Parties hereby acknowledge that the Lenders and their Affiliates may pledge the Loans as collateral security for loans to the Lenders or their Affiliates. The Credit Parties shall, to the extent commercially reasonable, cooperate with the Lenders

and their Affiliates to effect such pledges at the sole cost and expense of such Lender. Notwithstanding the foregoing or anything herein or in any other Credit Documents to the contrary, (i) no pledge shall release the Lender party thereto from any of its obligations hereunder, and (ii) unless an Event of Default has occurred and is continuing, no pledge shall be made in favor of a Disqualified Lender.

SECTION 12.08 Adjustments; Set-off.

(a)If any Lender (a "*Benefited Lender*") shall at any time receive any payment of all or part of its Loans, or interest thereon, or receive any collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to events or proceedings of the nature referred to in Section 10.01(h), or otherwise), in a greater proportion than any such payment to or collateral received by any other Lender, if any, in respect of such other Lender's Loans or interest thereon, such Benefited Lender shall purchase for cash from the other Lenders a participating interest in such portion of each such other Lender's Loans, or shall provide such other Lenders with the benefits of any such collateral, or the proceeds thereof, as shall be necessary to cause such Benefited Lender to share the excess payment or benefits of such collateral or proceeds ratably with each of the Lenders; provided that if all or any portion of such excess payment or benefits is thereafter recovered from such Benefited Lender, such purchase shall be rescinded, and the purchase price and benefits returned, to the extent of such recovery, but without interest. The foregoing provisions of this Section 12.08 shall not apply to payments made and applied in accordance with the terms of this Agreement and the other Credit Documents.

(b)After the occurrence and during the continuance of an Event of Default, to the extent consented to by Administrative Agent, in addition to any rights and remedies of the Lenders provided by law, each Lender shall have the right, without prior notice to any Borrower or any other Credit Party, any such notice being expressly waived by the Credit Parties to the extent permitted by Applicable Law, upon any amount becoming due and payable by any Credit Party hereunder (whether at the stated maturity, by acceleration or otherwise) to set-off and appropriate and apply against such amount any and all deposits (general or special, time or demand, provisional or final, but excluding the Excluded Accounts or deposit accounts that consist of cash collateral subject to Permitted Liens), and any other credits, indebtedness or claims, in each case whether direct or indirect, absolute or contingent, matured or unmatured, at any time held or owing by such Lender or any branch or agency thereof to or for the credit or the account of any Credit Party, as the case may be. Each Lender agrees promptly to notify Parent and Agents after any such set-off and application made by such Lender; provided that the failure to give such notice shall not affect the validity of such set-off and application.

SECTION 12.09 Counterparts.

(a)This Agreement and each other Credit Document may be executed in any number of counterpart signature pages, and by the different parties on different counterparts, each of which when executed shall be deemed an original but all such counterparts taken together shall constitute one and the same instrument. This Agreement will be deemed executed by the parties hereto when each has signed it and delivered its executed signature page to Agents and Lenders by facsimile transmission, electronic transmission or physical delivery. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b)The words "execution," "signed," "signature," and words of like import in any Credit Document shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National

Commerce Act, the Illinois State Electronic Commerce Security Act, any other similar state laws based on the Uniform Electronic Transactions Act, Parts 2 and 3 of the *Personal Information Protection and Electronic Documents Act* (Canada), the *Electronic Commerce Act, 2000* (Ontario), or any other similar federal or provincial laws based on the *Uniform Electronic Commerce Act* of the Uniform Law Conference of Canada or its *Uniform Electronic Evidence Act*, as the case may be.

SECTION 12.10 Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

SECTION 12.11 Integration. This Agreement and the other Credit Documents represent the agreement of the Credit Parties, Agents and the Lenders with respect to the subject matter hereof, and there are no promises, undertakings, representations or warranties by any party hereto or thereto relative to the subject matter hereof not expressly set forth or referred to herein or in the other Credit Documents.

SECTION 12.12 GOVERNING LAW. THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS (UNLESS EXPRESSLY PROVIDED OTHERWISE THEREIN) AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER AND THEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF ILLINOIS, WITHOUT REFERENCE TO CONFLICTS OF LAW PROVISIONS WHICH WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANY OTHER JURISDICTION.

SECTION 12.13 Submission to Jurisdiction; Waivers. Each party hereto hereby irrevocably and unconditionally:

(a)submits, for itself and its property, to the exclusive jurisdiction of any state court of the state of Illinois sitting in Cook County and of the United States District Court of the Northern District of Illinois, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Credit Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Illinois State court or, to the extent permitted by Applicable Laws, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by Applicable Laws. Nothing in this Agreement or any other Credit Document or otherwise shall affect any right that Administrative Agent, Collateral Agent or any Lender may otherwise have to bring any action or proceeding relating to this Agreement or any other Credit Document against any Credit Party or its properties in the courts of any jurisdiction in connection with the exercise of any rights under any Security Document or the enforcement of any judgment;

(b)consents that any such action or proceeding shall be brought in such courts, and agrees not to plead or claim and waives, to the fullest extent permitted by Applicable Laws, any objection that it may now or hereafter have to the venue of any such action or proceeding arising out of or relating to this Agreement or any other Credit Document in any court referred to in Section 12.13(a). Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by Applicable Law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court;

(c)agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail),

postage prepaid, to the applicable party at its respective address set forth in Schedule 12.02 or at such other address of which Agents shall have been notified pursuant to Section 12.02. Nothing in this Agreement or any other Credit Document will affect the right of any party to this Agreement to serve process in any other manner permitted by Applicable Law;

(d)waives, to the maximum extent not prohibited by law, all rights of rescission, setoff, counterclaims, and other defenses in connection with the repayment of the Obligations; and

(e)waives, to the maximum extent not prohibited by law, any right it may have to claim or recover in any legal action or proceeding referred to in this Section 12.13 any special, exemplary, punitive or consequential damages.

SECTION 12.14 Acknowledgments. Each Credit Party hereby acknowledges that:

(a)it has been advised by counsel in the negotiation, execution and delivery of this Agreement and the other Credit Documents;

(b)neither Agents, Arranger, nor any Lender has any fiduciary relationship with or duty to the Credit Parties arising out of or in connection with this Agreement or any of the other Credit Documents, and the relationship between any Agent, Arranger and the Lenders, on one hand, and the Credit Parties, on the other hand, in connection herewith or therewith is solely that of debtor and creditor; and

(c)no joint venture is created hereby or by the other Credit Documents or otherwise exists by virtue of the transactions contemplated hereby among the Lenders or among the Credit Parties and the Lenders.

SECTION 12.15 WAIVERS OF JURY TRIAL. THE CREDIT PARTIES, AGENTS AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT AND FOR ANY COUNTERCLAIM THEREIN.

SECTION 12.16 Confidentiality. Each Agent and Lender shall hold all non-public information relating to any Credit Party or any Subsidiary of any Credit Party obtained pursuant to the requirements of this Agreement or in connection with such Lender's evaluation of whether to become a Lender hereunder ("*Confidential Information*") confidential in accordance with its customary procedure for handling confidential information of this nature and (in the case of a Lender that is a bank) in accordance with safe and sound banking practices; provided that Confidential Information may be disclosed by any Agent or Lender:

(a)as required by any Governmental Authority pursuant to any subpoena or other legal process;

(b)as required by any Applicable Law;

(c)in connection with the enforcement of any rights or exercise of any remedies by such Agent or Lender under this Agreement or any other Credit Document or any action or proceeding relating to this Agreement or any other Credit Document;

(d)to such Agent's or Lender's attorneys, professional advisors, accountants, independent auditors, consultants, employees, directors and officers on a "need to know" basis in connection with this Agreement and the transactions contemplated hereby and on a confidential basis,

(e)in connection with:

(i)the establishment of any special purpose funding vehicle with respect to the Loans,

(ii)any pledge permitted under Section 12.08;

(iii)any prospective assignment of, or participation in, its rights and obligations pursuant to Section 12.06, to prospective assignees or Participants, as the case may be (it being understood that each such Persons will be informed of the confidential nature of such information and instructed to keep such information confidential on the same terms as this Section 12.16); and

(iv)any actual or proposed credit facility for loans, letters of credit or other extensions of credit to or for the account of such Agent or Lender or any of its Affiliates, to any Person providing or proposing to provide such loan, letter of credit or other extension of credit or any agent, trustee or representative of such Person (it being understood that each such Persons will be informed of the confidential nature of such information and instructed to keep such information confidential on the same terms as this Section 12.16);

(f)on a confidential basis, credit information to any rating agency;

(g)with the written consent of Parent;

(h)on a confidential basis, to any of its investors or prospective investors;

(i)if required by a regulator (for example, information is provided pursuant to a schedule of investments for a business development company); or

(j)in connection with the Promotional Rights (as defined below);

provided that in the case of clauses (e) or (h) hereof, the Person to whom Confidential Information is so disclosed is advised of and has been directed to comply with the provisions of this Section 12.16.

Notwithstanding the foregoing, each Agent and each Lender shall have the right to publicize, for general marketing and related promotional purposes, the general terms of the Loan (the "*Promotional Rights*") but not their relationship to the Credit Parties or the fact that they have extended the Loans to the Credit Parties.

Notwithstanding the foregoing, no Agent or Lender shall have any obligation to keep information confidential if such information: (i) is or becomes public from a source other than an Agent or a Lender, or one of an Agent's or a Lender's Affiliates, consultants or legal or financial advisors in breach of this Agreement, (ii) is, was or becomes known on a non-confidential basis (to the best of such Agent's or Lender's knowledge after reasonable inquiry) to or discovered by an Agent, any Lender or any of their Affiliates, consultants or legal or financial advisors independently from communications by or on behalf of any Credit Party, or (iii) is independently developed by an Agent without use of Confidential Information, provided that, the source of such information was not known to be bound by a

confidentiality agreement with (or subject to any other contractual, legal or fiduciary obligation of confidentiality to) the relevant Credit Party.

EACH AGENT AND EACH LENDER ACKNOWLEDGES THAT CONFIDENTIAL INFORMATION (AS DEFINED IN THIS SECTION 12.16) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL NON-PUBLIC INFORMATION CONCERNING ANY CREDIT PARTY AND ITS RELATED PARTIES OR THEIR RESPECTIVE SECURITIES, AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

ALL INFORMATION, INCLUDING WAIVERS AND AMENDMENTS, FURNISHED BY THE CREDIT PARTIES OR ANY AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT THE CREDIT PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE CREDIT PARTIES AND AGENTS THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW.

SECTION 12.17 Press Releases, Etc. Each Credit Party will not, and will not permit any of its respective Subsidiaries, directly or indirectly, to publish any press release or other similar public disclosure or announcements (including any marketing materials) regarding this Agreement, the other Credit Documents, or any of the Transactions, without the consent of Administrative Agent; provided, however, that Parent shall be permitted to publicly disclose the foregoing if required to do so under Applicable Securities Legislation in the applicable Reporting Jurisdiction.

SECTION 12.18 Releases of Guarantees and Liens. Notwithstanding anything to the contrary contained herein or in any other Credit Document, Collateral Agent is hereby irrevocably authorized by each Secured Party (without requirement of notice to or consent of any Secured Party) to take any action requested by Borrowers having the effect of releasing any Liens on Collateral or guarantee obligations (i) to the extent necessary to permit consummation of any transaction not prohibited by any Credit Document or that has been consented to in accordance with Section 12.01 or (ii) under the circumstances described in Section 12.18(b).

(a)At such time as (i) the Loans and the other Obligations (other than Unasserted Contingent Obligations) shall have been paid in full and (ii) the Commitments have been terminated, the Collateral shall be released from the Liens created by the Security Documents, and the Security Documents and all obligations (other than those expressly stated to survive such termination) of Collateral Agent and each Credit Party under the Security Documents shall terminate, all without delivery of any instrument or performance of any act by any Person.

(b)Upon request by Collateral Agent at any time, Required Lenders will confirm in writing Collateral Agent's authority to release its interest in particular types or items of property, or to release any guarantee obligations pursuant to this Section 12.18. In each case as specified in this Section 12.18, Collateral Agent will (and each Lender irrevocably authorizes Collateral Agent to), at Borrowers' expense, execute and deliver to the applicable Credit Party such documents as such Credit Party may reasonably request to evidence the release of such item of Collateral or guarantee obligation from the

assignment and security interest granted under the Security Documents, in each case in accordance with the terms of the Credit Documents and this Section 12.18.

SECTION 12.19 USA Patriot Act; Canadian Anti-Money Laundering & Anti-Terrorism Legislation.

(a)Each Lender hereby notifies each Credit Party that pursuant to the requirements of the Patriot Act, it is required to obtain, verify and record information that identifies the Credit Parties, which information includes the name and address of each Credit Party and other information that will allow such Lender to identify each Credit Party in accordance with the Patriot Act. Each Credit Party agrees to provide all such information to the Lenders upon request by any Agent at any time, whether with respect to any Person who is a Credit Party on the Closing Date or who becomes a Credit Party thereafter.

(b)Without limiting the foregoing, the Credit Parties further acknowledge that, pursuant to the Canadian Anti-Money Laundering & Anti-Terrorism Legislation and other applicable anti-money laundering, anti-terrorist financing, government sanction and "know your client" laws (collectively, including any guidelines or orders thereunder, "*AML Legislation*"), the Lenders may be required to obtain, verify and record information regarding the Credit Parties and their respective directors, authorized signing officers, direct or indirect shareholders or other Persons in control of the Credit Parties, and the transactions contemplated hereby. Each Borrower shall (and shall cause each other Credit Party to) promptly provide all such information, including supporting documentation and other evidence, as may be reasonably requested by any Lender or any prospective assignee or Participant of any Lender, in order to comply with any applicable AML Legislation, whether now or hereafter in existence. If any Agent has ascertained the identity of any Credit Party or any authorized signatories of any Credit Party for the purposes of applicable AML Legislation, then Agent, (i) shall be deemed to have done so as an agent for each Lender, and this Agreement shall constitute a "written agreement" in such regard between each Lender and Agent within the meaning of the applicable AML Legislation; and (ii) shall provide to each Lender copies of all information obtained in such regard without any representation or warranty as to its accuracy or completeness.

SECTION 12.20 No Fiduciary Duty. Each Credit Party, on behalf of itself and its Subsidiaries, agrees that in connection with all aspects of the transactions contemplated hereby and any communications in connection therewith, the Credit Parties, their respective Subsidiaries and Affiliates, on the one hand, and Agents, Arranger, the Lenders and their respective Affiliates, on the other hand, will have a business relationship that does not create, by implication or otherwise, any fiduciary duty on the part of Agents, Arranger, the Lenders or their respective Affiliates, and no such duty will be deemed to have arisen in connection with any such transactions or communications.

SECTION 12.21 Authorized Officers. The execution of any certificate requirement hereunder by an Authorized Officer shall be considered to have been done solely in such Authorized Officer's capacity as an officer of the applicable Credit Party (and not individually). Notwithstanding anything to the contrary set forth herein, each of the Secured Parties shall (a) be entitled to rely and act on any certificate, notice or other document delivered by or on behalf of any Person purporting to be an Authorized Officer of a Credit Party unless Administrative Agent, on behalf of Lenders, shall have received prior written notice to the contrary from Parent and (b) have no duty to inquire as to the actual incumbency or authority of such Person.

SECTION 12.22 Subordination of Intercompany Indebtedness. The Credit Parties hereby agree that all present and future Indebtedness of any Credit Party to any other Credit Party ("*Intercompany Indebtedness*") shall be subordinate and junior in right of payment and priority to the

Obligations, and each Credit Party agrees not to make, demand, accept or receive any payment in respect of any present or future Intercompany Indebtedness, including any payment received through the exercise of any right of setoff, counterclaim or cross claim, or any collateral therefor, unless and until such time as the Obligations shall have been indefeasibly paid in full; provided that, so long as no Default or Event of Default shall have occurred and be continuing and no Default or Event of Default shall be caused thereby and such Indebtedness is expressly permitted hereunder, the Credit Parties may make and receive such payments in respect of Intercompany Indebtedness as shall be customary in the ordinary course of the Credit Parties' business. Without in any way limiting the foregoing, in any Insolvency Event, or any receivership, liquidation, reorganization, dissolution or other similar proceedings relative to any Credit Party or to its businesses, properties or assets, the Lenders shall be entitled to receive payment in full of all of the Obligations before any Credit Party shall be entitled to receive any payment in respect of any present or future Intercompany Indebtedness.

SECTION 12.23 Public Lenders. Each Credit Party agrees that Administrative Agent may, but shall not be obligated to, make the Communications available to the Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar electronic transmission system (the "*Platform*"). The Platform is provided "as is" and "as available." Each Credit Party hereby acknowledges that (a) Administrative Agent may, but shall not be obligated to, make available to the Lenders materials or information provided by or on behalf of such Credit Party hereunder (collectively, the "*Credit Party Materials*") by posting Credit Party Materials on the Platform and (b) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to any Credit Party or its securities) (each, a "*Public Lender*"). Each Credit Party hereby agrees that (w) all Credit Party Materials that are to be made available to Public Lenders shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Credit Party Materials "PUBLIC," each Credit Party shall be deemed to have authorized Administrative Agent and the Lenders to treat such Credit Party Materials as not containing any material non-public information with respect to such Credit Party or its securities for purposes of United States federal and state securities laws and Canadian securities laws (provided, however, that to the extent such Credit Party Materials constitute Confidential Information, they shall be treated as set forth in Section 12.16); (y) all Credit Party Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated as "Public Investor;" and (z) Administrative Agent shall be entitled to treat any Credit Party Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not marked as "Public Investor." Notwithstanding the foregoing, the following Credit Party Materials shall be deemed to have been marked "PUBLIC", unless Parent notifies Administrative Agent promptly that any such document contains material non-public information: (1) the Credit Documents, (2) notification of changes in the terms of the credit facility hereunder and (3) any financial statements and compliance certificates delivered by any Credit Party pursuant to Section 8.01(a), 8.01(b) or 8.01(c).

SECTION 12.24 Original Issue Discount. The Credit Parties, Administrative Agent and the Lenders, as applicable, agree (i) that the Notes are debt for federal income Tax purposes, (ii) that the Notes issued to the Lenders constitute a single debt instrument for purposes of Sections 1271 through 1275 of the Code and the Treasury Regulations thereunder (pursuant to Treasury Regulations Section 1.1275-2(c)), that such debt instrument may be issued with original issue discount ("*OID*"), and that such debt instrument is described in Treasury Regulations Section 1.1272-1(c)(2) and therefore is governed by the rules set out in Treasury Regulations Section 1.1272-1(c), including Section 1.1272-1(c)(5), and is not governed by the rules set out in Treasury Regulations Section 1.1275-4, (iii) that the Lenders shall have 30 days to review and approve any calculation by the Credit Parties regarding the amount of OID for any accrual period on the Notes, such approval not to be unreasonably withheld, (iv) not to file any

Tax return, report or declaration inconsistent with the foregoing, unless otherwise required by applicable law and (v) any such OID shall constitute principal for all purposes under this Agreement.

SECTION 12.25 Tax Treatment. Borrowers and the Lenders agree that the Loans are indebtedness of Borrowers for U.S. federal income Tax purposes. Each party to this Agreement agrees not to take any Tax position inconsistent with such Tax characterization and shall not report the transactions arising under this Agreement in any manner other than the issuance of debt obligations on all applicable Tax returns unless otherwise required by a final determination within the meaning of Section 1313(a) of the Code (or a similar final determination under Applicable Law).

SECTION 12.26 Joint and Several (Canada). Notwithstanding the provisions of Section 2.08, Article VI or any other provision contained herein or in any other Credit Document, if a "secured creditor" (as that term is defined under the BIA) is determined by a court of competent jurisdiction not to include a Person to whom obligations are owed on a joint and several basis, then such Person's Obligations (and the Obligations of each other Canadian Credit Party), to the extent such Obligations are secured, shall be several obligations and not joint and several obligations.

SECTION 12.27 Judgement Currency. If for the purpose of obtaining judgment in any court it is necessary to convert an amount due hereunder in the currency in which it is due (the "*Original Currency*") into another currency (the "*Second Currency*"), the rate of exchange applied shall be that at which, in accordance with normal banking procedures, the Lenders could purchase in the New York foreign exchange market, the Original Currency with the Second Currency on the date two (2) Business Days preceding that on which judgment is given. Each Borrower agrees that its obligation in respect of any Original Currency due from it hereunder shall, notwithstanding any judgment or payment in such other currency, be discharged only to the extent that, on the Business Day following the date the Lenders receives payment of any sum so adjudged to be due hereunder in the Second Currency, Lenders may, in accordance with normal banking procedures, purchase, in the New York foreign exchange market, the Original Currency with the amount of the Second Currency so paid; and if the amount of the Original Currency so purchased or could have been so purchased is less than the amount originally due in the Original Currency, each Borrower agrees as a separate obligation and notwithstanding any such payment or judgment to indemnify Lender against such loss. The term "rate of exchange" in this Section 12.27 means the spot rate at which a Lender, in accordance with normal practices, is able on the relevant date to purchase the Original Currency with the Second Currency, and includes any premium and costs of exchange payable in connection with such purchase.

ARTICLE XIII
Additional Covenants and Agreements.

SECTION 13.01 Cannabis Laws.

(a)Agents, Lenders and the Credit Parties acknowledge that, although U.S. State Cannabis Laws and Canadian Cannabis Laws have legalized certain cultivation, distribution, sale and possession of cannabis and related products and other activities related to a Cannabis Business, the nature and scope of U.S. Federal Cannabis Laws may result in circumstances where activities permitted under U.S. State Cannabis Laws or Canadian Cannabis Laws may contravene U.S. Federal Cannabis Laws. It is acknowledged that, as of the Closing Date, U.S. State Cannabis Laws contravene U.S. Federal Cannabis Laws. Accordingly, for the purposes of this Agreement and the other Credit Documents, each representation, warranty, covenant and other provision in this Agreement or any other Credit Document will be subject to the following: (i) no representation, warranty, covenant or other agreement is made, or deemed to be made, with respect to compliance with, or application of, any U.S. Federal Cannabis Law

to the extent such U.S. Federal Cannabis Law relates, directly or indirectly, to the unlawful nature of other activities related to a Cannabis Business; and (ii) engagement in any activity that is permitted by
U.S. State Cannabis Laws or Canadian Cannabis Laws but contravenes U.S. Federal Cannabis Laws will not, in and of itself, be deemed to be non-compliance with Applicable Law. Nothing contained in this Agreement shall require the Credit Parties to violate any provision of U.S. State Cannabis Laws or Canadian Cannabis Laws or attending regulations, as applicable.

(b)If a Change in Cannabis Law occurs:

(i)Agents, Lenders, and Borrowers shall talk for a period of 10 Business Days (the "*Discussion Period*"); and

(ii)To the extent no such mutual agreement is achieved during the Discussion Period, Borrowers shall have until the later of (A) the date that is 90 days after the end of the Discussion Period, or such later date as is necessary to complete the refinancing of the Loans in a reasonable amount of time, so long as (1) the Credit Parties have executed, or are in the process of negotiating in good faith, a bona fide and enforceable term sheet with respect to the refinancing of the Loans, and (2) such later date could not reasonably be expected to result in adverse consequences determined by the applicable Agent or Lender to be material in relation to the Governmental Authority implementing such Change in Cannabis Law, and (B) such other date as allowed by such Governmental Authority for the parties to become compliant with the U.S. State Cannabis Law or U.S. Federal Cannabis Law so changed, to repay the Obligations in full and in cash; and

(iii)Notwithstanding anything herein, in any other Credit Document to the contrary, no Change in Cannabis Law or any Event of Default resulting solely from such Change in Cannabis Law shall be deemed to be an Event of Default; provided that the failure to repay the Obligations in full and in cash as set forth in clause (ii) above shall constitute an immediate Event of Default under Section 10.01(a).

(c)No party shall have any right of rescission or amendment arising out of or relating to any non-compliance of this Agreement or any other Credit Document with U.S. Federal Cannabis Laws that exist on the Closing Date.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Agreement to be duly executed and delivered as of the date first above written.

BORROWERS AND GUARANTORS:

GAGE GROWTH CORP., a Canadian federal corporation

By: _ Name:
Its: Chief Executive Officer

GAGE INNOVATIONS CORP., a Canadian federal corporation

By: _ Name:
Its: President

COOKIES RETAIL CANADA CORP., a Canadian federal corporation

By: _ Name: Hilton Silberg
Its: Secretary and Treasurer

RIVERS INNOVATIONS, INC., a Delaware corporation

By: _ Name:
Its: Authorized Signatory

RIVERS INNOVATIONS US SOUTH LLC, a Delaware limited liability company

By: _ Name:
Its: Authorized Signatory

RI SPE 1 LLC, a Delaware limited liability company

By: _ Name:
Its: Authorized Signatory

SPARTAN PARTNERS CORPORATION, a
Michigan corporation

By: _ Name:
Its: Secretary

SPARTAN PARTNERS HOLDINGS, LLC, a
Michigan limited liability company

By: _ Name:
Its: Authorized Signatory

SPARTAN PARTNERS SERVICES LLC, a
Michigan limited liability company

By: _ Name:
Its: Authorized Signatory

SPARTAN PARTNERS PROPERTIES LLC, a
Michigan limited liability company

By: _ Name:
Its: Authorized Signatory

SPARTAN PARTNERS LICENSING LLC, a
Michigan limited liability company

By: _ Name:
Its: Authorized Signatory

WDB HOLDING MI, INC., a Delaware corporation

By: _ Name:
Its: Authorized Signatory

AEY HOLDINGS, LLC, a Michigan limited liability company

By: Name:
Its:

KISA ENTERPRISES MI INC., a Michigan corporation

By: Name: Its:

STADIUM VENTURES INC., a Michigan corporation

By: Name: Its:

THRIVE ENTERPRISES LLC, a Michigan limited liability company

By: Name:
Its:

ADMINISTRATIVE AGENT AND COLLATERAL AGENT:

CHICAGO ATLANTIC ADMIN, LLC

By: _ Name: Peter Sack
Title: Authorized Signatory

LENDERS:

CHICAGO ATLANTIC ~~REAL ESTATE FINANCE, INC.~~LINCOLN, LLC

By: _ Name: Peter Sack
Title: Authorized Signatory

CHICAGO ATLANTIC CREDIT OPPORTUNITIES, LLC

By: _ Name: Peter Sack
Title: Authorized Signatory

~~IA CLARINGTON FLOATING RATE INCOME FUND, by its subadvisor, Wellington Square Capital Partners Inc.~~

INTREPID INCOME FUND

By: _ Name:
Title:

~~IA CLARINGTON CORE PLUS BOND FUND, by its subadvisor, Wellington Square Capital Partners Inc.~~

INTREPID CAPITAL FUND

By: _ Name:
~~Title:~~

~~IA CLARINGTON U.S. DOLLAR FLOATING RATE INCOME FUND, by its subadvisor, Wellington Square Capital Partners Inc.~~

By: ~~Name: Title:~~

~~KJH SENIOR LOAN FUND, by its subadvisor, Wellington Square Capital Partners Inc.~~

By: ~~Name: Title:~~

~~BLACK MAPLE CAPITAL PARTNERS LP~~

By: ~~Name: Title:~~

~~EXODUS ACQUISITION LLC~~

By: ~~Name: Title:~~

~~WHITEHAWK FINANCE LLC~~

By: ~~Name: Title:~~

~~INTREPID INCOME FUND~~

By:
~~Name:~~
~~Title:~~
~~INTREPID CAPITAL FUND~~

By: ~~Name:~~ Title

~~21029590V.1~~

SCHEDULE 1.01

Commitments

Lender	~~Commitment~~ Closing Date Loans	Second Amendment Date Loans	Pro Rata Portion
Chicago Atlantic ~~Real Estate Finance, Inc.~~Lincoln, LLC	$10,600,000	$13,100,000	~~19.27272700~~52.40%
Chicago Atlantic Credit Opportunities, LLC	$4,400,000	$4,400,000	~~8.00000000~~17.60%
IA Clarington Floating Rate Income Fund	$6,600,000	N/A (Departing Lender)	N/A ~~12.00000000%~~(Departing Lender)
IA Clarington Core Plus Bond Fund	$4,700,000	N/A (Departing Lender)	N/A ~~8.545455000%~~(Departing Lender)
IA Clarington U.S. Dollar Floating Rate Income Fund	$210,000	N/A (Departing Lender)	N/A ~~0.381818000%~~(Departing Lender)
KJH Senior Loan Fund	$1,490,000	N/A (Departing Lender)	N/A ~~2.709091000%~~(Departing Lender)
Intrepid Income Fund	$12,000,000	$6,500,000	~~21.818182000~~26.00%
Intrepid Capital Fund	$1,000,000	$1,000,000	~~1.818182000~~4.00%
Black Maple Capital Partners LP	$2,000,000	N/A (Departing Lender)	N/A ~~3.63636400%~~(Departing Lender)
Exodus Acquisition LLC	$2,000,000	N/A (Departing Lender)	N/A ~~3.63636400%~~(Departing Lender)
WhiteHawk Finance LLC	$10,000,000	N/A (Departing Lender)	N/A ~~18.18181800%~~(Departing Lender)
TOTAL	$55,000,000.00	$25,000,000.00	100.00000000%

SCHEDULE 12.02
Addresses for Notices

If to any Credit Party:

77 King Street West, Suite 400 Toronto, Ontario M5K 0A1,
Canada Attention: Fabian Monaco
Email: fabianm@gageusa.com with
copies to:
Dickinson Wright PLLC
500 Woodward Ave
Suite 4000
Detroit, MI 48226
Attention: M. Katherine VanderVeen
Email: ~~mvanderveen@dickinsonwright.com~~mvanderveen@dickinsonwright.com

If to Administrative Agent Collateral Agent:

Chicago Atlantic Admin, LLC 420 N Wabash Ave, Ste
500
Chicago, IL 60611 Attention: Loan Department
Email: ~~reporting@chicagoatlantic.com~~reporting@chicagoatlantic.com

with a copy to (not to constitute service):

Kilpatrick Townsend & Stockton LLP 1100 Peachtree Street
NE, Suite 2800
Atlanta, Georgia 30309 Attention: Shannon C. Baxter
Email: ~~sbaxter@kilpatricktownsend.com~~sbaxter@kilpatricktownsend.com

If to any Lender:

At its address or facsimile number set forth in its Administrative Questionnaire.

Summary report: Litera® Change-Pro for Word 10.11.1.0 Document comparison done on 11/29/2022 11:43:08 AM	
Style name: LMP Default	
Intelligent Table Comparison: Active	
Original DMS: iw://DMSUS/US2008/21029590/1	
Modified DMS: iw://DMSUS/US2008/21029590/7	
Changes:	
Add	477
~~Delete~~	360
~~Move From~~	8
Move To	8
Table Insert	13
~~Table Delete~~	1
Table moves to	0
~~Table moves from~~	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	867

ANNEX B

SCHEDULES TO CREDIT AGREEMENT

See attached.

SCHEDULE P-1
Permitted Acquisitions

Retail Locations (11 Locations)	Stage	Purchase Price	Address	Expected Closing Date	Terms
Ann Arbor #2	Closed Closed	$7,000,000	2460 W. STADIUM BLVD. ANN ARBOR, MI 48103	Closed December 17, 2021	$250k on signing, $1.75M upon city endorsing MRA Attestation 2-C, $5M in Note paid in 36 months @ 6% APR. / Note will be secured with the purchased asset.
Detroit #2 (Store)	Closed	$3,900,000	14239 W. 8 MILE, DETROIT, MI 48235	Closed November 23, 2021	$10k deposit paid. $1.5M down at closing, deposit applied to down payment. Land contract: $2.4M, 48 months @ 4% APR. / Land contract secured with the property.
Detroit #2 (Parking Lot)	Closed	$250,000	14213 W. 8 Mile Rd, DETROIT, MI 48235	Closed November 23, 2021	$250k at closing. Closing to occur simultaneously with closing of 14239 W. 8 Mile, Detroit, MI
Operator (5 operational stores)		$28,500,000	See below	Closed August 22, 2022	$10M on closing, $8.5M shares issued, $10M seller take-back notes @ 6% for 5 years. / Negotiating notes to be unsecured.
Store #1			100 S STEER ST., ADDISON, MI 49220	Closed August 22, 2022	
Store #2			221 FRONT ST., BUCHANAN, MI 49107	Closed August 22, 2022	
Store #3			421 S MAIN ST., CAMDEN, MI 49232	Closed August 22, 2022	
Store #4			850 E MAIN ST., MORENCI, MI 49256	Closed August 22, 2022	

SCHEDULE 7.12
Subsidiaries

Obligor	Subsidiaries	Shares/Units	Percentage Interest	Certificated? Y/N
Gage Growth Corp.	Gage Innovations Corp.	34,491,701	100%	Y (No. 3)
	Cookies Retail Canada Corp.	32,000,000	80%	Y (C-11)
Gage Innovations Corp.	Rivers Innovations, Inc.	1000	100%	Y (No. 3)
Rivers Innovations, Inc.	Rivers Innovations US South LLC	--	100%	N
Rivers Innovations US South LLC	RI SPE 1 LLC	--	100%	N
RI SPE 1 LLC	Cascade Sciences, LLC (formerly Mass2Media, LLC)	--	8%	N
Spartan Partners Corporation	Spartan Partners Holdings, LLC	--	100%	N
Spartan Partners Holdings, LLC	Spartan Partners Properties LLC	--	100%	N
	Spartan Partners Services LLC	--	100%	N
	Spartan Partners Licensing LLC	--	100%	N
	Mayde US LLC	--	100%	N
WDB Holding MI, Inc.	Spartan Partners Corporation	35,578	100%	Y (No. 2 & 3)
	KISA Enterprises MI Inc.	1,000	100%	N
	AEY Holdings LLC	--	100%	N
	Thrive Enterprises LLC	--	100%	N
AEY Holdings LLC	Stadium Ventures, Inc.	100	100%	Y (No. 1, 2 & 3)
	RKD Ventures, LLC[1]	--	51%	N

[1] Excluded Subsidiary

SCHEDULE 7.13

Schedule 7.13 - Intellectual Property, Licenses, Etc.

SCHEDULE 7.14
Environmental Warranties

•BLDI Phase I Environmental Site Assessment for 41455 Production Drive, Harrison Charter Township, MI dated July 17, 2020.
•BLDI Phase I Environmental Site Assessment for 41225 Production Drive, Harrison Charter Township, MI dated February 26, 2021.
•BLDI Phase I Environmental Site Assessment for 24729 Sherwood Avenue, Center Line, MI dated January 25, 2021.
•BLDI Phase II Environmental Site Assessment for 24729 Sherwood Avenue, Center Line, MI dated January 25, 2021.
•BLDI Phase I Environmental Site Assessment for 3075 Peregrine Drive NE, Grand Rapids, MI dated July 7, 2020.
•BLDI Phase I Environmental Site Assessment for 4174 and 4178 West Pierson Road, Mt. Morris Township, MI dated May 4, 2021, Baseline Environmental Assessment dated August 9, 2021,
DDCC dated August 9, 2021.
•BLDI Phase I Environmental Site Assessment for S. 7 Mile Monitor Township dated September 30, 2020.
•BLDI Phase I Environmental Site Assessment for 391 Midland, Bay City, MI 48706 dated July 2020.
•BLDI Phase I Environmental Site Assessment for 11397 W. Jefferson Avenue, River Rouge, MI dated May 2021; Phase II dated May 2021; BEA dated May 2021; and DDCC dated July 2021.
•BLDI Phase I Environmental Site Assessment for 7 & 9 Orchard Street, River Rouge, MI 48218 dated October 2020; Phase II dated May 2021; Baseline Environmental Assessment dated May 2021; DDCC dated July 2021.
•BLDI Phase I Environmental Site Assessment for 2704-2708 Portage Street, Kalamazoo, MI 49001 dated July 2020.
•BLDI Phase I Environmental Site Assessment for 3821 & 3825 Stadium Drive, Kalamazoo, MI 49008 dated October 2018; Phase II dated January 2019; Baseline Environmental Assessment dated January 2019.
•BLDI Phase I Environmental Site Assessment for 14239 W 8 Mile Rd., Detroit, MI 48235 dated August 2021; Phase II dated October 4, 2021.
•BLDI Phase I Environmental Site Assessment for 716-800 N Centerville, Sturgis, MI 49091 dated September 2021, Phase II dated December 30, 2021.
•BLDI Phase I and Phase II Environmental Site Assessment for 23424, 23436, 23494 Amber, Warren, MI 48089 dated January 2022, DDCC dated July 25, 2022.
•BLDI Phase I Environmental Site Assessment for 100 S. Steer St. Addison, MI 49220 dated March 3 2022; Phase II dated May 26, 2022; BEA dated August 11, 2022.
•BLDI Phase I Environmental Site Assessment for 221 Front St., Buchanan, MI 49107 dated March 7 2022; Phase II dated April 27, 2022.
•BLDI Phase I Environmental Site Assessment for 421 S. Main St. Camden, MI 49232 dated February 28, 2022; Phase II dated April 15, 2022; DDCC dated September 21, 2022.
•BLDI Phase I Environmental Site Assessment for 850 E. Main St. Morenci, MI 49256 dated March 3 2022; Phase II dated June 2, 2022.
•BLDI Phase I Environmental Site Assessment for 11905 E. Pere Marquette Rd., Coleman, MI 48618 dated August 18, 2022.

SCHEDULE 7.15
Ownership of Properties

Tenant/Owner	Mailing Address	County	State	Status[2]	Landlord (as applicable)
Spartan Partners Services LLC	888 W. BIG BEAVER RD., SUITE 870 & 890, TROY, MI 48084	Oakland	MI	L	Troy 888, LLC 888 West Big Beaver Rd. Ste. 290 Troy, MI 48084 Attn: Carrie Douglas
Spartan Partners Properties LLC	23424, 23436, 23494 AMBER COURT, WARREN, MI 48089	Macomb	MI	[3]	N/A
Spartan Partners Properties LLC	3425 MLK JR. BLVD., LANSING, MI 48910	Ingham	MI	L	Koach Lansing I LLC 47448 Pontiac Trail, Suite 320 Wixom, MI 48393 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	3 STATE PARK DR., BAY CITY, MI 48706	Bay	MI	L[4]	Strategic Koach Properties, LLC c/o Koach Capital LLC 30665 Northwestern Hwy, Suite 100 Farmington Hills, MI 48334 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	2712 PORTAGE ST., KALAMAZOO, MI 49001	Kalamazoo	MI	L	Strategic Koach Properties, LLC c/o Koach Capital LLC 30665 Northwestern Hwy, Suite 100 Farmington Hills, MI 48334 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	1025 HANNAH STREET, TRAVERSE CITY, MI 49686	Grand Traverse	MI	L	Strategic Koach Properties, LLC c/o Koach Capital LLC 30665 Northwestern Hwy, Suite 100 Farmington Hills, MI 48334 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	3075 PEREGRINE DRIVE NE, GRAND RAPIDS, MI 49525	Kent	MI	L	Koach GR I LLC c/o Koach Capital LLC

[2] Status designations for 2(b): O: owned; A: ownership is in the process of being acquired; L: leased; LC: subject to a Land Contract for which a portion of the purchase price remains outstanding.

[4] Borrower is exploring options with Koach for terminating this lease, as revenue projections do not justify capex to finish the buildout plus Koach lease payments.

Tenant/Owner	Mailing Address	County	State	Status[2]	Landlord (as applicable)
					30665 Northwestern Hwy, Suite 100 Farmington Hills, MI 48334 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	1551 ACADEMY, FERNDALE, MI 48220	Oakland	MI	L	Strategic Koach Properties, LLC c/o Koach Capital LLC 30665 Northwestern Hwy, Suite 100 Farmington Hills, MI 48334 Attn: Sandy Kronenberg
Spartan Partners Properties LLC	41225 PRODUCTION DRIVE, HARRISON TWP., MI 48045	Macomb	MI	LC	N/A
Spartan Partners Properties LLC	11397 W. JEFFERSON AVE., RIVER ROUGE, MI 48218	Wayne	MI	LC[5]	N/A
Spartan Partners Properties LLC	7 & 9 ORCHARD, RIVER ROUGE, MI 48218	Wayne	MI	LC[6]	N/A
Spartan Partners Properties LLC	2704 & 2706 PORTAGE ST., KALAMAZOO, MI 49001	Kalamazoo	MI	LC	N/A
Spartan Partners Properties LLC	4174 & 4178 W. PIERSON RD., FLINT, MT. MORRIS TWP., MI	Genesee	MI	LC[7]	N/A
Spartan Partners Properties LLC	41455 PRODUCTION DRIVE, HARRISON TWP., MI 48045	Macomb	MI	O	N/A
Spartan Partners Properties LLC	391 MIDLAND, BAY CITY, MI 48706	Bay	MI	O	N/A
Spartan Partners Properties LLC	24729 SHERWOOD, CENTER LINE, MI 48015	Macomb	MI	O	N/A
Spartan Partners Properties LLC	3821 & 3825 STADIUM DR., KALAMAZOO, MI	Kalamazoo	MI	O	N/A
Spartan Partners Properties LLC	S. 7 MILE ROAD, BAY CITY, MI 48706	Bay	MI	O	N/A

[5] Termination of this Land Contract is being negotiated with the owner and is expected to close Q1 2023.
[6] Termination of this Land Contract is being negotiated with the owner and is expected to close Q1 2023.
[7] Termination of this Land Contract is being negotiated with the owner and is expected to close Q1 2023.

Tenant/Owner	Mailing Address	County	State	Status[2]	Landlord (as applicable)
Spartan Partners Properties LLC	716-800 N. CENTERVILLE, STURGIS, MI 49091	St. Joseph	MI	O[8]	N/A
Spartan Partners Properties LLC	2460 W. STADIUM BLVD. ANN ARBOR, MI 48103	Washtenaw	MI	L	2460 West Stadium LLC
Spartan Partners Properties LLC	14239 W. 8 MILE, DETROIT, MI 48235	Wayne	MI	LC	SC Development LLC
Spartan Partners Properties LLC	100 S STEER ST., ADDISON, MI 49220	Lenawee	MI	O	N/A
	221 FRONT ST., BUCHANAN, MI 49107	Berrien	MI	O	N/A
	421 S MAIN ST., CAMDEN, MI 49232	Hillsdale	MI	O	N/A
	850 E MAIN ST., MORENCI, MI 49256	Lenawee	MI	O	N/A
	11905 E. Pere Marquette, Coleman, MI	Isabella	MI	O	N/A
Spartan Partners Properties LLC	6030 E. 8 Mile Rd. Detroit, MI 48235	Wayne	MI	O	N/A
Spartan Partners Properties LLC	118 N. Columbus St. Jackson, MI 49201	Jackson	MI	L	Westbell, LLC
Thrive Enterprises LLC	48-52 Main St., Battle Creek, MI 49014	Calhoun	MI	L	Battle Creek Downtown, LLC

Status of any construction:

391 MIDLAND, BAY CITY, MI 48706. Processing operation construction is substantially complete and any remaining construction has been temporarily halted.

4174 & 4178 W. PIERSON RD., FLINT, MT. MORRIS TWP., MI. Future retail store at this time all required modifications to the land have been completed, foundation has been poured and walls have begun construction. Construction has been temporarily paused and awaiting next steps, anticipated to be in Spring 2022.

716-800 N. CENTERVILLE, STURGIS, MI 49091. Future retail store, at this time the former building has been removed and the land modifications and grating have been completed. Construction has been temporarily halted.

24729 SHERWOOD, CENTER LINE, MI 48015. Future retail store construction is near completion, and we anticipate opening to the general public in Q1 of 2023.

[8] This property has been demoed but vertical construction has not commenced. The projected revenue for this property does not justify the capex to build it out and Borrower intends to list it for sale in 2023.

SCHEDULE 7.18
Locations of Offices, Records and Collateral

Obligor	Mailing/Chief Executive Office Address	County	State	Registered Office
Gage Growth Corp.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	3610 Mavis Rd., Mississauga, Ontario L5C 1W2
Cookies Retail Canada Corp.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	800 Bay street, Toronto, ON M5S 389
Gage Innovations Corp.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	3610 Mavis Rd., Mississauga, Ontario L5C 1W2
Rivers Innovations, Inc.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	Corporation Trust Center 1209 Orange St., Wilmington, New Castle County, DE 19801
Rivers Innovations US South LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	Corporation Trust Center 1209 Orange St., Wilmington, New Castle County, DE 19801
RI SPE 1 LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	Corporation Trust Center 1209 Orange St., Wilmington, New Castle County, DE 19801
Spartan Partners Corporation	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
Spartan Partners Holdings, LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
Spartan Partners Properties LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1,

Schedule 7.18 - Locations of Offices, Records and Collateral

Obligor	Mailing/Chief Executive Office Address	County	State	Registered Office
				Plymouth, MI 48170
Spartan Partners Services LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
Spartan Partners Licensing LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
WDB Holding MI., Inc.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	108 Lakeland Ave., Dover, DE 19901
KISA Enterprises MI Inc.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
AEY Holdings LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
Thrive Enterprises LLC	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170
Stadium Ventures, Inc.	1551 Academy St., Ferndale, MI 48220	Oakland	MI	186 N. Main St., 2nd Floor, Ste. 1, Plymouth, MI 48170

Schedule 7.18 - Locations of Offices, Records and Collateral

SCHEDULE 7.19
Material Regulatory License

Schedule 7.19 - Material Regulatory License

SCHEDULE 7.21
Contractual or other
Restrictions NONE

Schedule 7.21 - Contractual or other Restrictions

SCHEDULE 7.22
Collective Bargaining
Agreements NONE

Schedule 7.22 - Collective Bargaining Agreements

SCHEDULE 7.24
Evidence of other Indebtedness

•On September 30, 2020, Gage Growth Corp (f/k/a Wolverine Partners Corp.) ("Company") issued an aggregate principal amount of Company Canadian Debentures of C$2,300,000 and an aggregate principal amount of Company US Debentures of $750,000. The Canadian Debentures and US Debentures are both governed by the laws of the Province of Ontario, The Company Debentures are unsecured and carry a coupon rate of 13.5% with a term of 12 months. The Company Debentures are repayable in cash at 100% of the principal amount and accrued interest thereon, upon the occurrence of a change of control of the Company. The Company also has the right, but not the obligation to repay the Company Debentures prior to the maturity date of the Company Debentures by paying the principal amount of the Company Debentures, plus 50% of the remaining interest on the Company Debentures plus all accrued and unpaid interest. As of September 30, 2021, C$200,000 of the Company Debentures were redeemed in accordance with its terms. The maturity date for the Company Debentures has been extended to January 2022. Outstanding Debentures as of the Closing Date:

- oWolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-CA04 (The Linton Family Trust) C$1,400,000
- oWolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-CA03 (1110864 Ontario Inc.) C$700,000
- oWolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-US01 (Eastwood Capital) US$750,000

•Land Contract dated as of April 13, 2021, by and between Jefferson Property Holdings, LLC, and Spartan Partners Properties, LLC, with respect to real property located at 11397 Jefferson Avenue, 7 Orchard Street & 9 Orchard Street, River Rouge, MI 48218, as evidenced by the Memorandum of Land Contract recorded in the Office of the Register of Deeds of Wayne County, MI on April 21, 2021 as Instrument No. 2021196224. Land Contract amount outstanding: $1,084,084.[45]

•Land Contract dated as of March 25, 2021, by and between Production Holdings, LLC, and Spartan Partners Properties, LLC, with respect to real property located at 41225-41239 Production Drive, Harrison Township, MI 48045. Land Contract amount outstanding: $1,169,695.

•Land Contract dated as of July 20, 2021, by and between 4174 W. Pierson Rd., LLC and Spartan Partners Properties, LLC, With respect to real property located at 4174 W. Pierson Road, Flint, MI 48504. Land Contract amount outstanding: $399,117.

•Land Contract dated as of November 23, 2021, by and between SC Development LLC and Spartan Partners Properties, LLC with respect to real property located at 14239 W. Eight Mile Rd., Detroit, MI. Land Contract amount outstanding is $1,684,180.

•Secured Promissory Note dated as of August 22, 2022 by Spartan Partners Properties LLC in favor of KISA Pinnacle Holdings LLC, in the original principal amount of $5,300,000.

•Secured Promissory Note dated as of August 22, 2022 by Spartan Partners Properties LLC in favor of KISA Pinnacle Holdings LLC, in the original principal amount of $4,700,000.

[45] Termination of this Land Contract is being negotiated.

•Guaranty dated as of August 22, 2022 by TerrAscend Corp. in favor of KISA Pinnacle Holdings LLC.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 11905 E. Pere Marquette, Coleman, MI 48618.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 221 E. Front St., Buchanan, MI 49107.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 100 S. Steer St., Addison, MI 49220.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 421 Main St., Camden, MI 49232.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 850 E. Main St., Morenci, MI 49256.

Schedule 7.24 -Evidence of other Indebtedness

SCHEDULE 7.25(a)
Deposit Accounts and Securities Accounts

Schedule 7.25 - Deposit Accounts and Securities Accounts

SCHEDULE 7.25(b)
AEY Capital Deposit Accounts and Securities Accounts

Schedule 7.25 - Deposit Accounts and Securities Accounts

Schedule 7.27(a)
Material Contracts and Regulatory Matters

(a)any agreement evidencing, securing or pertaining to any Indebtedness, or any guaranty thereof, in a principal amount exceeding $500,000

•Wolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-CA04 (The Linton Family Trust) C$1,400,000

•Wolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-CA03 (1110864 Ontario Inc.) C$700,000

•Wolverine Partners Corp. 13.5% Debenture Due 2021. No. 2020-D-US01 (Eastwood Capital) US$750,000

•Land Contract dated as of April 9, 2021 by and between SCL TRANSMISSION PROPERTIES, LLC and SPARTAN PARTNERS PROPERTIES LLC, with respect to real property located at 2706 Portage Road, Kalamazoo, MI 49001, as evidenced by the Memorandum of Land Contract recorded in the Kalamazoo County Clerk's Office as Instrument No. 2021-015947. Land Contract amount outstanding:
$87,704

•Land Contract dated as of April 13, 2021, by and between Jefferson Property Holdings, LLC, and Spartan Partners Properties, LLC, with respect to real property located at 11397 Jefferson Avenue, 7 Orchard Street & 9 Orchard Street, River Rouge, MI 48218, as evidenced by the Memorandum of Land Contract recorded in the Office of the Register of Deeds of Wayne County, MI on April 21, 2021 as Instrument No. 2021196224. Land Contract amount outstanding: $1,235,661.73[46]

•Land Contract dated as of March 25, 2021, by and between Production Holdings, LLC, and Spartan Partners Properties, LLC, with respect to real property located at 41225-41239 Production Drive, Harrison Township, MI 48045. Land Contract amount outstanding: $1,233,906.23

•Land Contract dated as of July 20, 2021, by and between 4174 W. Pierson Rd., LLC and Spartan Partners Properties, LLC, With respect to real property located at 4174 W. Pierson Road, Flint, MI 48504. Land Contract amount outstanding: $935,234.91

•Land Contract dated as of November 23, 2021, by and between SC Development LLC and Spartan Partners Properties, LLC with respect to real property located at 14239 W. Eight Mile Rd., Detroit, MI. Land Contract amount outstanding is $2,167,589.

•Guaranty of Lease dated October 23, 2020 by Gage Growth Corp. in favor of Strategic Koach Properties, LLC for the property located at 1551 Academy Ave., Ferndale, MI 48220.

•Secured Promissory Note dated as of August 22, 2022 by Spartan Partners Properties LLC in favor of KISA Pinnacle Holdings LLC, in the original principal amount of $5,300,000.

•Secured Promissory Note dated as of August 22, 2022 by Spartan Partners Properties LLC in favor of KISA Pinnacle Holdings LLC, in the original principal amount of $4,700,000.

[46] Termination of this Land Contract is being negotiated.

•Guaranty dated as of August 22, 2022 by TerrAscend Corp. in favor of KISA Pinnacle Holdings LLC.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 11905 E. Pere Marquette, Coleman, MI 48618.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 221 E. Front St., Buchanan, MI 49107.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 100 S. Steer St., Addison, MI 49220.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 421 Main St., Camden, MI 49232.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 850 E. Main St., Morenci, MI 49256.

•Promissory Note dated as of October 20, 2022 by AEY Holdings, LLC in favor of Westbell, LLC, in the original principal amount of $500,000.

•Guaranty dated as of October 20, 2022 by WDB Holding MI, Inc. in favor of Westbell, LLC.

(b)any real property lease where annual rent exceeds $500,000

•Lease Agreement dated October 23, 2020 between Strategic Koach Properties, LLC and Spartan Partners Properties, LLC for real property located at 1551 Academy Ave., Ferndale, MI 48220.

•Lease Agreement dated July 27, 2019 between Spartan Partners Properties LLC and AEY Capital LLC for real property located at 391 Midland, Bay City, MI 48706.

•Commercial Lease Agreement dated July 27, 2019 between Spartan Partners Properties, LLC and AEY Capital, LLC for real property located at 41455 Production Dr. Harrison Twp., MI 48045.

•Lease dated July 1, 2022 between Westbell, LLC and Spartan Partners Properties, LLC for real property located at 118 N. Columbus St., Jackson, MI 49201.

(c)any operating lease where annual rentals exceed $500,000

NONE

(d)any agreement (other than the agreements set forth in the foregoing clauses (a) through (c)) which involves aggregate consideration payable to or by such Person or such Subsidiary of $500,000 or more on an annual basis

•Asset Purchase Agreement dated as of May 20, 2022, by and between AEY Holdings, LLC and New Generation Meds, LLC, for the purchase of certain municipal approvals and other assets for 118 N. Columbus St., Jackson, MI 49201 and contingent upon the issuance of a municipal approval and certificate of occupancy for such location.

•Amended and Restated License and Packaging Agreement between Spartan Partners Licensing, LLC and Cookies Creative Consulting & Promotions, LLC dated January 22, 2020 and as amended on May 5, 2020, March 26, 2021, August 14, 2021 and November 17, 2021.

•Amended and Restated Retail License Agreement between Spartan Partners Licensing, LLC and Cookies Creative Consulting & Promotions, LLC dated January 24, 2020 and as amended August 14, 2021.

•Intellectual Property License Agreement between Spartan Partners Licensing, LLC and KKE Licensing MI LLC dated July 1, 2021.

•Membership Interest Purchase Agreement dated as of October 15, 2018 between Dr. Mark Morin and WDB Holding MI Inc. (as successor-in-interest to AEY Capital LLC) for the purchase of Thrive Enterprises LLC.

(e)any other agreement the termination of which (without contemporaneous replacement of substantially equivalent value) could reasonably be expected to have a Material Adverse Effect

NONE

(f)each Material Regulatory License

See disclosures on Schedule 7.19.

(g)each other Regulatory License the termination of which (without contemporaneous replacement of substantially equivalent value) could reasonably be expected to have a Material Adverse Effect

NONE

SCHEDULE 7.27(b)
Sales Tracking Software

•LeafLogix Technologies, Inc. point of sale and inventory software
•Duchie Plus API point of sale software

SCHEDULE 7.30

Transactions with Affiliates

Governing Documents

- Membership Interest Purchase Agreement by and between Michael Hermiz and Spartan Partners Holdings, LLC, dated March 11, 2019.
- Amended and Restated Operating Agreement of Spartan Partners Holdings, LLC, dated March 11, 2019.
- Agreement and Plan of Merger by and between Mayde Blocker LLC and Spartan Partners Corporation dated August 23, 2019.
- Shareholder Agreement of Spartan Partners Corporation by and between Wolverine Partners Corp. and Mayde, Inc. dated September 12, 2019, as amended by that Amendment to Shareholder Agreement dated October 7, 2020.
- Membership Interest Transfer Restriction and Succession Agreement among Spartan Partners Holdings, LLC, David Malinoski and AEY Capital, LLC dated as of January 31, 2019.
- Membership Interest Transfer Restriction and Succession Agreement among Spartan Partners Holdings, LLC, David Malinoski and 3 State Park, LLC dated as of January 31, 2019.

Licensing and Services Agreements

- License and Packaging Agreement between AEY Capital, LLC and Spartan Partners Licensing LLC dated October 1, 2019.
- Gage License Agreement dated September 16, 2019 between Wolverine Partners Corp. and Radicle Cannabis Holdings Inc., as amended by the First Amendment to License Agreement between Gage Growth Corp (f/k/a Wolverine Partners Corp.) and Radicle Cannabis Holdings Inc. dated February 23, 2021.
- License Agreement between Spartan Partners Licensing LLC and AEY Capital, LLC dated as of January 31, 2019.
- License Agreement between Spartan Partners Licensing LLC and 3 State Park, LLC dated as of January 31, 2019.
- License Agreement between Spartan Partners Licensing LLC and RKD Ventures LLC dated as of June 28, 2021.
- Services agreement between Spartan Partners Services LLC and AEY Capital, LLC dated as of January 31, 2019, as amended by the First Amendment to Service Agreement dated March 1, 2019.
- Services agreement between Spartan Partners Services LLC and 3 State Park LLC dated as of January 31, 2019, as amended by the First Amendment to Service Agreement dated March 1, 2019.
- Services Agreement between Spartan Partners Services LLC and RKD Ventures, LLC dated as of August 1, 2021.
- Equipment Lease Agreement between Spartan Partners Services LLC and 3 State Park, LLC dated as of January 31, 2019.
- Equipment Lease Agreement between Spartan Partners Services LLC and AEY Capital, LLC dated as of January 31, 2019.

Credit and Security Agreements

- Credit and Security Agreement between Spartan Partners Holdings, LLC and AEY Capital, LLC dated as of January 31, 2019.
- Convertible Promissory Note from AEY Capital, LLC in favor of Spartan Partners Holdings, LLC dated as of January 31, 2019.
- Credit and Security Agreement between Spartan Partners Holdings, LLC and David Malinoski dated as of July 30, 2019.
- Promissory Note from David Malinoski in favor of Spartan Partners Holdings, LLC dated as of July 30, 2019.
- Credit and Security Agreement between AEY Holdings, LLC, Buena Vista Real Estate, LLC, and Pure Releaf SP Drive, LLC, David Malinoski and Spartan Partners Services LLC dated September 13, 2019.

Real Estate Agreements

- Lease Agreement dated July 27, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at 391 Midland Road, Bay City, MI 48706.

Schedule 7.30 - Transactions with Affiliates

•Lease Agreement dated October 30, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at 24729 Sherwood, Centerline, MI 48015.
•Commercial Lease Agreement dated July 27, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at 41455 Production Dr., Harrison Twp., MI 48045.
•Lease Agreement dated November 19, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at S. 7 Mile Rd., Bay City, MI 48706.
•Commercial Lease Agreement dated July 26, 2019 between Spartan Partners Properties LLC and Pure Releaf SP Drive, LLC for real property located at 3 State Park Drive, Bay City, MI 48706, as amended, as amended by that certain First Amendment to Commercial Lease dated August 26, 2020.
•Commercial Lease Agreement dated November 16, 2019 between Spartan Partners Properties LLC, as and AEY Capital, LLC for real property located at 1025 Hannah Ave., Traverse City, MI 49686, as amended by that certain First Amendment to Commercial Lease dated August 26, 2020.
•Commercial Lease Agreement dated July 26, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at 2712 Portage Street, Kalamazoo, MI 49001, as amended by that certain First Amendment to Commercial Lease dated August 26, 2020.
•Lease Agreement dated November 23, 2019 between Spartan Partners Properties LLC and AEY Capital, LLC for real property located at 3075 Peregrine Drive, Grand Rapids, MI 49525, as amended by that certain First Amendment to Commercial Lease dated October 28, 2020.
•Commercial Lease Agreement dated July 26, 2019 between Spartan Partners Properties LLC and AEY Holdings, LLC, for real property located at 3425 S. Martin Luther King Jr. Blvd., Lansing, MI 48910, as amended by that certain First Amendment to Commercial Lease dated June 26, 2020.
•Commercial Lease Agreement dated June 1, 2018 between J&J 1551 LLC and Thrive Enterprises. LLC, as assigned by the Assignment of Lease Agreement between J&J 1551, LLC and Spartan Partners Properties LLC dated September 6, 2019, as amended by the First Amendment to Commercial Lease between Spartan Partners Properties LLC, as sublandlord, and Thrive Enterprises, LLC, as subtenant for real property located at 1551 Academy Ave., Ferndale, MI 48220, as amended by that certain First Amendment to Commercial Lease dated October 23, 2020.
•Lease Agreement dated July 27, 2019 between Spartan Partners Properties LLC and AEY Capital LLC for real property located at 3821 Stadium Dr., Kalamazoo, MI 48008.
•Lease Agreement dated July 27, 2019 between Spartan Partners Properties LLC and AEY Capital LLC for real property located at 3825 Stadium Dr., Kalamazoo, MI 48008.
•Lease Agreement dated July 28, 2021, between Spartan Partners Properties, LLC and AEY Capital, LLC for real property located at 14239 W. Eight Mile Rd, Detroit, MI 48235.
•Lease Agreement dated August 25, 2021, between Spartan Partners Properties, LLC and AEY Holdings, LLC for real property located at 716-800 N. Centerville Rd, Sturgis, MI 49091.
•Lease Agreement dated August 22, 2022, between Spartan Partners Properties LLC and KISA Enterprises MI Inc. for real property located at 100 S. Steer St., Addison, MI 49220.
•Lease Agreement dated August 22, 2022, between Spartan Partners Properties LLC and KISA Enterprises MI Inc. for real property located at 221 E. Front St., Buchanan, MI 49107.
•Lease Agreement dated August 22, 2022, between Spartan Partners Properties LLC and KISA Enterprises MI Inc. for real property located at 421 S. Main St., Camden, MI 49232.
•Lease Agreement dated August 22, 2022, between Spartan Partners Properties LLC and KISA Enterprises MI Inc. for real property located at 11905 E. Pere Marquette, Coleman, MI 48618.
•Lease Agreement dated August 22, 2022, between Spartan Partners Properties LLC and KISA Enterprises MI Inc. for real property located at 850 E. Main St., Morenci, MI 49256.
•Sublease Agreement dated July 1, 2022 between Spartan Partners Properties LLC and AEY Holdings LLC for real property located at 118 N. Columbus Jackson, MI 49201.
•Lease Agreement dated May 20, 2022 between Spartan Partners Properties LLC and AEY Capital LLC for real property located at 6030 E. 8 Mile Rd. Detroit, MI 48234.
•Sublease Agreement dated December 31, 2021 between Spartan Partners Properties LLC and Stadium Ventures Inc. for real property located at 2460 W. Stadium Blvd., Ann Arbor, MI 48103.

Schedule 7.30 - Transactions with Affiliates

Schedule
8.17
Licensing
Contracts

Licensing, Services and Equipment Lease Agreements

- License and Packaging Agreement between AEY Capital, LLC and Spartan Partners Licensing LLC dated October 1, 2019.
- Gage License Agreement dated September 16, 2019 between Wolverine Partners Corp. and Radicle Cannabis Holdings Inc., as amended by the First Amendment to License Agreement between Gage Growth Corp (f/k/a Wolverine Partners Corp.) and Radicle Cannabis Holdings Inc. dated February 23, 2021.
- License Agreement between Spartan Partners Services LLC and AEY Capital, LLC dated as of January 31, 2019.
- License Agreement between Spartan Partners Services LLC and 3 State Park, LLC dated as of January 31, 2019.
- License Agreement between Spartan Partners Services LLC and RKD Ventures LLC dated as of June 28, 2021.
- Services agreement between Spartan Partners Services LLC and AEY Capital, LLC dated as of January 31, 2019, as amended by the First Amendment to Service Agreement dated March 1, 2019.
- Services agreement between Spartan Partners Services LLC and 3 State Park LLC dated as of January 31, 2019, as amended by the First Amendment to Service Agreement dated March 1, 2019.
- Services Agreement between Spartan Partners Services LLC and RKD Ventures, LLC dated as of August 1, 2021.
- Equipment Lease Agreement between Spartan Partners Services LLC and 3 State Park, LLC dated as of January 31, 2019.
- Equipment Lease Agreement between Spartan Partners Services LLC and AEY Capital, LLC dated as of January 31, 2019.
- Consulting Agreement dated March 9, 2022, by and between Cookies Retail Canada Corp. and 2668420 Ontario Inc., for the store located at 278A Queen St. W., Toronto, Ontario.

SCHEDULE 9.02
Permitted Liens

•Strategic Koach Properties LLC's security interests in and to Spartan Partners Services LLC's ("Services") right, title and interest in (i) the Commercial Lease dated July 26, 2019 between Spartan Partners Properties LLC ("Properties") and AEY Capital, LLC, as amended by the First Amendment to Commercial Lease dated August 26, 2020, and (ii) the Services Agreement between AEY Capital LLC and Services dated January 31, 2019, granted by Services to pursuant to that certain Collateral Assignment of Agreements entered into as of August 26, 2020 by and among Properties, Services, Strategic Koach Properties LLC, and AEY Capital LLC in connection with 2717 Portage Rd. Kalamazoo, MI.

•Strategic Koach Properties LLC's security interests in and to Services' right, title and interest in (i) the Commercial Lease dated July 26, 2019 between Pure Releaf SP Drive, LLC and Properties, as amended by the First Amendment to Commercial Lease dated August 26, 2020, and (ii) the Services Agreement between Pure Releaf SP Drive, LLC and Services dated January 31, 2019[47], granted by Services pursuant to that certain Collateral Assignment of Agreements entered into as of August 26, 2020 by and among Properties, Services, Strategic Koach Properties LLC, and Pure Releaf SP Drive, LLC in connection with 3 State Park Dr. Bay City, MI.

•Strategic Koach Properties LLC's security interests in and to Services' right, title and interest in (i) the Commercial Lease dated November 16, 2019 between AEY Capital, LLC and Properties, as amended by the First Amendment to Commercial Lease dated August 26, 2020, and (ii) the Services Agreement between AEY Capital LLC and Services dated January 31, 2019, granted by Services pursuant to that certain Collateral Assignment of Agreements entered into as of August 26, 2020 by and among Properties, Services, Strategic Koach Properties LLC, and AEY Capital, LLC in connection with 1025 Hannah Street, Traverse City, MI.

•Strategic Koach Properties LLC's security interests in and to Services' right, title and interest in (i) the Commercial Lease Agreement dated June 1, 2018 between J&J 1551 LLC and Thrive Enterprises. LLC, as assigned by the Assignment of Lease Agreement between J&J 1551, LLC and Properties dated September 6, 2019, as amended by the First Amendment to Commercial Lease between Properties, and Thrive Enterprises, LLC dated October 23, 2020, and (ii) the Services Agreement between AEY Thrive LLC and Thrive Enterprises, LLC dated January 31, 2019, granted by Services pursuant to that certain Collateral Assignment of Agreements entered into as of October 23, 2020 by and among Properties, Strategic Koach Properties LLC, AEY Thrive LLC and Thrive Enterprises, LLC in connection with 1551 Academy Ave., Ferndale, MI.

•Koach GR I LLC's security interests in and to Services' right, title and interest in (i) the Lease Agreement dated November 23, 2019, as amended by the First Amendment to Lease Agreement dated October 28, 2020, and (ii) the Services Agreement between AEY Capital LLC and Services dated January 31, 2019, granted by Services to pursuant to that certain Collateral Assignment of Agreements entered into as of October 28, 2020 by and among Properties, Services, Koach GR I LLC, and AEY Capital LLC in connection with 3075 Peregrine Dr. Grand Rapids, MI.

[47] The Services Agreement between Pure Releaf SP Drive, LLC and Services dated January 31, 2019 to become effective following the commencement of Pure Releaf SP Drive, LLC's operations.

•Koach Lansing I LLC's security interests in and to Services' right, title and interest in (i) the Commercial Lease dated July 26, 2019 between AEY Holdings LLC and Properties, as amended by the First Amendment to Commercial Lease dated June 26, 2020 and (ii) the Services Agreement between AEY Holdings LLC and Services dated January 31, 2019, granted by Services to pursuant to that certain Collateral Assignment of Agreements entered into as of June 29, 2020 by and among Properties, Services, Koach Lansing I LLC, and AEY Holdings LLC in connection with 3425 S. Martin Luther King Jr. Blvd, Lansing, MI.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 11905 E. Pere Marquette, Coleman, MI 48618.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 221 E. Front St., Buchanan, MI 49107.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 100 S. Steer St., Addison, MI 49220.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 421 Main St., Camden, MI 49232.

•Mortgage dated as of August 22, 2022 by Spartan Partners Properties, LLC in favor of KISA Pinnacle Holdings, LLC for the property located at 850 E. Main St., Morenci, MI 49256.

•The following Liens:

File Type /File Number/ File Date/ Expiration Date	Debtor Party	Secured Party	Lien Summary
Original 20190729164916268056 07/29/2024	Gage Growth Corp.	Alterna Savings and Credit Union Ltd.	Security for Collabria Visa card for $20,000 on account 330262. Secured amount is 115% of the secured card amount.
Original 20210824000295-5 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Koach GR I LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property and fixtures related to the property.
Original 20210824000296-4 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Koach Lansing I LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property and fixtures related to the property.
Original 20210824000297-3 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Strategic Koach Properties LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property and fixtures related to the property.
Original 20210824000298-2 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Strategic Koach Properties LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property

			and fixtures related to the property.
Original 20210824000299-1 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Strategic Koach Properties LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property and fixtures related to the property.
Original 20210824000305-1 08/24/21 - 08/24/26	Spartan Partners Properties LLC	Strategic Koach Properties LLC	All tenant's interest in and to licenses pursuant to Lease Agreement; personal property and fixtures related to the property.
NO FILED COPY RECEIVED[48]	Spartan Partners Properties LLC	KISA Pinnacle Holdings LLC	The Purchased Assets (together with proceeds, etc.) as defined in the Asset Purchase Agreement between Debtor and Secured Party

SCHEDULE 9.05
Investments

•C$1,000,000 aggregate principal amount of 12% secured convertible debenture of Noya Holdings Inc. (formerly Radicle Cannabis Holdings Inc.) ("**Noya**"). At any time prior to the maturity date of such debentures, being November 22, 2022, the Company may convert the principal amount plus all accrued interest into common shares of Noya at a conversion price of C$0.60.

•Share purchase warrants of Noya to purchase 266,667 common shares of Noya at a price of C$0.75 per common share of Noya at any time until November 21, 2022.

•160,000 shares of Plus Products Inc.

•Spartan Partners Licensing LLC purchased $1,500,000 worth of interests in Mesh Ventures, LLC, a Delaware limited liability company pursuant to a Subscription Agreement dated February 22, 2019.

•Spartan Partners Licensing LLC has the right to convert debt into equity in the amount of $1,000,000 worth of interests in Cookies Creative Consulting & Promotions, LLC pursuant to the terms of (i) a convertible promissory note dated February 20, 2019 and (ii) a convertible promissory note purchase agreement dated February 20, 2019.

•Demand Promissory Note dated as of September 29, 2022 made by Green Blaze, LLC to the order of Spartan Partners Properties, LLC, in the original principal amount of $500,000, to fund the construction of certain improvements of real property located at 14239 W. Eight Mile Rd., Detroit, MI 48235, the funding of which is contingent on the issuance of an adult use cannabis dispensary municipal approval by the City of Detroit to a Licensing Entity for real property located at 6030 E. 8 Mile Rd., Detroit, MI 48235.

SCHEDULE 12.02
Addresses for Notices

If to any Credit Party:

3610 Mavis Rd.
Mississauga, Ontario
L5C 1W2 Attention:
Chief Legal Office
Email:
legal@terrascend.com

with copies to:

Dickinson
Wright PLLC
500 Woodward
Ave
Suite 4000
Detroit, MI 48226
Attention: M. Katherine
VanderVeen Email:
mvanderveen@dickinsonwright.com

If to Administrative Agent Collateral Agent:

Chicago Atlantic
Admin, LLC 420 N
Wabash Ave, Ste 500
Chicago, IL
60611 Attention:
Loan Department
Email: reporting@chicagoatlantic.com

with a copy to (not to constitute service):

Kilpatrick Townsend & Stockton
LLP 1100 Peachtree Street NE,
Suite 2800
Atlanta, Georgia 30309
Attention: Shannon C.
Baxter
Email: sbaxter@kilpatricktownsend.com

If to any Lender:

At its address or facsimile number set forth in its Administrative Questionnaire.

ANNEX C

SCHEDULES TO U.S. SECURITY AGREEMENT

See attached.

SCHEDULE 1
INTELLECTUAL PROPERTY

SCHEDULE 2

PLEDGED STOCK AND PLEDGED NOTES

Pledged Stock:

Name of Issuer	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Owner	Certificate Nos.
Rivers Innovations, Inc.	1,000	Common	100%	Gage Innovations Corp.	Y (No. 3)
Rivers Innovations US South LLC	--	--	100%	Rivers Innovations, Inc.	N
RI SPE 1 LLC	--	--	100%	Rivers Innovations US South LLC	N
Cascade Sciences, LLC (formerly Mass2Media, LLC)	--	--	8%	RI SPE 1 LLC	N
WDB Holding MI, Inc.	--	--	100%	TerrAscend USA, Inc.	N
Spartan Partners Corporation	31,578	Common	100%	WDB Holding MI, Inc.	Y (No. 2 & 3)
Thrive Enterprises LLC	--	--	100%	WDB Holding MI, Inc.	N
AEY Holdings LLC	--	--	100%	WDB Holding MI, Inc.	N
KISA Enterprises MI Inc.	1,000	--	100%	WDB Holding MI, Inc.	N
Spartan Partners Holdings, LLC	--	--	100%	Spartan Partners Corporation	N
Spartan Partners Properties LLC	--	--	100%	Spartan Partners Holdings, LLC	N
Spartan Partners Services LLC	--	--	100%	Spartan Partners Holdings, LLC	N
Spartan Partners Licensing LLC	--	--	100%	Spartan Partners	N

Name of Issuer	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Owner	Certificate Nos.
				Holdings, LLC	
Mayde US LLC	--	--	100%	Spartan Partners Holdings, LLC	N
Mesh Ventures, LLC	Capital contribution in the amount of $1,500,000	Class A Common Units and/or Class B Common Units	--	Spartan Partners Licensing LLC	N
RKD Ventures, LLC	--	--	51%	AEY Holdings LLC	N
Stadium Ventures, Inc.	100	Common	100%	AEY Holdings LLC	N

Pledged Notes:

1. Convertible Promissory Note from AEY Capital LLC in favor of Spartan Partners Holdings LLC dated as of January 31, 2019.

2. Convertible Promissory Note from David Malinoski in favor of Spartan Partners Holdings LLC dated as of July 30, 2019.

3. Convertible Promissory Note from Cookies Creative Consulting & Promotions, LLC in favor of Spartan Partners Licensing LLC dated February 20, 2019.

SCHEDULE 3

COMMERCIAL TORT CLAIMS

None.

ANNEX D

SCHEDULES TO CANADIAN SECURITY AGREEMENT

See attached.

SCHEDULE 1
INTELLECTUAL PROPERTY

SCHEDULE 2

PLEDGED STOCK AND PLEDGED NOTES

Pledged Stock:

Name of Issuer	Number of Shares/Units	Class of Interests	Percentage of Class Owned	Owner	Certificate Nos.
Gage Innovations Corp.	34,491,701	Common	100%	Gage Growth Corp.	Y (No. 3)
Cookies Retail Canada Corp.	32,000,000	Common	80%	Gage Growth Corp.	Y (C-11)
Rivers Innovations, Inc.	1,000	Common	100%	Gage Innovations Corp.	Y (No. 3)

Pledged Notes:

NONE

LOAN AGREEMENT

BY AND BETWEEN

PELORUS FUND REIT, LLC,

AS LENDER,

TERRASCEND NJ LLC, HMS PROCESSING LLC, HMS HAGERSTOWN, LLC, AND HMS HEALTH, LLC,

COLLECTIVELY AS BORROWER,

TERRASCEND CORP. AND TERRASCEND USA, INC., WELL AND GOOD, INC. AND WDB HOLDING MD, INC.,

COLLECTIVELY AS GUARANTOR,

DATED AS OF OCTOBER 11, 2022

TABLE OF CONTENTS

EXHIBITS AND SCHEDULES:

Exhibits:
EXHIBIT A-1 - Form of U.S. Tax Compliance Certificate EXHIBIT A-2 - Form of U.S. Tax Compliance Certificate EXHIBIT A-3 - Form of U.S. Tax Compliance Certificate
EXHIBIT A-4 - Form of U.S. Tax Compliance Certificate
EXHIBIT B - Definition of "Special Purpose Entity" and Related Defined Terms Schedules:
Schedule 1 - List of Loan Documents Schedule 2.6 Conditions to Closing
Schedule 4.1 - Loan Parties Organizational Numbers Schedule 4.3 - Borrower Organizational Chart Schedule 4.16 - Affiliate Fees
Schedule 4.21 - Material Contracts Schedule 4.23 - Regulatory Licenses Schedule 6.20 - Certain Accounts
Schedule 6.7 - Existing Parent Indebtedness Schedule 6.24 - Post-Closing Obligations Schedule 7.1 - Construction Work
Schedule 7.2 - Approved Construction Budget Schedule 11.1 - List of Disqualified Lenders

THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS ARE SUBJECT TO STRICT REQUIREMENTS FOR ONGOING REGULATORY COMPLIANCE BY THE PARTIES HERETO, INCLUDING, WITHOUT LIMITATION, REQUIREMENTS THAT THE PARTIES TAKE NO ACTION IN VIOLATION OF EITHER ANY STATE CANNABIS LAWS OR THE GUIDANCE OR INSTRUCTION OF THE REGULATOR. SECTION 12.27(b) CONTAINS SPECIFIC REQUIREMENTS AND COMMITMENTS BY THE PARTIES TO MAINTAIN FULLY THEIR RESPECTIVE COMPLIANCE WITH STATE CANNABIS LAWS AND THE REGULATOR. THE PARTIES UNDERSTAND THE REQUIREMENTS OF SECTION 12.27(b).

LOAN AGREEMENT

THIS **LOAN AGREEMENT** is made and entered into as of October 11, 2022, by and between **TERRASCEND NJ LLC**, a New Jersey limited liability company ("**TerrAscend NJ**"), **HMS HAGERSTOWN, LLC** a Delaware limited liability company ("**MD Propco**"), **HMS PROCESSING, LLC**, a Maryland limited liability company ("**MD Opco 1**"), **HMS HEALTH, LLC**, a Maryland limited liability company ("**MD Opco 2**" and, together with MD Opco 1, individually and collectively, as the context may require, "**MD Opco**"; each of TerrAscend NJ, MD Propco and MD Opco are referred to herein individually and collectively, as the context may require, as "**Borrower**"), **TERRASCEND CORP.**, an Ontario corporation ("**Canadian Parent**"), **TERRASCEND USA, INC.**, a Delaware corporation ("**American Parent**" and, together with Canadian Parent, individually and collectively, as the context may require, "**Parent**"), **WELL AND GOOD, INC.**, a Delaware corporation, and **WDB HOLDING MD, INC.**, a Maryland corporation (Well and Good, Inc., Parent and WDB Holding MD, Inc. are referred to herein individually and collectively, as the context may require, as "**Guarantor**"), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, "**Lender**").

WITNESSETH:

WHEREAS, Borrower has requested that Lender provide Borrower with real estate secured financing (the "**Loan**") in the amount of Forty Five Million Four Hundred Seventy Eight Thousand and 00/100 Dollars ($45,478,000.00) (the "**Loan Amount**").

WHEREAS, Guarantor owns, directly or indirectly, beneficial ownership interests in Borrower and will derive substantial benefit from Lender making the Loan to Borrower;

WHEREAS, MD Propco has leased the MD Real Property to MD Opco, and MD Opco operates the Cannabis Business (as defined below) and holds the Regulatory Licenses with respect thereto;

WHEREAS, prior to the consummation of the Permitted Reorganization, TerrAscend NJ owns the NJ Real Property and operates the Cannabis Business (as defined below) and holds the Regulatory Licenses with respect thereto;

WHEREAS, Lender is willing to provide the Loan to Borrower, on the terms and conditions contained in this Agreement and the other Loan Documents.

NOW, THEREFORE, in consideration of the making of the Loan by Lender, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

ARTICLE I DEFINITIONS

1.1 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth respectively after each:

"**Accounting Standard**" means GAAP or any other accounting method approved by Lender.

"**ADA**" means the Americans with Disabilities Act, 42 U.S.C. §§ 12101, et seq., as the same may be hereafter amended or modified.

"**Adjusted EBITDA**" means for any period, Net Income of Borrower for such period, plus, without duplication and to the extent deducted in determining Net Income for such period, the sum of (a) interest expense (including, without limitation, any interest component in respect of lease obligations, right of use assets and any revaluation thereof), (b) provision for taxes based on income, (c) depreciation expense, (d) amortization expense, (e) unusual or nonrecurring charges, expenses or losses (excluding losses from discontinued operations), (f) other non-cash charges, expenses or losses (excluding any such non-cash charge to the extent it represents an accrual or reserve for potential cash charge in any future period or amortization of a prepaid cash charge that was paid in a prior period, but including purchase accounting adjustments under ASC 805 under GAAP), minus, without duplication and to the extent included in determining Net Income for such period, the sum of (g) unusual or non-recurring gains and non-cash income, (h) any other noncash income or gains increasing Net Income for such period (excluding any such non-cash gain to the extent it represents the reversal of an accrual or reserve for potential cash charge in any prior period), and (i) any gains realized from the disposition of property outside of the ordinary course of business, all as determined on a consolidated basis; provided, however that the adjustments pursuant to clause (e) may not exceed 30% of consolidated Adjusted EBITDA (without giving effect to any adjustments pursuant to clause (e)) for any given period.

"**Adjusted Term SOFR**" means Term SOFR plus 9.5%.

"**Affiliate**" of any Person is a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members.

"**Affiliate Fees**" is defined in Section 4.16.

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

"**Applicable Interest Rate**" has the meaning set forth in Section 2.7(d), as adjusted pursuant to this Agreement.

"**Appraisal**" means a written appraisal prepared by an MAI appraiser acceptable to Lender in its sole discretion and prepared in compliance with applicable regulatory requirements, including, without limitation, the Financial Institutions Recovery, Reform and Enforcement Act of 1989, as amended from time to time, and subject to Lender's customary independent appraisal requirements.

"**American Parent**" is defined in the opening paragraph of this Agreement.

"**Annual Budget**" means the operating budget for the Loan Parties (including with respect to the Property), as amended from time to time in accordance with this Agreement.

"**Anti-Money Laundering Laws**" means those laws, regulations and sanctions, state and United States and/or Canadian, as applicable, federal, criminal and civil, that (a) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (b) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States or Canada, as applicable; (c) require identification and documentation of the parties with whom a financial institution conducts business; or (d) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the Money Laundering Control Act of 1986, as amended, the Patriot Act, the Bank Secrecy Act, the Trading with the Enemy Act, 50 U.S.C. App. Section 1 et seq., the International Emergency Economic Powers Act, 50 U.S.C. Section 1701 et seq., and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. Sections 1956 and 1957.

"**Approved Construction Budget**" means the construction budget attached hereto as **Schedule 7.2**, as the same may be amended from time to time with the approval of Lender (and the Approved Construction Budget and **Schedule 7.2** shall be deemed to be updated to the extent such approval is obtained).

"**Bankruptcy Action**" means with respect to any Person (a) such Person filing a voluntary petition under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (b) the filing of an involuntary petition against such Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; (c) such Person filing an answer consenting to or otherwise colluding or acquiescing in or joining in any involuntary petition filed against it, by any other Person under the Bankruptcy Code or any other Federal or state bankruptcy or insolvency law; or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (d) the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of the Property; (e) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due; or (f) such Person commencing (or have commenced against it) a

proceeding for the dissolution or liquidation of it.

"**Bankruptcy Proceeding**" is defined in Section **10.6(a)**.

"**Bankruptcy Code**" means the Bankruptcy Reform Act of 1978, 11 U.S.C. §101- 1330, as the same may be hereafter amended or modified.

"**Base Rate**" means, on any day, the greatest of (a) the Floor, (b) the Federal Funds Rate in effect on such day *plus* ½%, (c) Term SOFR for a one-month tenor in effect on such day; provided that this clause (c) shall not be applicable during any period in which Term SOFR is unavailable or unascertainable, and (d) the U.S. prime rate as published in The Wall Street Journal's "Money Rates" table for such day or such other rate of interest publicly announced by Lender from time to time as its prime rate in effect (which is not necessarily the best or lowest rate of interest charged as a prime rate). If multiple prime rates are quoted in such table, then the highest U.S. prime rate quoted therein shall be the prime rate. In the event that a U.S. prime rate is not published in The Wall Street Journal's "Money Rates" table for any reason or The Wall Street Journal is not published that day in the United States of America for general distribution, Lender will choose a substitute U.S. prime rate, for purposes of calculating the interest rate applicable hereunder, which is based on comparable information, until such time as a prime rate is published in The Wall Street Journal's "Money Rates" table. Each change in the Base Rate shall become effective without notice to Borrower on the effective date of each such change.

"**Base Rate Loan**" means each portion of the Loan to the extent that it that bears interest at a rate determined by reference to the Base Rate.

"**Base Rate Term SOFR Determination Day**" has the meaning specified therefor in the definition of "Term SOFR".

"**Benchmark**" means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then "Benchmark" means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 2.14(a)(iii)(A).

"**Benchmark Replacement**" means, with respect to any Benchmark Transition Event, the sum of (a) the alternate benchmark rate that has been selected by Lender and Borrower giving due consideration to (i) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for the then-current Benchmark for Dollar-denominated syndicated credit facilities and (b) the related Benchmark Replacement Adjustment; provided that if such Benchmark Replacement as so determined would be less than the Floor, such Benchmark Replacement shall be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"**Benchmark Replacement Adjustment**" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread

adjustment, or method for calculating or determining such spread adjustment (which may be a

positive or negative value or zero) that has been selected by Lender and Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body, or
(b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark:

(a)in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and
(ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof); or

(b)in the case of clause (c) of the definition of "Benchmark Transition Event," the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be non-representative or non-compliant with or non-aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided, that such non-representativeness, non-compliance, or non-alignment will be determined by reference to the most recent statement or publication referenced in such clause (c);

(c)For the avoidance of doubt, the "Benchmark Replacement Date" will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to such Benchmark (or the published component used in the calculation thereof).

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a)a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof);

(b)a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Board of Governors, the Federal Reserve Bank of New York, an insolvency official with

jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

(c)a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that such Benchmark (or such component thereof) is not, or as of a specified future date will not be, representative or in compliance with or aligned with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

"**Benchmark Transition Start Date**" means, in the case of a Benchmark Transition Event, the earlier of (a) the applicable Benchmark Replacement Date and (b) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication).

"**Benchmark Unavailability Period**" means the period (if any) (x) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14(a)(iii) and (y) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 2.14(a)(iii).

"**Blocked Account**" means the commercial deposit account to be established by MD Propco at Blocked Account Bank over which Lender will have exclusive control for withdrawal purposes pursuant to a Control Agreement.

"**Blocked Account Bank**" means ParkeBank, or such other bank as shall be approved by Lender.

"**Board of Governors**" means the Board of Governors of the Federal Reserve System of the United States (or any successor).

"**Borrower**" is defined in the opening paragraph of this Agreement.

"**Business Day**" means any day, other than a Saturday, Sunday or any other day on which the New York Stock Exchange or the Federal Reserve Bank of New York is not open for business or which is a day on which banking institutions located in the State or the Province of Ontario are required or authorized by law or other governmental action to close.

"**Canadian Parent**" is defined in the opening paragraph of this Agreement.

"**Cannabis Business**" shall mean the business of acquiring, cultivating, manufacturing, extracting, testing, producing, processing, possessing, selling (at retail or wholesale), dispensing, distributing, transporting, packaging, labeling, marketing or disposing of cannabis, marijuana or related substances or products containing or relating to the same, and all ancillary activities related to the foregoing, including leasing any real property on which any such activity is conducted.

"**Cash Equivalents**" means (a) marketable direct obligations issued by, or unconditionally guaranteed by, the United States or issued by any agency thereof and backed by the full faith and credit of the United States, (b) marketable direct obligations issued or fully guaranteed by any state of the United States or any political subdivision of any such state or any public instrumentality thereof, (c) commercial paper, (d) certificates of deposit, time deposits, overnight bank deposits or bankers' acceptances, (e) Deposit Accounts, (f) repurchase obligations of any commercial bank or recognized securities dealer, (g) debt securities with maturities of six (6) months or less from the date of acquisition backed by standby letters of credit issued by any commercial bank, and (h) investments in money market funds substantially all of whose assets are invested in the types of assets described in clauses (a) through (g) above.

"**Casualty**" is defined in Section 8.1.

"**Casualty Retainage**" is defined in Section 8.8(b).

"**Cell Tower Lease**" means that certain land lease agreement dated as of February 23, 2017 among Deckenbach Family Limited Partnership, as lessor (the "**Original Lessor**"), and New York SMSA Limited Partnership d/b/a Verizon Wireless assigned by the Original Lessor to TerrAscend NJ pursuant to that certain assignment and assumption of lease agreement dated as of February 12, 2019 among Original Lessor and TerrAsc.

"**Change in Cannabis Law**" means any adverse change after the Effective Date in Federal Cannabis Laws or State Cannabis Laws, or the application or interpretation thereof by any Governmental Authority, (a) that would make it unlawful for Lender to (i) continue to be a party to any Loan Document, (ii) perform any of its obligations under any Loan Document, or (iii) to fund or maintain the Loan, (b) pursuant to which any Governmental Authority has enjoined any Lender from (i) continuing to be a party to any Loan Document, (ii) performing any of its obligations under any Loan Document, or (iii) funding or maintaining the Loans, (c) pursuant to which any Governmental Authority requires (i) confidential information from or disclosure of confidential information about Lender or its Affiliate or any investor therein, or (ii) Lender to obtain any license, permit, or other authorization to, in each case, (A) continue to be a party to any Loan Document, (B) perform any of its obligations under any Loan Document, or (C) to fund or maintain the Loans, or (d) that would impair Lender's ability to foreclose upon or otherwise deal with the Collateral.

"**Change in Control**" means (a) with respect to Canadian Parent, (i) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) beneficially owns, directly or indirectly,

more than 50% or more of the Equity Interests of the Canadian Parent entitled to vote for members

of the board of directors or equivalent governing body of the Canadian Parent on a fully-diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right), (ii) any person or group of persons, acting jointly or in concert (as such expression is defined in National Instrument 62-104 *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) acquires the power to direct, or cause the direction of, management, business or policies of the Canadian Parent, whether through the ability to exercise voting power, by contract or otherwise, or (iii) any person or group of persons acting jointly or in concert (as such expression is defined in National Instrument 62-104 – *Take-Over Bids and Issuer Bids* adopted by the Canadian Securities Regulatory Authorities (as such Instrument may be amended from time to time)) succeed in having a sufficient number of nominees elected to the board of directors of the Canadian Parent that such nominees, when added to any existing director remaining on the board of directors of the Canadian Parent, will constitute a majority of the board of directors of the Canadian Parent; (b) with respect to any Loan Party other than Canadian Parent or TerrAscend NJ, Canadian Parent shall cease to own, directly or indirectly, free and clear of all Liens or other encumbrances, 100% of the outstanding voting Equity Interests of such Loan Party on a fully diluted basis; and (c) with respect to TerrAscend NJ, Canadian Parent shall cease to indirectly own, free and clear of all Liens or other encumbrances, at least 87.5% of the outstanding voting Equity Interests of TerrAscend NJ on a fully diluted basis.

"**Change in Law**" means the occurrence after the date of this Agreement of: (a) the adoption or effectiveness of any law, rule, regulation, judicial ruling, judgment or treaty, (b) any change in any law, rule, regulation, judicial ruling, judgment or treaty or in the administration, interpretation, implementation or application by any Governmental Authority of any law, rule, regulation, guideline or treaty, (c) any new, or adjustment to, requirements prescribed by the Board of Governors for "Eurocurrency Liabilities" (as defined in Regulation D of the Board of Governors), requirements imposed by the Federal Deposit Insurance Corporation, or similar requirements imposed by any domestic or foreign governmental authority or resulting from compliance Lender with any request or directive (whether or not having the force of law) from any central bank or other Governmental Authority and related in any manner to SOFR, the Term SOFR Reference Rate, or Term SOFR, or (d) the making or issuance by any Governmental Authority of any request, rule, guideline or directive, whether or not having the force of law; provided that notwithstanding anything in this Agreement to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (ii) all requests, rules, guidelines or directives concerning capital adequacy promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities shall, in each case, be deemed to be a "Change in Law," regardless of the date enacted, adopted or issued.

"**Code**" means the Internal Revenue Code of 1986, as the same may be hereafter amended or modified.

"**Collateral**" means all of Borrower's now owned or hereafter acquired right, title and interest in and to all property, including, without limitation, each of the following:

(a)all of its Accounts;

(b)all of its Books and Records;

(c)all of its Chattel Paper;

(d)all of its Deposit Accounts;

(e)all of its Equipment and Fixtures;

(f)all of its General Intangibles;

(g)all of its Inventory;

(h)all of its Investment Property;

(i)all of its Negotiable Instruments;

(j)all of its Supporting Obligations;

(k)all of its Commercial Tort Claims;

(l)all of its money, Cash Equivalents, or other assets that now or hereafter come into the possession, custody, or control of Lender;

(m)all Property; and

(n)all of the proceeds (as such term is defined in the Code) and products, whether tangible or intangible, of any of the foregoing, including proceeds of insurance or Commercial Tort Claims covering or relating to any or all of the foregoing, and any and all Accounts, Books and Records, Chattel Paper, Deposit Accounts, Equipment, Fixtures, General Intangibles, Inventory, Investment Property, Negotiable Instruments, Supporting Obligations, money, or other tangible or intangible property resulting from the sale, lease, license, exchange, collection, or other disposition of any of the foregoing, the proceeds of any award in condemnation with respect to any of the foregoing, any rebates or refunds, whether for taxes or otherwise, and all proceeds of any such proceeds, or any portion thereof or interest therein, and the proceeds thereof, and all proceeds of any loss of, damage to, or destruction of the above, whether insured or not insured, and, to the extent not otherwise included, any indemnity, warranty, or guaranty payable by reason of loss or damage to, or otherwise with respect to any of the foregoing (the "Proceeds"). Without limiting the generality of the foregoing, the term "Proceeds" includes whatever is receivable or received when Investment Related Property or proceeds are sold, exchanged, collected, or otherwise disposed of, whether such disposition is voluntary or involuntary, and includes proceeds of any indemnity or guaranty payable to Borrower or Lender from time to time with respect to any of the Investment Related Property; provided, however, the Collateral shall not include any Excluded Asset.

"**Complete**" or "**Completion**" means the Construction Work and the Property shall satisfy the following conditions: (a) a permanent certificate (or certificates) of occupancy for the

Construction Work has been issued and delivered to Lender; (b) Borrower has furnished Lender with final lien waivers with respect to the Construction Work and work related thereto; and

(c) Borrower shall have delivered to Lender: (i) the final as built plans and specifications for the Construction Work; (ii) the licenses and permits that are required for the operation or occupancy of the Property shall have been unconditionally issued to Borrower; (iii) a certificate from Borrower stating that: (A) the Construction Work has been completed in a good and workmanlike manner, (B) the Property as so completed complies with all applicable Legal Requirements; (C) no written notices from any Governmental Authority of any claimed violations of applicable Legal Requirements arising from the development or operation of the Property which have not been cured were served upon Borrower or (to Borrower's knowledge) any contractor or subcontractor, and (D) no circumstances exist which are reasonably likely to give rise to the issuance of any such notice of claimed violation; and (iv) a certificate (in form and substance reasonably acceptable to Lender) from Borrower stating that each such Person has been paid in full, for all Construction Work performed and/or materials furnished by such party, such Officer's Certificate to be accompanied by lien waivers or other evidence of payment satisfactory to Lender, (v) Lender shall have received a title search indicating that the Property is free from all liens, claims and other encumbrances not previously approved by Lender, (v) Lender shall have received such other evidence as Lender shall reasonably request that the Construction Work shall have been completed and (vi) Lender shall have received evidence reasonably satisfactory to Lender that Borrower is current in payment and otherwise in compliance with the terms of any insurance financing arrangements. Wherever the word "completion" (or any derivations thereof) is used herein but not capitalized, it shall have the ordinary meaning given such term in light of the context in which it appears.

"**Compliance Certificate**" means a certificate in form and substance reasonably acceptable to Lender and signed by the chief financial officer of Canadian Parent (a) evidencing Debt Service Coverage Ratio for the immediately prior Fiscal Quarter, (b) listing all Permitted Indebtedness or Permitted Parent Indebtedness consisting of intercompany loans to any Loan Parties and certifying that the same constitute Permitted Indebtedness or Permitted Parent Indebtedness, as applicable and (c) including an acknowledgment and agreement signed by the holder(s) of all such Indebtedness that (i) such Indebtedness shall be subordinate to the Loan, and that no payments of same shall be accepted so long as any portion of the Obligations remain outstanding, (ii) such Indebtedness shall be subject to the provisions of Section 9.6 of this Agreement and (iii) such acknowledgment and agreement may be enforced by Lender against such holder.

"**Compliance Notice**" is defined in Section 12.27(b)(ii). "**Condemnation Proceeds**" is defined in Section 8.6(a)

"**Conforming Changes**" means, with respect to either the use or administration of Term SOFR or the use, administration, adoption, or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Base Rate," the definition of "Business Day," the definition of "U.S. Government Securities Business Day," the definition of "Interest Period," or any similar or analogous definition (or the addition of a concept of "interest period," timing and frequency of determining rates and making payments of interest, timing of borrowing requests or prepayment notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that Lender decides may be appropriate to reflect the adoption and implementation of such Benchmark

Replacement and to permit the use and administration thereof by Lender in a manner substantially consistent with market practice (or, if Lender decides that adoption of any portion of such market practice is not administratively feasible or if Lender determines that no market practice for the administration of such Benchmark Replacement exists, in such other manner of administration as Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"**Connection Income Taxes**" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

"**Construction Costs**" means the costs incurred by Borrower in connection with the construction of the Construction Work.

"**Construction Reserve Account**" is defined in **Section 7.2**. "**Construction Reserve Funds**" is defined in **Section 2.1**. "**Construction Work**" is defined in **Section 7.1**.

"**Control**" means the possession, directly or indirectly, of the power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, family relationship or otherwise; and the terms "**controls**", "**controlling**" and "**controlled**" have the meanings correlative to the foregoing.

"**Control Agreement**" means a control agreement, restricted account agreement or similar agreement or document, in each case in form and substance reasonably satisfactory to Lender and entered into for the purpose of perfecting a security interest in the Blocked Account.

"**Cookies License**" means (a) that certain Retail License Agreement dated as of August 18, 2021 among Cookies Creative Consulting & Promotions, Inc. and TerrAscend NJ, as amended from time to time, and (b) that certain Amended and Restated License and Packaging Agreement dated as of February 23, 2022 among Creative Consulting & Promotions, Inc., 1L Botanicals LLC and TerrAscend NJ, as amended from time to time (including, without limitation, pursuant to that First Amendment to Amended and Restated License and Packaging Agreement effective July 15, 2022 among Creative Consulting & Promotions, Inc., 1L Botanicals LLC and TerrAscend NJ).

"**Damages**" means, with respect to any Person, any and all liabilities, obligations, losses, demands, damages, penalties, assessments, actions, causes of action, judgments, proceedings, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including reasonable attorneys' fees and other costs of defense and/or enforcement whether or not suit is brought), fines, charges, fees, settlement costs and disbursements imposed on, incurred by or asserted against such party, whether based on any federal, state, local or foreign laws, statutes, rules or regulations (including securities and commercial laws, statutes, rules or regulations and Hazardous Materials Laws), on common law or equitable cause or on contract or otherwise; provided, however, that "Damages" shall not include special, consequential or punitive damages,

except to the extent imposed upon Lender by one or more third parties.

"**Debt**" means the outstanding principal balance of the Loan, together with all interest accrued and unpaid thereon and all other sums due from any Loan Party under the Loan Documents.

"**Debt Service**" as of any date, means the interest due on the outstanding principal balance of the Loan, as of such date, at the Applicable Interest Rate in effect as of such date, together with the principal reduction payment, if any, required on such date pursuant to this Agreement.

"**Debt Service Coverage Ratio**" means for Borrower, determined on a consolidated basis for the relevant period, the ratio of Adjusted EBITDA to Debt Service for such period.

"**Default**" means a condition or event which has occurred and which, after notice or lapse of time, or both, would constitute an Event of Default if that condition or event were not cured within any applicable cure period.

"**Default Interest Rate**" means a rate per annum equal to the lesser of (i) Adjusted Term SOFR plus eight percent (8%), or (ii) if such increased rate of interest may not be collected under applicable law, then at the maximum rate of interest, if any, which may be collected from Borrower under applicable law.

"**DSCR Period**" means any period during which the Debt Service Coverage Ratio has declined below 1.75:1.00 as demonstrated by the Compliance Certificate delivered together with financial statements pursuant to Section 5.1(e), subject to review and approval by Lender. A DSCR Period shall end (i) upon the Debt Service Coverage Ratio being greater than or equal to 1.75:1.00 for each of two (2) consecutive Fiscal Quarters as demonstrated by the Compliance Certificate delivered together with the financial statements pursuant to Section 5.1(e), subject to review and approval by Lender, or (ii) upon the prepayment of principal to Lender by Borrower causing the Debt Service Coverage Ratio as of the last day of each of two (2) consecutive Fiscal Quarters, calculated on a pro forma basis for each such Fiscal Quarter after giving effect to such prepayment, to be greater than or equal to 1.75:1.00.

"**DSCR Required Payment Amount**" means the difference between (a) the Adjusted EBITDA of Borrower that would be required to cause the DSCR to equal 1.75:1.00 and
(b) the actual Adjusted EBITDA of Borrower, in each case as of the end of the Fiscal Quarter ending immediately prior to the commencement of the DSCR Period or the immediately preceding Fiscal Quarter during the DSCR Period, as applicable.

"**Effective Date**" is defined in Section 2.5.

"**Embargoed Person**" means any Person subject to trade restrictions under any Federal Trade Embargo.

"**Environmental Indemnity Agreement**" means that certain Environmental

Indemnity Agreement executed and delivered by the Loan Parties collectively and jointly and severally in favor of Lender pursuant to this Agreement, as the same may be amended, restated, modified or supplemented from time to time.

"**Equity Interests**" means (a) partnership interests (general or limited) in a partnership; (b) membership interests in a limited liability company; (c) shares or stock interests in a corporation; and (d) the beneficial ownership interests in a trust.

"**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended or re-codified from time to time, and the regulations promulgated thereunder.

"**ERISA Affiliate**" is defined in Section 4.18.

"**Event of Default**" means each of those events so designated in Section 9.1. "**Excluded Assets**" means (a) any asset or property in which Lender is prohibited from taking, or any Local Loan Party is prohibited from granting, a security interest in or to pursuant to the express provisions of any State Cannabis Law or any other Legal Requirement; provided, however, "Excluded Assets" shall not include (i) such assets or property to the extent any such prohibition would be rendered ineffective under applicable law or principles of equity, and (ii) the proceeds of any such assets or property (including proceeds from the sale, license, lease or other disposition thereof), and provided further, upon such prohibition ceasing to exist, including pursuant to an approval or consent from the applicable Governmental Authority, such assets and property shall automatically no longer be considered "Excluded Assets" and shall become part of the Collateral, (b) rights held under a license that are not assignable by their terms without the consent of the licensor thereof (but only to the extent such restriction on assignment is effective under Section 9-406, 9-407, 9-408 or 9-409 of the Code (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law (including the Bankruptcy Code) or principles of equity); (c) any interest of a Borrower in respect of any equipment lease permitted hereunder if such Borrower is prohibited by the terms of such lease from granting a security interest in respect thereof or under which such an assignment or Lien would cause a default to occur under such lease; provided, however, that upon termination of such prohibition, such interest shall immediately become Collateral without any action by such Local Loan Party or Lender.

"**Excluded Taxes**" means any of the following Taxes imposed on or with respect to a Lender or any other recipient of payments to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, or required to be withheld or deducted from a payment to the Lender or any other recipient of payments to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document:

(a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Lender or other recipient being organized under the laws of, or having its principal office or its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in the Loan or Obligation pursuant to a law in effect on the date on which (i) such Lender acquires such interest

in the Loan or Obligation or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 2.15, amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Lender's or other recipient's failure to comply with Section 2.15(e), (d) Canadian federal withholding Taxes imposed on a payment made to a Lender or other recipient solely as a result of: (i) such Lender or other recipient not dealing at arm's length (for the purposes of the Tax Act) with Canadian Parent at the time of such payment, (ii) such Lender or other recipient being a "specified non-resident shareholder" (as defined in subsection 18(5) of the Tax Act) of Canadian Parent or not dealing at arm's length (for the purposes of the Tax Act) with a "specified shareholder" of Canadian Parent, or (iii) Canadian Parent being a "specified entity" (as defined in subsection 18.4(1) of the proposals to amend the Tax Act released by the Minister of Finance (Canada) on April 29, 2022) in respect of the Lender or other recipient, except where the non-arm's length relationship arises, such Lender or other recipient is a "specified non-resident shareholder" of Canadian Parent or is not dealing at arm's length with a "specified shareholder" of Canadian Parent, or Canadian Parent is a "specified entity" in respect of the Lender or other recipient, as applicable, in connection with or as a result of the Lender or other recipient having become a party to, received or perfected a security interest under or received or enforced any rights under, any Loan Document and (e) any withholding Taxes imposed under FATCA.

"**Existing Lease**" is defined in **Section 4.15**.

"**Existing Parent Indebtedness**" means the Indebtedness existing on the Effective Date and disclosed in **Schedule 6.7**.

"**Exit Fee**" is defined in Section 2.3(b).

"**FATCA**" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"**Federal Cannabis Law**" shall mean any federal Legal Requirement as such relates, either directly or indirectly, to the cultivation, harvesting, production, distribution, sale and possession of cannabis, marijuana or related substances or products containing or relating to the same, including the prohibition on drug trafficking under 21 U.S.C. § 841(a), et seq., the conspiracy statute under 18 U.S.C. § 846, the bar against aiding and abetting the conduct of an offense under 18 U.S.C. § 2, the bar against misprision of a felony (concealing another's felonious conduct) under 18 U.S.C. § 4, the bar against being an accessory after the fact to criminal conduct under 18 U.S.C. § 3, and federal money laundering statutes under 18 U.S.C. §§ 1956, 1957, and 1960 and the regulations and rules promulgated under any of the foregoing.

"**Federal Funds Rate**" means, for any period, a fluctuating interest rate per annum

equal to, for each day during such period, the weighted average of the rates on overnight Federal

funds transactions with members of the Federal Reserve System, as published on the next succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for such day on such transactions received by Lender from three Federal funds brokers of recognized standing selected by it (and, if any such rate is below zero, then the rate determined pursuant to this definition shall be deemed to be zero).

"**Federal Trade Embargo**" means any federal law imposing trade restrictions, or economic or financial sanctions, including (i) the Trading with the Enemy Act, as amended, and each of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended), (ii) the International Emergency Economic Powers Act (50 U.S.C. §§ 1701 et seq., as amended), (iii) Executive Order 13224, (iv) the PATRIOT Act, and
(v) any enabling legislation or executive order relating to the foregoing.

"**Financing Statements**" means (i) any financing statement describing Collateral to perfect Lender's Lien in any of the Collateral, including, without limitation those describing the Collateral as "all personal property" or "all assets" or words of similar effect, and (ii) any amendment or continuation of any filed financing statement, and listing the applicable Local Loan Party as debtor and Lender as secured party.

"**Fiscal Quarter**" means each three (3)-month period ending on March 31, June 30, September 30 and December 31 of each year or such other fiscal quarter as the applicable Loan Party may select from time to time with the prior written consent of Lender, such consent not to be unreasonably withheld.

"**Fiscal Year**" means the twelve (12)-month period ending on December 31 of each year or such other fiscal year as the applicable Loan Party may select from time to time with the prior written consent of Lender, such consent not to be unreasonably withheld.

"**Floor**" means a rate of interest equal to two and one-half percent (2.5%). "**Foreign Lender**" means (a) if Borrower is a U.S. Person, a Lender that is not a
U.S. Person, and (b) if Borrower is not a U.S. Person, a Lender that is resident or organized under the laws of a jurisdiction other than that in which Borrower is resident for tax purposes.

"**GAAP**" means generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accounts and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession, which are applicable to the circumstances as of the date of determination

"**Government Approval**" means, with respect to any Person, any action, authorization, consent, approval, license, lease, ruling, permit, privilege, franchise, variance, concession, grant, certification, exemption, filing or registration by or from any Governmental Authority, and any other contractual obligation with, any Governmental Authority, including all licenses, permits, allocations, authorizations, approvals and certificates obtained by or in the name

of, or assigned to, any Loan Party and used in connection with the ownership, construction, operation, use or occupancy of the Property or its operations, including building permits, zoning and planning approvals, business licenses, licenses to conduct business, certificates of occupancy and all such other permits, licenses and rights in each case whether or not having the force of law and applicable to or binding upon such Person or any of its property or operations or to which such Person or any of its property or operations is subject.

"**Governmental Authority**" means any national, federal, state, regional or local government, or any other political subdivision of any of the foregoing, in each case with jurisdiction over the applicable Loan Party, the Property, or any Person with jurisdiction over the applicable Loan Party or the Property exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"**Government Lists**" means (a) the Specially Designated Nationals and Blocked Persons Lists maintained by Office of Foreign Assets Control ("**OFAC**"); (b) any other list of terrorists, terrorist organizations or narcotics traffickers maintained pursuant to any of the Rules and Regulations of OFAC that Lender notified Borrower in writing is now included in Government Lists; or (c) any similar lists maintained by the United States Department of State, the United States Department of Commerce or any other government authority or pursuant to any Executive Order of the President of the United States of America that Lender notified Borrower in writing is now included in Government Lists.

"**Guaranteed Obligations**" is defined in Section 10.1.

"**Guarantor**" is defined in the opening paragraph of this Agreement, together with each other Person that may be joined hereto from time to time as a Guarantor.

"**Guarantor Payment**" is defined in Section 10.10(a).

"**Harmony Assets**" means the assets comprised of the proposed cultivation and processing site located at 166 Brainards Road, Phillipsburg, NJ 08865.

"**Hazardous Materials**" means oil; flammable explosives; asbestos; urea formaldehyde insulation; radioactive materials; fungi or bacterial matter which reproduces through the release of spores or the splitting of cells, including, without limitation, mold, mildew, and viruses, whether or not living; any substance that is then defined or listed in, or otherwise classified or regulated pursuant to, any Hazardous Materials Laws as a "hazardous substance", "hazardous material", "hazardous waste," "infectious waste," "toxic substance," "toxic pollutant," "pollutant," "contaminant" or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or "EP toxicity"; gasoline and any other petroleum and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources; and/or petroleum products, polychlorinated biphenyls, per- and polyflouroalkyl substances (PFAS), urea formaldehyde, radon gas, radioactive matter, lead and lead based paint, medical waste, fugitive dust emissions, and toxic mold and other harmful biological agents. "Hazardous Materials" shall not include commercially reasonable

amounts of such materials used in the ordinary course of operation of the Property which are used

and stored at all times in accordance with all then applicable Hazardous Materials Laws.

"**Hazardous Materials Laws**" collectively means and includes all present and future federal, state and local laws and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits, and other requirements or guidelines of governmental authorities applicable to the Property and relating to health and safety, the environment and environmental conditions or to any Hazardous Materials or any activity relating thereto (including, without limitation, CERCLA, the Federal Resource Conservation and Recovery Act of 1976, 42 U.S.C.
§ 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. § 5101, et seq., the Federal Water Pollution Control Act, 33 U.S.C. § 1251, et seq., the Clean Air Act, 42 U.S.C. § 7401, et seq., the Toxic Substances Control Act, 15 U.S.C. § 2601 2692, the California Waste Quality Improvement Act and California Health and Safety Code §§ 25117 and 25316, the Carpenter- Presley-Turner Hazardous Substance Account Act, California Health and Safety Code § 25300 et seq., the Hazardous Waste Control Act, California Health and Safety Code § 25100, et seq., the Medical Waste Management Act, California Health and Safety Code § 25105, et seq., the Porter- Cologne Water Quality Control Act, California Water Code § 13000, et seq., the Safe Drinking Water and Toxic Enforcement Act of 1986, California Health and Safety Code § 25219.5- 25249.13, the Underground Storage of Hazardous Substances Act, California Health and Safety Code § 25280-25299.8, the Safe Drinking Water Act, 42 U.S.C. § 300f 300j, the Emergency Planning and Community Right To Know Act, 42 U.S.C. § 11001, et seq., the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq., the Federal Insecticide, Fungicide and Rodenticide Act, the Endangered Species Act, the National Environmental Policy Act, the River and Harbors Appropriation Act, and any so called "Super Fund" or "Super Lien" law, environmental laws administered by the United States Environmental Protection Agency, any similar state and local laws, regulations and guidelines, as well as the regulations and guidelines of the Department of Housing and Urban Development, the Occupational Safety and Health Administration, the California Department of Toxic Substances Control and any Regional Water Quality Control Board with jurisdiction and all amendments thereto and all regulations, orders, decisions, and decrees now or hereafter promulgated thereunder).

"**Hazardous Materials Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Loan Party directly or indirectly resulting from or based upon (a) any violation of any Hazardous Materials Laws, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) any exposure to any Hazardous Materials,
(d) the Release or threatened Release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

"**Improvements**" means all improvements or fixtures now or hereafter located on any Real Property.

"**Indebtedness**" of a Person, at a particular date, shall mean the sum (without duplication) at such date of (a) all indebtedness or liability of such Person (including, without limitation, amounts for borrowed money and indebtedness in the form of mezzanine debt or preferred equity); (b) obligations evidenced by bonds, debentures, notes, or other similar

instruments; (c) obligations for the deferred purchase price of property or services (including trade

obligations); (d) obligations under letters of credit; (e) obligations under acceptance facilities;
(f) all guaranties, endorsements (other than for collection or deposit in the ordinary course of business) and other contingent obligations to purchase, to provide funds for payment, to supply funds, to invest in any Person or entity, or otherwise to assure a creditor against loss;
(g) obligations under PACE Loans, and (h) obligations secured by any Liens, whether or not the obligations have been assumed (other than the Permitted Encumbrances).

"**Indemnified Taxes**" means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Loan Party under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"**Information Certificate**" means the information certificate dated on or about the date hereof delivered to Lender by each Loan Party.

"**Insurance Premiums**" means all premiums payable in respect of the insurance policies required hereunder.

"**Insurance Proceeds**" is defined in Section 8.6(a).

"**Interest Period**" means (a) the period from the date of the initial advance under the Note through last day of the calendar month in which the initial advance occurs, and (b) each period thereafter from the first (1st) day of each calendar month through the last day of each calendar month; except that the Interest Period, if any, that would otherwise commence before and end after the Maturity Date shall end on the Maturity Date. Notwithstanding the foregoing, if Lender shall have elected to change the date on which scheduled payments under the Loan are due, as described in the definition of "Payment Date", from and after the effective date of such election, each Interest Period shall commence on the day of each month in which occurs such changed Payment Date and end on the day immediately preceding the following Payment Date, as so changed.

"**Investor**" and "**Investors**" have the meaning given to such term in Section 11.4. "**IRS**" means the United States Internal Revenue Service.

"**KingSett Loan**" means that certain $7,250,000 1st mortgage term loan made pursuant to that certain commitment letter dated as of June 12, 2020 among TerrAscend Canada Inc. (a Subsidiary of the Canadian Parent), as borrower, Canadian Parent, as guarantor, and KingSett Mortgage Corporation, as lender in respect of an industrial facility located as 3610 Mavis Road, Mississauga, Ontario (the "Mississauga Property") and secured by (a) a registered
$7,250,000 first priority mortgage/charge registered on title to the Mississauga Property, (b) a guarantee from the Canadian Parent in favor of KingSett Mortgage Corporation pursuant to that certain Guarantee dated June 19, 2020 (the "KingSett Guaranty"), and (c) a general security agreement by Canadian Parent in favor KingSett Mortgage Corporation (a copy of which cannot be located by Canadian Parent as at the Effective Date).

"**Late Payment Charge**" is defined in Section 2.7(c).

"**Lease**" means any lease and other agreements or arrangements affecting the use or occupancy of all or any portion of the Property now in effect or hereafter entered into (including all lettings, subleases, licenses, concessions, tenancies and other occupancy agreements covering or encumbering all or any portion of the Property), together with any guarantee, supplement, amendment, modification, extension and/or renewal of the same.

"**Legal Requirements**" means (a) all statutes, laws (including, without limitation, Hazardous Materials Laws and State Cannabis Laws), rules, rule of common law, orders, regulations, ordinances, judgments, orders, decrees and injunctions of Governmental Authorities, approval, concession, grant, franchise, license, agreement, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, whether now or hereinafter in effect and, in each case, as amended (including any thereof pertaining to land use, zoning and building ordinances and codes applicable to the Property) affecting any Loan Party, the Loan Documents, the Property or any other Collateral, or any part thereof, and all permits and regulations relating thereto, (b) all covenants, agreements, restrictions and encumbrances contained in any instruments, either of record or known to any Loan Party, at any time in force affecting the Property, the other Collateral, or any part thereof, (c) terms of any insurance Policy maintained by or on behalf of any Loan Party, and (d) the organizational documents of each Loan Party, excluding (i) Federal Cannabis Law to the extent its then effective provisions forbid or restrict the conduct of Cannabis Activities and (ii) any other U.S. federal law which by extension would be violated solely because a Cannabis Activity violates the then effective provisions of any Federal Cannabis Law.

"**Lender**" individually and collectively means Pelorus, and each of its successors and/or assigns.

"**Liabilities and Costs**" means any losses, actual damages, costs, fees, expenses, claims, suits, judgments, awards, liabilities (including strict liabilities), obligations, debts, diminutions in value, fines, penalties, charges, costs of Remediation (whether or not performed voluntarily), amounts paid in settlement, foreseeable and unforeseeable consequential damages, litigation costs, reasonable attorneys' fees, engineers' fees, environmental consultants' fees, and investigation costs (including costs for sampling, testing and analysis of soil, water, air, building materials, and other materials and substances whether solid, liquid or gas), of whatever kind or nature, and whether or not incurred in connection with any judicial or administrative proceedings, actions, claims, suits, judgments or awards.

"**Lien**" means any mortgage, deed of trust, deed to secure debt, lien, pledge, encumbrance, easement, restrictive covenant, hypothecation, assignment, security interest, PACE Loan, conditional sale or other title retention agreement, financing lease having substantially the same economic effect as any of the foregoing, or financing statement or similar instrument.

"**Loan**" is defined in the Recitals.

"**Loan Amount**" is defined in the Recitals.

"**Loan Documents**" means, collectively, this Agreement and all other documents,

agreements, instruments and certificates now or hereafter evidencing, securing or delivered to Lender in connection with the Loan and the Obligations, including without limitation the documents listed on **Schedule 1.1** attached hereto, as each may be (and each of the defined terms shall refer to such documents as they may be) amended, restated, or otherwise modified from time to time.

"**Loan Origination Fee**" is defined in Section 2.3(a). "**Loan Guaranty**" means Article X of this Agreement.

"**Local Loan Party**" means each Loan Party other than Parent. "**Loan Party**" means each Borrower and Guarantor.

"**Lodi Assets**" means the assets comprised of the alternative treatment center located at 200 NJ-17, Lodi, NJ 07644 which has been provided authority to operate under the authority of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L.2021, C.16 (C.24:6I-31 ET AL.), and provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non- cannabis products to certain permitted individuals.

"**Maplewood Assets**" means the assets comprised of the alternative treatment center located at 1865 Springfield Ave, Maplewood, NJ 07040 which has been provided authority to operate under the authority of the New Jersey Cannabis Regulatory, Enforcement Assistance, and Marketplace Modernization Act, P.L.2021, C.16 (C.24:6I-31 ET AL.), and provides medical and adult-use cannabis products, cannabis support and services, cannabis accessories, and the sale of other non-cannabis products to certain permitted individuals, including, without limitation the Maplewood Lease.

"**Maplewood Lease**" means that certain Lease Agreement dated as of July 31, 2020 by and between 5 Gould LLC, as landlord and TerrAscend NJ, as tenant in respect of premises located at 1865 Springfield Avenue, Maplewood Amendment to Maplewood Lease dated August 26, 2022.

"**Material Adverse Effect**" means, as applicable, a material adverse effect upon (a)the business or financial position or results of operations of the Loan Parties (taken as a whole), (b)the ability of any Loan Party to perform, or of Lender to enforce, any of the Loan Documents, or (c) the value of the Property or other Collateral (taken as a whole) or (d) a material impairment of (i) the legality, validity or enforceability of any Loan Document, (ii) the rights, remedies of Lender under any Loan Document except as a result of the action or inaction of Lenders, or (iii) the validity, perfection or priority of any Lien in favor of Lender on any Collateral except as the result of the action of inaction of Lender.

"**Material Contract**" means any license, agreement or document of any Loan Party the loss or termination (other than in accordance with the terms of such license or agreement) of which would reasonably be expected to have a Material Adverse Effect, provided that the documents and agreements evidencing or securing the Permitted Parent Indebtedness and the

:d Indebtedness shall not be deemed to be Material Contracts. "**Maturity Date**" means October 11, 2027.

"**MD Opco**" is defined in the opening paragraph of this Agreement "**MD Opco 1**" is defined in the opening paragraph of this Agreement "**MD Opco 2**" is defined in the opening paragraph of this Agreement

"**MD Operating Lease**" means that certain lease dated as of September 27, 2022 between MD Propco, as lessor, and MD Opco 1 and MD Opco 2, as co-lessees.

"**MD Propco**" is defined in the opening paragraph of this Agreement.

"**MD Real Property** means that certain parcel of real property located at 273 East Memorial Boulevard, Hagerstown, Maryland 21740, as more particularly described in the Security Instrument, and all appurtenances thereto.

"**Members**" means the direct or indirect holders of Equity Interests in Borrower. "**Minimum Interest Payment**" is defined in Section 2.10.

"**Net Income**" means, for any period, the consolidated net income (or loss) of Borrower and its Subsidiaries on a consolidated basis; provided that there shall be excluded (a) the income (or deficit) of any Person accrued prior to the date it becomes a Subsidiary of Borrower or is merged into or consolidated with Borrower or any of its Subsidiaries, (b) the income (or deficit) of any Person (other than a Subsidiary of Borrower) in which Borrower or any of its Subsidiaries has an ownership interest, except to the extent that any such income is actually received by Borrower or such Subsidiary in the form of dividends or similar distributions and (c) the undistributed earnings of any Subsidiary of Borrower to the extent that the declaration or payment of dividends or similar distributions by such Subsidiary is not at the time permitted by the terms of any contractual obligation (other than under any Loan Document) or Legal Requirement applicable to such Subsidiary.

"**Net Restoration Proceeds**" is defined in Section 8.6(a). "**NJ Loan Parties**" means TerrAscend NJ and NJ Propco.

"**NJ Propco**" means an entity formed in New Jersey for the purpose of the NJ Real Property.

"**NJ Operating Lease**" means upon consummation of the Permitted Reorganization, that certain Lease between NJ Propco, as lessor, and TerrAscend NJ, as lessee.

"**NJ Partners**" means BWH NJ LLC, a New Jersey limited liability company and Blue Marble Ventures LLC, a New Jersey limited liability company.

"**NJ Real Property**" that (a) certain parcel of real property located at 122/130 Old Denville Road, Boonton, New Jersey 07005, and (b) that certain parcel of real property located at 55 South Main Street, Phillipsburg, New Jersey 08865, each as more particularly described in the Security Instrument, and all appurtenances thereto.

"**NJ Subordination Agreement**" means that certain Subordination and Intercreditor Agreement among Lender, NJ Partners and TerrAscend NJ dated as of the Effective Date, as amended, restated, supplemented or modified from time.

"**Note**" means each Secured Promissory Note by Borrower to Lender, as may be executed from time to time in connection herewith, together with all supplements, schedules, and exhibits thereto, as amended, restated, supplemented or modified from time to time.

"**Obligated Party**" is defined in Section 10.2.

"**Obligations**" means collectively, the obligations for the payment of the Debt and the performance of all obligations of the Loan Parties contained in the Loan Documents, including but not limited to all unpaid principal of and accrued and unpaid interest on the Loan, all accrued and unpaid fees (including, without limitation, any Exit Fee or Minimum Interest Payment) and all expenses, reimbursements, indemnities and other obligations and indebtedness (including interest and fees accruing during the pendency of any bankruptcy, insolvency, receivership or other similar proceeding, regardless of whether allowed or allowable in such proceeding), obligations and liabilities of any Loan Party to Lender or any indemnified party, individually or collectively, existing on the Effective Date or arising thereafter, direct or indirect, joint or several, absolute or contingent, matured or unmatured, liquidated or unliquidated, secured or unsecured, arising by contract, operation of law or otherwise, arising or incurred under this Agreement or any of the other Loan Documents or in respect of any of the Loans made or other instruments at any time evidencing any thereof.

"**OFAC**" is defined in the definition of "Government Lists". "**Opco**" is defined in the opening paragraph of this Agreement.

"**Operating Leases**" means the MD Operating Leases and the NJ Operating Leases.

"**Other Connection Taxes**" means, with respect to any Lender or other recipient of a payment under this Agreement or any other Loan Document, Taxes imposed as a result of a present or former connection between such Lender and the jurisdiction imposing such Tax (other than connections arising from such Lender or other recipient) having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"**Other Taxes**" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security

interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

"**PACE Loan**" means any (a) "Property-Assessed Clean Energy loan," or (b) other indebtedness, without regard to the name given to such indebtedness, that is (i) incurred for improvements to the Property for the purpose of increasing energy efficiency, increasing use of renewable energy sources, resource conservation or a combination of the foregoing, and (ii) repaid through multi-year assessments against the Property.

"**Participant Register**" is defined in Section 11.3.

"**Patriot Act**" means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as the same may be amended from time to time, and corresponding provisions of future Legal Requirements.

"**Patriot Act Offense**" is defined in Section 4.18(b).

"**Payment Date**" means the first (1st) Business Day of the first calendar month following the Effective Date, and the first (1st) Business Day of each calendar month thereafter until the Maturity Date, provided that, if the Loan is funded on a date that is not the first day of a calendar month, then Borrower's first monthly interest payment shall be on the first (1st) day of the second (2nd) calendar month following the Effective Date and Borrower shall pay interest for the month in which the closing of the Loan occurs at the closing of the Loan on the Effective Date.

"**Pelorus**" individually and collectively means Pelorus Fund REIT, LLC, a Delaware limited liability company, and its successors and/or assigns.

"**Permitted Contest**" means legal proceedings to contest the validity or application of any Legal Requirements, or the amount of any Property Taxes or other Lien, provided that such proceedings (a) are permitted by law, (b) are conducted in good faith and with due diligence at the expense of the applicable Loan Party, (c) Lender is given prior written notice of any such proposed contest if such contest relates to an amount of $250,000 or more, (d) in the case of any Property Taxes or any other Lien, such proceedings shall suspend the collection thereof from the Collateral;
(e) neither the Collateral nor any part thereof or interest therein will be sold, forfeited or lost if the Loan Parties pay the amount or satisfy the condition being contested, and the Loan Parties do so if the Loan Parties fail to prevail in such contest; (f) Lender would not, by virtue of such permitted contest, reasonably be expected to be exposed to any risk of civil or criminal liability, and neither the Collateral nor any part thereof or any interest therein would be subject to the imposition of any Lien as a result of the failure to comply with any Legal Requirement of such proceeding; (g) the Loan Party has maintained adequate reserves with respect thereto; (h) such contest shall not affect the ownership, use or occupancy of the Property; and (i) such Loan Party shall, upon written request by Lender, give Lender prompt notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in the foregoing clauses (a) through (h).

"**Permitted Disposal**" means the series of transactions in which (i) TerrAscend NJ

contributes its interest in the Lodi Assets to a wholly-owned subsidiary of the Canadian Parent, and (ii) TerrAscend NJ contributes its interest in the Maplewood Assets to a wholly-owned subsidiary of the Canadian Parent, provided that the Permitted Disposal Condition has been satisfied.

"**Permitted Disposal Condition**" means, at the time of the Permitted Disposal, the revenue and Adjusted EBITDA of the NJ Loan Parties (excluding any income and expenses associated with the Lodi Assets and the Maplewood Assets) is greater than (a) the revenue and Adjusted EBITDA of the NJ Loan Parties (excluding any income and expenses associated with the Lodi Assets and the Maplewood Assets) as of the end of the month immediately preceding the month in which the proposed Permitted Disposal is to occur and (b) Two Million Eight Hundred Thousand and 00/100 Dollars ($2,800,000.00), as evidenced by a certificate executed by the applicable Loan Party, certifying the Permitted Disposal Condition has been satisfied.

"**Permitted Encumbrances**" means, with respect to the Collateral, collectively,
(a) the Liens created by the Loan Documents, (b) all Liens and other matters disclosed in the Title Policy, (c) Liens, if any, for Taxes imposed by any Governmental Authority not yet delinquent or which are contested pursuant to a Permitted Contest, (d) Liens which are carriers', warehousemen's, mechanics', materialmen's, repairmen's, constructions or other like liens (or claims of such liens) or stop notices (or claims of stop notices) which are contested or discharged pursuant to a Permitted Contest, (e) Liens or claims of Lien (which are not mechanic's liens or stop notices) which are contested or discharged pursuant to a Permitted Contest, (d) such governmental, public utility and private restrictions, covenants, reservations, easements, licenses or other agreements or similar encumbrances affecting real property that, in the aggregate, do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of business of the applicable Person, and any zoning or similar law or right reserved to or vested in any Governmental Authority to control or regulate the use of real property that does not materially interfere with the ordinary conduct of the business of Borrower and its Subsidiaries, (e) Liens securing the Existing Parent Indebtedness as described on **Schedule 6.7** and any renewals or extensions thereof, provided that (i) the property covered thereby is not changed, (ii) the amount secured or benefited thereby is not increased except as contemplated by clause (b) of the definition of Permitted Indebtedness, (iii) the direct or contingent obligor with respect thereto has not changed, and (iv) any renewal or extension of the obligations secured or benefited thereby is permitted by clause (b) of the definition of Permitted Indebtedness,
(f) intentionally omitted, (g) Liens securing judgments for the payment of money, or orders, attachments, decrees or awards, in each case not constituting an Event of Default, (h) Liens (i) of a collecting bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (ii) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) that are customary in the banking industry, (i) any interest or title of a lessor, sublessor, licensor or sublicensor under leases or non-exclusive licenses permitted by this Agreement that are entered into in the ordinary course of business; (j) intentionally omitted, (k) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods in the ordinary course of business; (l) Liens incurred in the ordinary course of business in connection with the purchase or shipping of goods or assets (or the related assets and proceeds thereof), which Liens are in favor of the seller or shipper of such goods or assets and only attach to such goods or

assets, (m) Liens arising out of conditional sale, title retention, consignment or similar arrangements for the sale of goods entered into by any Loan Party in the ordinary course of business in accordance with the past practices of such Loan Party, (n) bankers' Liens, rights of setoff and other similar Liens existing solely with respect to cash and Cash Equivalents on deposit in one or more accounts maintained by any Loan Party, in each case granted in the ordinary course of business in favor of the bank or banks with which such accounts are maintained, securing amounts owing to such bank with respect to cash management and operating account arrangements, including those involving pooled accounts, sweep accounts and netting arrangements and similar arrangements of the Loan Parties consisting of the right to apply the funds held therein to satisfy overdraft or similar obligations incurred in the ordinary course of business of such person; provided that, in no case shall any such Liens secure (either directly or indirectly) the repayment of any Indebtedness, and Liens granted in the ordinary course of business by Borrower or any of its Subsidiaries to any bank with whom it maintains accounts to the extent required by the relevant bank's (or custodian's or trustee's, as applicable) standard terms and conditions, in each case, which are within the general parameters customary in the banking industry, (o) Liens of a collecting bank arising in the ordinary course of business under Section 4- 208 of the UCC in effect in the relevant jurisdiction covering only the items being collected upon;
(n) (i) deposits of cash with the owner or lessor of premises leased or operated by Borrower or any of its Subsidiaries and (ii) cash collateral on deposit with banks or other financial institutions issuing letters of credit (or backstopping such letters of credit) or other equivalent bank guarantees issued naming as beneficiaries the owners or lessors of premises leased or operated by Borrower or any of its Subsidiaries, in each case, in the ordinary course of business of Borrower and such Subsidiaries to secure the performance of Borrower's or such Subsidiary's obligations under the terms of the lease for such premises, (o) statutory Liens incurred or pledges or deposits made in favor of a Governmental Authority to secure the performance of obligations of any Loan Party under Environmental Laws to which any assets of such Loan Party are subject, (p) Liens on the equipment that is the subject of Indebtedness permitted under clause (b) of the definition of Permitted Indebtedness to secure such Permitted Indebtedness and (q) the second priority mortgage Lien on the NJ Real Property in connection with the Permitted NJ Indebtedness.

"**Permitted Indebtedness**" means, in respect of the Local Loan Parties, (a) the Debt, (b) Indebtedness consisting of capitalized equipment lease obligations and purchase money Indebtedness, in each case incurred by any Loan Party or any of Subsidiary of a Loan Party to finance the expansion and construction of the Harmony Assets, provided that such Indebtedness does not exceed Eight Million and 00/100 Dollars in the aggregate and does not include any Lien on any Collateral; (c) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business,
(d) Indebtedness resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business; (i) Indebtedness consisting of (i) the financing of insurance premiums not in excess of twelve (12) months in advance or (ii) take or pay obligations contained in supply arrangements, in each case, in the ordinary course of business,
(e) intercompany loans owed by a Local Loan Party to any member of the TerrAscend Group, provided that each such intercompany loan is (i) unsecured, (ii) fully subordinate to the Loan, with no payments there under permitted while any portion of the Loan remains outstanding, and with

the holder of such loan acknowledging such subordination in writing for the benefit of Lender, and
(iii) is subject to the terms of **Section 9.6**, with the holder of such loan acknowledging the same in writing for the benefit of Lender, (g) Indebtedness arising as a direct result of judgments, orders, awards or decrees against any Local Loan Party, in each case not constituting an Event of Default,
(f) unsecured Indebtedness representing any Taxes to the extent such Taxes are being contested by any Loan Party pursuant to a Permitted Contest, (g) unsecured Indebtedness to trade creditors incurred in the ordinary course of business not to exceed 2% of the Loan Amount in the aggregate and which are paid within ninety (90) days after the date incurred, provided that such obligations are incurred in connection with open accounts extended by suppliers on customary trade terms in the ordinary course of business and not in connection with the borrowing of money, (h) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness
(b) through (g) above, provided that (i) the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon the applicable Loan Party and (ii) such Indebtedness continues to satisfy the conditions to qualify as Permitted Indebtedness as described in clauses (b) through (g) above, (i) Indebtedness pursuant to the Success Fee Agreement, and (j) the Permitted NJ Subordinate Debt.

"**Permitted NJ Subordinate Indebtedness**" means the Indebtedness of TerrAscend NJ of $25,000,000 pursuant to that certain promissory note dated as of the Effective Date among TerrAscend NJ, Canadian Parent and NJ Partners, which Indebtedness is subject to the NJ Subordination Agreement.

"**Permitted Parent Indebtedness**" means, in respect of Canadian Parent and American Parent, (a) the Debt, (b) the Existing Parent Indebtedness, provided that (i) Canadian Parent's or American Parent's, as applicable, guaranteed obligations in respect of such Indebtedness is not increased except by an amount equal to any commitments existing as of the Effective Date and unutilized thereunder and (ii) to the extent such Indebtedness is secured, such Indebtedness shall not be secured by any assets other than those assets now securing such Indebtedness as described on **Schedule 6.7**, (c) guarantees in respect of any Indebtedness incurred by any Subsidiary of a Parent formed or acquired after the Effective Date provided that (i) the debt service coverage ratio of such Indebtedness, as determined with respect to the Adjusted EBITDA of the Subsidiaries that are the primary borrowers of such Indebtedness, is not less than 1.75:1.00, such guarantees are unsecured and the lender thereunder is given no greater priority in payment than Lender has with respect to the Loan, and (ii) Lender is given prior written notice of such Indebtedness, (d) guarantees of Indebtedness secured solely by the Maplewood Assets and/or the Lodi Assets following a Permitted Disposal, provided that (i) the amount of such Indebtedness that is guaranteed by Parent does not exceed the aggregate amount of any reduction of the principal amount of the Existing Parent Indebtedness after the Effective Date, (ii) such guarantees are unsecured and the lender thereunder is given no greater priority in payment than Lender has with respect to the Loan, and (iii) Lender is given prior written notice of such Indebtedness,
(e) obligations (contingent or otherwise) of Borrower or any Subsidiary existing or arising under any Swap Contract, provided that such obligations are (or were) entered into by such Person in the ordinary course of business for the purpose of mitigating risks associated with liabilities, commitments, investments, assets or property held or reasonably anticipated by such Person, or changes in the value of securities issued by such Person, and not for speculative purposes,
(f) Indebtedness in respect of performance bonds, bid bonds, appeal bonds, surety bonds and

completion guarantees and similar obligations not in connection with money borrowed, in each case provided in the ordinary course of business, including those incurred to secure health, safety and environmental obligations in the ordinary course of business, (g) Indebtedness resulting from a bank or other financial institution honoring a check, draft or similar instrument in the ordinary course of business; (h) Indebtedness consisting of the financing of insurance premiums not in excess of twelve (12) months in advance, (i) Indebtedness in the form of unsecured credit card facilities maintained in connection with the business of the TerrAscend Group not exceeding One Million Dollars ($1,000,000), (j) intercompany loans owed by Canadian Parent or American Parent to any of their respective Subsidiaries (other than any Local Loan Party), provided that each such intercompany loan is (i) unsecured, (ii) fully subordinate to the Loan, with no payments there under permitted while any portion of the Loan remains outstanding, and with the holder of such loan acknowledging such subordination in writing for the benefit of Lender, and (iii) subject to the terms of **Section 9.6**, with the holder of such loan acknowledging the same in writing for the benefit of Lender, (k) Indebtedness arising as a direct result of judgments, orders, awards or decrees against Canadian Parent or American Parent, as applicable, in each case not constituting an Event of Default, (l) unsecured Indebtedness representing any Taxes to the extent such Taxes are being contested by Canadian Parent or American Parent pursuant to a Permitted Contest,
(m) Indebtedness constituting reimbursement obligations in respect of letters of credit and similar instruments issued for the account of Canadian Parent, American Parent or any of their respective Subsidiary, in an aggregate amount for all such Indebtedness not to exceed One Million and 00/100 Dollars ($1,000,000.00) at any one time outstanding, and (n) extensions, refinancings, modifications, amendments and restatements of any items of Permitted Indebtedness (b) through
(m) above, provided that (i) the principal amount thereof is not increased or the terms thereof are not modified to impose materially more burdensome terms upon the applicable Parent, (ii) such Indebtedness continues to satisfy the conditions to qualify as Permitted Indebtedness as described in clauses (b) through (l) above and (iii) Lender is given prior written notice of same.

"**Permitted Reorganization**" means the series of transactions in which (i) Well and Good, Inc., or TerrAscend NJ, as applicable, forms NJ Propco, (ii) TerrAscend NJ contributes its interest in the NJ Real Property to NJ Propco and (iii) NJ Propco leases the NJ Real Property to TerrAscend NJ pursuant to a lease in form and substance reasonably acceptable to Lender, provided that no such transactions shall be permitted hereunder unless the Permitted Reorganization Conditions have been satisfied within the timeframes specified therein.

"**Permitted Reorganization Conditions**" means that (a) immediately prior to the step contemplated by paragraph (ii) of the definition of "Permitted Reorganization", NJ Propco joins this Agreement, the Note, the Security Instrument and such other Loan Documents as Lender deems necessary or appropriate as a Borrower pursuant to such joinders and/or modifications in form and substance acceptable to Lender, with Borrower paying all costs and expenses incurred by Lender in connection therewith and (b) simultaneously with the actions described in (a), at Borrower's expense, the Title Policy is endorsed in such a manner as will ensure that the Title Policy will remain in full force and effect with respect to the Security Instrument as so amended, and subject to no additional Liens or encumbrances.

"**Person**" means any individual, corporation, partnership, limited liability company, trust, unincorporated organization or other entity, and any Governmental Authority.

"**Pledge Agreement**" means that certain Pledge Agreement executed and delivered by Well and Good Inc. and WDB Holdings MD, Inc. in favor of Lender pursuant to this Agreement, together with all supplements, schedules and exhibits thereto, as amended, amended and restated or otherwise modified from time to time.

"**Policy**" and "**Policies**" are defined in the introductory paragraph to Article V. "**Post-Closing Obligations**" means the obligations set forth on **Schedule 6.24** hereto.

"**Prohibited Person**" means:

(a)any Person or country who or which is listed in the annex to, or who is otherwise subject to the provisions of, Executive Order No. 13224 on Terrorist Financing, effective September 24, 2001, and relating to Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism (the "**Executive Order**");

(b)any Person who is listed on any Government Lists;

(c)any Person who has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under any laws relating to money laundering or terrorist financing, including, without limitation, (i) the criminal laws against terrorism; (ii) the criminal laws against money laundering, (iii) the Bank Secrecy Act, as amended, (iv) the Money Laundering Control Act of 1986, as amended, and (v) the Patriot Act;

(d)any Person who is currently under investigation by any Governmental Authority for alleged criminal activity;

(e)any Person that is an Embargoed Person;

(f)any Person or country with whom another Person is prohibited from dealing or otherwise engaging in any transaction by any terrorism or money laundering law, including the Executive Order;

(g)any Person who commits, threatens or conspires to commit or supports "terrorism" as defined in the Executive Order;

(h)any Person that is owned or Controlled by, or acting for or on behalf of, a Person that is described in the foregoing clauses (a) through (g) above or is otherwise subject to the provisions of the Executive Order; or

(i)any Person who is an Affiliate of a Person listed in clauses (a) through (h) above.

"**Property**" means, collectively, the Real Property and any Improvements in respect thereof.

"**Property Tax**" means all real estate and personal property taxes, assessments, water rates or sewer rents or user fees, now or hereafter levied or assessed or imposed against the Property or part thereof.

"**Rating Agencies**" means any nationally recognized statistical rating organization to the extent that have been or will be engaged by Lender or its designees in connection with or in anticipation of a Secondary Market Transaction (each, individually, a "**Rating Agency**").

"**Real Property**" means the NJ Real Property and MD Real Property. "**Register**" is defined in Section 11.2.
"**Regulator**" is defined in Section 12.27(b)(ii).

"**Regulatory Change**" means any change after the date of this Agreement in any Legal Requirements or the adoption or making after such date of any interpretations, directives or requests applying to lenders, including Lender, under any Legal Requirements relating to the conduct of lenders.

"**Regulatory License**" means any permit, license, certificate, authorization, approval, consent, permission, accreditation, qualification, registration, filing, exemption, waiver, variance, clearance, franchise, concession or other right required, issued, granted, given or otherwise made available by or under the authority of any Governmental Authority required to be held by Borrower, or that Borrower must have rights to use, to conduct its Cannabis Business or Support Business, as applicable, in compliance with State Cannabis Laws. For purposes of this definition only, neither the U.S. Federal government nor any agency thereof shall constitute a Governmental Authority.

"**Relevant Governmental Body**" means the Board of Governors or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Board of Governors or the Federal Reserve Bank of New York, or any successor thereto.

"**Release**" means with respect to Hazardous Materials, but is not limited to, any presence, release, deposit, discharge, emission, leaking, leaching, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing or other movement of Hazardous Materials.

"**Remediation**" means, but is not limited to, any activity to (a) clean up, detoxify, decontaminate, disinfect, contain, treat, remove, respond to, correct, dispose of, transport, or otherwise remediate, prevent, cure or mitigate any Release of any Hazardous Materials; any action to comply with any Hazardous Materials Laws or with any permits issued pursuant thereto; or (b) inspect, investigate, study, monitor, assess, audit, sample, test, or evaluate any actual, potential or threatened Release of Hazardous Materials.

"**Reserve Accounts**" means the Blocked Account and the Construction Reserve

Account.

"**Restoration**" is defined in Section 8.6(a). "**Restoration Proceeds**" is defined in Section 8.6(a).
"**Restoration Proceeds Threshold**" is defined in Section 8.6(a).

"**Restricted Cannabis Activity**" shall mean in connection with the Support Business or Cannabis Business: (a) any activity that is not permitted under applicable State Cannabis Laws; (b) knowingly distributing and selling cannabis and related products to minors that is not approved under a State Cannabis Law; (c) payments to criminal enterprises, gangs, cartels and Persons subject to sanctions in violation of Legal Requirements; (d) non-compliance with anti-terrorism laws and other Legal Requirements relating to money-laundering; (e) diversion of cannabis and related products from states where it is legal under State Cannabis Law to other states in violation of Legal Requirements; (f) the commission, or making threats of violence and the use of firearms in violation of Legal Requirements; (g) growing cannabis and related products on federal lands in violation of Legal Requirements; (h) operating a Cannabis Business without the applicable Regulatory License; and (i) directly or indirectly, aiding, abetting or otherwise participating in a common enterprise with any Person or Persons in such activities; provided, however, that clauses (b) and (c) shall not include the conduct by Canadian Parent or any other member of the TerrAscend Group that is not a Loan Party of any portion of that Cannabis Business or Support Business to the extent (i) it is conducted outside of the United States of America in compliance in all material respects with all applicable foreign laws and (ii) the conduct of same (despite the fact that it is conducted outside of the United States of America) would not adversely affect any Regulatory License applicable to the Collateral or otherwise constitute a violation of applicable State Cannabis Laws by any Loan Party.

"**Secondary Market Transaction**" is defined in Section 11.1.

"**Security Agreement**" means that certain Security Agreement executed by Borrower in favor of Lender, as amended, restated, supplemented or modified from time.

"**Security Instrument**" means, individually and collectively, as the context may require, (a) that certain Fee and Leasehold Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed and delivered by MD Opco and MD Propco in favor of Lender pursuant to this Agreement which encumbers all of MD Opco's and MD Propco's respective right, title and interest in and to MD Real Property, (a) that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing executed and delivered by TerrAscend NJ in favor of Lender pursuant to this Agreement which encumbers all of TerrAscend NJ's respective right, title and interest in and to NJ Real Property, as each of the same may be amended, restated, modified or supplemented from time to time.

"**Servicer**" is defined in Section 2.16.

"**SOFR**" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"**SOFR Loan**" means each portion of the Loan that bears interest at a rate determined by reference to Term SOFR (other than pursuant to clause (c) of the definition of "Base Rate").

"**Special Purpose Entity**" is defined in **Exhibit B**.

"**State**" means the State of New Jersey, with reference to TerrAscend NJ, NJ Propco and/or any Property located in the state of New Jersey, and/or the State of Maryland, with reference to MD Opco, MD Propco and/or any Property located in the state of Maryland.

"**State Cannabis Laws**" shall mean any Legal Requirement enacted by any state or municipality of the United States which legalizes marijuana, cannabis and related products in some form and which implements regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis and related products that is applicable to Borrower, any Subsidiary of Borrower or, solely with respect to the definition of Change in Cannabis Law, Lender.

"**Subordinated Debt**" is defined in Section **10.6(a)**.

"**Subordinated Indebtedness**" of a Person means any Indebtedness of such Person, the payment of which is subordinated to payment of the Obligations pursuant to a subordination agreement in form and substance acceptable to Lender in its sole discretion.

"**Subordinating Party**" is defined in Section **10.6(a)**.

"**Subsidiary**" means, with respect to any Person (the "**parent**") at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent's consolidated financial statements if such financial statements were prepared in accordance with the Accounting Standard as of such date, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise controlled, by the parent and/or by the parent and one or more subsidiaries of the parent.

"**Success Fee Agreement**" means that certain letter entitled Success Fee Payment dated August 30, 2018 by Well & Good, Inc., to Alex Havenick as amended by (a) that certain First Amendment to Success Fee Letter Agreement, dated as of November 25, 2020, (b) that certain Second Amendment to Success Fee Letter Agreement, dated as of July 19, 2021, and (c) that certain Third Amendment to Success Fee Letter Agreement dated on or about Effective Date.

"**Support Business**" shall mean the business of managing or supporting a Cannabis Business, and all ancillary or complimentary activities related to the foregoing, including

owning the real property on which any such activity is conducted.

"**Swap Contract**" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, that are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement.

"**Taking**" is defined in Section 8.6(a).

"**Tax**" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"**Tax Act**" means the *Income Tax Act* (Canada), as amended. "**Term SOFR**" means,

(a)for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Periodic Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for one month as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for one month was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b)for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the "Base Rate Term SOFR Determination Day") that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator

and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for one month as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for one month was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day;

provided, further, that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor.

"**Term SOFR Administrator**" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by Lender in its reasonable discretion).

"**Term SOFR Reference Rate**" means the forward-looking term rate based on SOFR.

"**TerrAscend Group**" means Canadian Parent and each of its Subsidiaries. "**TerrAscend NJ**" is defined in the opening paragraph of this Agreement. "**Title Company**" means Stewart Title Guaranty Company.

"**Title Policy**" means the most current version of ALTA extended coverage lender's title policy issued by Title Company insuring the first priority Lien of the Security Instrument in the full maximum possible amount of the Loan subject only to such exceptions approved by Lender and including such endorsements as are required by Lender.

"**Transfer**" means the sale, transfer, hypothecation, encumbrance, mortgage, conveyance, lease, alienation, assignment, disposition, divestment, or leasing with option to purchase, or assignment of any assets of any Local Loan Party or any portion thereof or interest therein (whether direct or indirect, legal or equitable) (or entering into any agreement or contract to do any of the foregoing), or undertaking, suffering or causing any of the foregoing to occur voluntarily, involuntarily or by operation of law.

"**UCC**" means the Uniform Commercial Code as in effect from time to time in the State; provided, however, that if by reason of mandatory provisions of law, any or all of the perfection or priority of Lender's security interest in any item or portion of the Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State, the term "UCC" means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

"**Unadjusted Benchmark Replacement**" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"**U.S. Borrower**" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code.

"**U.S. Person**" means any Person that is a "United States Person" as defined in Section 7701(a)(30) of the Code. "**U.S. Tax Compliance Certificate**" is defined in Section 2.15(e)(ii)(B)(3). "**WANA License**" means (a) that certain License and Consulting Agreement dated August 11, 2022 among The CIMA Group, LLC, a Colorado limited liability company and TerrAscend NJ, as amended from time to time, and (b) that certain License and Consulting Agreement dated August 11, 2022 among The CIMA Group, LLC, a Colorado limited liability company and WDB Holdings MD, Inc. as amended from time to time.

1.2Exhibits and Schedules. All exhibits and schedules attached to this Agreement are hereby incorporated into this Agreement.

1.3Principles of Construction. All references to sections and schedules are to sections and schedules in or to this Agreement unless otherwise specified. All uses of the word "including" shall mean "including, without limitation" unless the context shall indicate otherwise. Unless otherwise specified, the words "hereof," "herein" and "hereunder" and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all meanings attributed to defined terms herein shall be equally applicable to both the singular and plural forms of the terms so defined. All terms used which are not specifically defined herein shall, unless the context indicates otherwise, have the meanings provided for by the UCC to the extent the same are used or defined therein; in the event that any term is defined differently in different Articles or Divisions of the UCC, the definition contained in Article or Division 9 shall control.

1.4Rates. Lender does not warrant or accept any responsibility for, and shall not have any liability with respect to, (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Term SOFR Reference Rate, Term SOFR or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, or with respect to any alternative, successor or replacement rate thereto (including any then-current Benchmark or any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement), as it may or may not be adjusted pursuant to Section 2.14(a)(iii), will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Term SOFR Reference Rate, Term SOFR or any other Benchmark, prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. Lender and its affiliates or other related entities may engage in transactions that affect the calculation of the Term SOFR Reference Rate, Term SOFR, any alternative, successor or replacement rate (including any Benchmark Replacement) or any relevant adjustments thereto and such transactions may be adverse to Borrower. Lender may select information sources or services in its reasonable discretion to ascertain the Term SOFR Reference Rate or Term SOFR, or any other Benchmark, any component definition thereof or rates referred to in the definition thereof, in each case pursuant to the terms of this Agreement, and shall have no liability to any Borrower or any other person or

entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

ARTICLE II THE LOAN

2.1Loan. Subject to the terms and conditions contained in this Agreement, and in reliance upon the representations and warranties of Borrower set forth hereunder and in the other Loan Documents, Lender hereby agrees to lend to Borrower, and Borrower hereby agrees to borrow from Lender, the principal sum of the Loan Amount. The Loan is evidenced by the Note. The Note and all other Obligations incurred in connection with any Loan Document are secured by this Agreement and the other Loan Documents. Borrower shall receive only one borrowing hereunder up to the maximum Loan Amount and any amount borrowed and repaid hereunder may not be reborrowed. A portion of the Loan in the amount of Two Million Two Hundred Eighty Eight Thousand Seventy One and 09/100ths Dollars ($2,288,071.09) (the "**Construction Reserve Funds**") has been funded and is being held by Lender in the Construction Reserve Account. For the avoidance of doubt, interest shall accrue on the Construction Reserve Funds from and after the Effective Date.

2.2Use of Funds. Borrower shall use the proceeds of the Loan to pay for work related to the Construction Work that has already been completed and/or to be completed and for general corporate purposes of the TerrAscend Group, to pay fees and expenses required under this Agreement and the other Loan Documents, and for such other purposes and uses as are permitted or required under this Agreement and the other Loan Documents.

2.3Loan Origination Fee; Exit Fee.

(a)Loan Origination Fee. On the Effective Date, Borrower shall pay to Lender, a loan origination fee in the amount of Nine Hundred Nine Thousand Five Hundred Sixty and 00/100 Dollars ($909,560.00) (the "**Loan Origination Fee**"). Borrower shall receive a credit towards the Loan Origination Fee in the amount of Two Hundred Twenty Seven Thousand Three Hundred Ninety and 00/100 Dollars ($227,390.00) for an application deposit previously made by Borrower. Borrower hereby authorizes Lender to disburse on the Effective Date a portion of the Loan in such amount directly to Lender in payment of the Loan Origination Fee. The Loan Origination Fee shall be deemed earned when due and shall not be subject to reduction or be refundable under any circumstances.

(b)Intentionally omitted.

(c)Exit Fee. On the Maturity Date or such earlier date on which the Loan is accelerated pursuant to the terms hereof, Borrower shall be obligated to pay to Lender an additional fee of Four Hundred Fifty Four Thousand Seven Hundred Eighty and 00/100 Dollars $454,780

(the "**Exit Fee**"). The Exit Fee shall be deemed earned when due pursuant to this Section 2.3(b), and shall not be subject to reduction or be refundable except in circumstances expressly permitted

hereunder. If any partial prepayment of the Loan is made by Borrower prior to the Maturity Date in accordance with Section 2.10, to the extent such prepayment is permitted or required hereunder, then such partial prepayment shall be accompanied by the portion of the Exit Fee allocable to the amount being so prepaid. Upon such partial prepayment, the amount due on the Maturity Date or earlier acceleration of the Loan shall be reduced by that portion of the Exit Fee previously paid by Borrower to Lender. Notwithstanding anything in this Agreement to the contrary, if and to the extent that the Loan or any portion thereof is repaid with the proceeds of a mortgage loan from Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) (provided that Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) shall have no obligation to offer to provide such financing), then the Exit Fee that would otherwise be payable with respect to repayment (or portion thereof) in connection therewith shall be waived. For the avoidance of doubt, no Exit Fee (or portion thereof) shall be earned or due on any Amortization Payment.

2.4Maturity Date. Upon the Maturity Date (unless earlier accelerated upon an Event of Default), all sums due and owing under this Agreement and the other Loan Documents shall be repaid in full. All payments due to Lender under this Agreement, whether upon the Maturity Date or otherwise, shall be paid in immediately available funds.

2.5Intentionally Omitted.

2.6Effective Date; Closing Conditions. The effective date of this Agreement and the other Loan Documents (the "**Effective Date**") shall be the date upon which the Loan is deemed "closed" by Lender and Borrower. Lender's obligation to disburse the Loan on the Effective Date is subject to the satisfaction of each of the conditions precedent set forth on **Schedule 2.6** on or before the Effective Date.

2.7Interest on Loan.

(a)Generally. Interest shall accrue on the Loan at the Applicable Interest Rate, and shall be paid by Borrower in the amounts and at the times hereinafter provided. Lender shall provide Borrower with a monthly interest statement indicating the amount of interest payable for such month at least one Business Day prior to each Payment Date, but failure of Lender to provide such statement shall not relieve Borrower from its obligation to make the required payment. On each Payment Date, Borrower shall pay interest on the unpaid principal balance of the Loan accrued and accruing through the last day of the prior Interest Period, provided that if the Loan is funded on a date which is within the last five (5) days of a calendar month, Borrower's first monthly interest payment shall be on the first day of the first (1st) calendar month following the date of this Agreement. Interest shall commence accruing on the Loan on October 7, 2022 notwithstanding that the Effective Date is October 11, 2022.

(b)Computations. Interest shall be computed hereunder based on a 360-day year, and shall accrue for each and every day (365 days per year, 366 days per leap year) on which any Debt remains outstanding hereunder. In computing the number of days during which interest accrues, the day on which funds are initially advanced shall be included regardless of the time of day such advance is made, and the day on which funds are repaid shall be included unless repayment is credited prior to close of business. Payments in federal funds immediately available

in the place designated for payment made by Borrower prior to 11:00 am Pacific Time, shall be credited prior to close of business, while other payments may, at the option of Lender, not be credited until immediately available to Lender in federal funds in the place designated for payment prior to 11:00 am, Pacific Time, at such place of payment on a day on which Lender is open for business.

(c)Late Payment Charge. If any principal, interest or other sum due under any Loan Document is not paid by Borrower within five (5) Business Days after the date when due (or with respect to amounts due on the Maturity Date, to the extent not paid on the Maturity Date), and is not a result of a delay in Lender's funding an advance pursuant to the terms and conditions of this Agreement, Borrower shall pay to Lender upon demand an amount equal to the lesser of five percent (5.0%) of such unpaid sum or the maximum amount permitted by applicable law (the "**Late Payment Charge**"), to defray the expense incurred by Lender in handling and processing such delinquent payment and to compensate Lender for the loss of the use of such delinquent payment. Such Late Payment Charge shall be added to the Obligations and secured by the Collateral.

(d)Applicable Interest Rate. The "**Applicable Interest Rate**" upon which interest shall be calculated for the Debt shall, from and after the Effective Date, be one of the following:

(i)provided no Event of Default has occurred and is continuing, a rate per annum equal to the lesser of (i) Adjusted Term SOFR and (ii) the maximum rate of interest, if any, which may be collected from Borrower under applicable law; and

(ii)after the occurrence and during the continuance of an Event of Default, the entire unpaid Debt shall bear interest at a rate per annum equal to the Default Interest Rate (or a lesser amount at Lender's election), and shall be payable upon demand from time to time, to the extent permitted by applicable law.

2.8Loan Payments.

(a)Payments on the outstanding amount of the Loan shall be paid by Borrower in accordance with the terms of this Agreement. Lender shall provide Borrower with its wire instructions for any such payment.

(b)On each Payment Date from and after the thirty-sixth (36th) Payment Date, Borrower shall make amortization payments in an amount equal to One Hundred Eighty Nine Thousand Four Hundred Ninety One and 67/100 Dollars ($189,491.67) (each such amount a "**Amortization Payment**"); provided, that the final Amortization Payment shall be due on the Maturity Date and shall be in an amount equal to all principal and interest outstanding with respect to the Loan. No portion of the Loan repaid hereunder shall be available for re-borrowing.

2.9Credit for Payments. Any payment made upon the outstanding principal balance of the Loan, or the accrued interest thereon, shall be credited as of the Business Day received, provided that such payment is made by Borrower no later than 11:00 am (Pacific Standard Time or Pacific Daylight Time, as applicable) and constitutes immediately available funds. Any payment made after such time or which does not constitute immediately available funds shall be

credited upon the later of such funds having become unconditionally and immediately available to Lender or the following Business Day.

2.10Prepayment.

(a)Borrower shall have the option to prepay the Loan in whole or in part, on a regularly scheduled Payment Date (subject, in the case of a prepayment of less than all outstanding principal, to a minimum prepayment of Five Million Dollars ($5,000,000), upon not less than ten
(10) Business Days' (but no more than one hundred-twenty (120) days') prior written notice to Lender and the payment to Lender of (i) all outstanding principal (or portion(s) thereof) being prepaid) and accrued but unpaid interest due under the Loan and all other amounts due under the Note, this Agreement and the other Loan Documents (including, without limitation, the Exit Fee (if applicable)) plus (ii) a prepayment premium (the "**Minimum Interest Payment**") equal to
(A) Seventeen Million Four Hundred Fifty Thousand and 00/100 Dollars ($17,450,000.00), minus
(B) the aggregate sum of all interest payments (excluding any default interest) actually received by Lender prior to the date of prepayment (or, in the case of a partial prepayment, an amount equal to the pro-rated amount of the Minimum Interest Payment based upon the portion of the Loan Amount being prepaid. The Exit Fee and the Minimum Interest Payment shall also be due in connection with a prepayment pursuant to acceleration of the Loan upon the occurrence and during the continuance of an Event of Default. A prepayment notice delivered to Lender pursuant to this Section 2.10 shall be irrevocable unless otherwise consented to by Lender. The parties hereto acknowledge and agree that the Minimum Interest Payment and the Exit Fee (I) are additional consideration for providing the Loan, (II) constitute reasonable liquidated damages to compensate Lender for (and is a proportionate quantification of) the actual loss of the anticipated stream of fees upon a termination of the Loan (such damages being otherwise impossible to ascertain or even estimate for various reasons, including, without limitation, because such damages would depend on, among other things, (x) when the Loan might otherwise be terminated and (y) future changes in interest rates which are not readily ascertainable on the Effective Date), and (III) are not a penalty to punish Borrower for its early termination of the Loan or for the occurrence of any Event of Default. Notwithstanding anything in this Agreement to the contrary, if and to the extent that the Loan or any portion thereof is repaid with the proceeds of a loan from Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) (provided that Lender (or any Affiliate thereof or syndicate including Lender or any such Affiliate) shall have no obligation to offer to provide such financing), then the Minimum Interest Payment that would otherwise be payable with respect to repayment (or portion thereof) in connection therewith shall be waived.

(b)TO THE FULLEST EXTENT NOW OR HEREAFTER PERMITTED BY LAW, BORROWER HEREBY EXPRESSLY (i) WAIVES ANY RIGHTS IT MAY HAVE UNDER CALIFORNIA CIVIL CODE SECTION 2954.10 TO PREPAY THE NOTE, IN WHOLE OR IN PART, WITHOUT PAYMENT OF A PREPAYMENT FEE, UPON ACCELERATION OF THE MATURITY DATE, AND (ii) AGREES THAT IF, FOR ANY REASON, A PREPAYMENT OF ALL OR ANY PORTION OF THE PRINCIPAL AMOUNT OF THE NOTE IS MADE UPON OR FOLLOWING ANY ACCELERATION OF THE MATURITY DATE BY LENDER ON ACCOUNT OF ANY DEFAULT BY BORROWER OR ANY OTHER LOAN PARTY INCLUDING, WITHOUT LIMITATION, ANY TRANSFER, DISPOSITION OR FURTHER ENCUMBRANCE PROHIBITED OR RESTRICTED BY THE

LOAN DOCUMENTS, THEN BORROWER SHALL BE OBLIGATED TO PAY CONCURRENTLY WITH SUCH PREPAYMENT (AND IN ADDITION TO THE EXIT FEE), THE MINIMUM INTEREST PAYMENT SPECIFIED IN SECTION 2.10. BY EXECUTING THIS AGREEMENT, BORROWER HEREBY DECLARES THAT THE AGREEMENT TO MAKE THE LOAN EVIDENCED BY THE NOTE AT THE INTEREST RATE AND FOR THE TERM SET FORTH IN THIS AGREEMENT CONSTITUTES ADEQUATE CONSIDERATION, GIVEN INDIVIDUAL WEIGHT BY BORROWER FOR THIS WAIVER AND AGREEMENT. FURTHER, BY EXECUTING THIS AGREEMENT, BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT NOTWITHSTANDING ANY APPLICABLE LAW TO THE CONTRARY, PURSUANT TO THE TERMS OF THIS AGREEMENT AND OF THE NOTE, BORROWER HAS AGREED THAT BORROWER HAS NO RIGHT TO REPAY THE NOTE WITHOUT THE PAYMENT OF THE EXIT FEE, AND THAT BORROWER SHALL BE LIABLE FOR THE PAYMENT OF THE EXIT FEE IN CONNECTION WITH THE REPAYMENT OF THE NOTE DUE TO THE ACCELERATION OF THE NOTE IN ACCORDANCE WITH ITS TERMS AND/OR THE TERMS OF THIS AGREEMENT. FURTHERMORE, BY EXECUTING THIS AGREEMENT, BORROWER EXPRESSLY ACKNOWLEDGES AND AGREES THAT LENDER HAS MADE THE LOAN IN RELIANCE UPON THESE AGREEMENTS OF BORROWER AND THAT LENDER WOULD NOT HAVE MADE THE LOAN WITHOUT SUCH AGREEMENTS OF BORROWER.

2.11Full Repayment and Release. Upon receipt of payment in full in immediately available funds of all amounts owing and outstanding under the Loan Documents, Lender shall release the Collateral from the Lien of the Loan Documents and issue a reconveyance in respect of the Property, provided that all of the following conditions shall be satisfied at the time of, and with respect to, such release: (a) Lender shall have received all escrow, closing and recording costs, the costs of preparing and delivering such release and any sums then due and payable under the Loan Documents; (b) Lender shall have received the entire Exit Fee in accordance with Section 2.3 and/or any Minimum Interest Payment payable hereunder; and (c) Lender shall have received a written release satisfactory to Lender of any set aside letter, letter of credit or other form of undertaking which Lender has issued to any surety, Governmental Authority or other Person in connection with the Loan and/or the Collateral. If applicable, Lender's obligation to make further disbursements under the Loan shall terminate as to any portion of the Loan undisbursed as of the date of issuance of such full reconveyance, and any commitment of Lender to lend any undisbursed portion of the Loan shall be cancelled.

2.12Authorization. The Loan Parties shall act under this Agreement and the other Loan Documents only through such authorized representatives as the applicable Loan Party shall designate to Lender in writing from time to time and such Persons shall continue as such Loan Party's authorized representatives until such time as such Loan Party shall duly authorize other or additional Persons to so act on behalf of such Loan Party. Lender shall be entitled to act on the instructions of any Person identifying himself or herself as one of the Persons authorized by a Loan Party, without any duty to investigate, and the applicable Loan Party shall be bound thereby in the same manner as if any such Person were actually so authorized. The Loan Parties shall indemnify, defend and hold Lender harmless from and against any and all Liabilities and Costs arising out of

or in any way connected with Lender's acceptance of or acting upon any instructions or directions from any such Persons.

2.13Recourse.

(a)The Loan shall be full recourse to Borrower and each of the other Loan Parties. Further, Lender shall have the right to (a) proceed against any Loan Party under any Loan Document, including this Agreement, the Environmental Indemnity Agreement, or to proceed against any Guarantor under the provisions of Article X; (b) name any Loan Party in any foreclosure or similar legal action to the extent necessary to enforce Lender's rights under the Loan Documents; and/or (c) obtain injunctive relief against each Loan Party, any Affiliate of any Loan Party or other Person, or maintain any suit or action in connection with the preservation, enforcement or foreclosure of any Lien now or hereafter securing any Obligations.

(b)Notwithstanding anything to the contrary contained in this Agreement, in the Note or in the other Loan Documents, no recourse or any personal liability shall be had for the payment of the principal, interest or other amounts owed hereunder or under the Note or the other Loan Documents, or for any claim based on this Agreement, the Note or any other Loan Document, against any present or future direct or indirect, principal, partner, member, shareholder, officer, director, agent or employee of Borrower or Guarantor, any of their respective successors and assigns (other than any Guarantor), and any of the respective assets of such Persons, it being expressly understood that the sole remedies of Lender with respect to such amounts and claims shall be against Borrower and the assets of Borrower, including the Real Property and other Collateral (which may result in the decrease in the value of the ownership interest of the members of Borrower) and against Guarantor and the assets of Guarantor; provided, however, that nothing contained in this Agreement (including the provisions of this Section 2.13(b)), the Note or the other Loan Documents shall constitute (i) a waiver of any of Loan Party's obligations herein, under the Note or the other Loan Documents, (ii) a limitation of liability of Borrower or any of its assets, or (iii) a limitation of liability of Canadian Parent or American Parent (iii) a limitation of liability of Guarantor or any of its respective assets with respect to the provisions of Article X, the Environmental Indemnity Agreement or any other guaranty or indemnity agreement given by it in connection with the Loan, as applicable.

2.14Increased Costs Generally.

(a)**Special Provisions Applicable to Term SOFR**.

(i)Term SOFR may be adjusted by Lender on a prospective basis to take into account any additional or increased costs to Lender (other than Taxes which shall be governed by Section 2.15), in each case, due to changes in applicable law occurring subsequent to the commencement of the then applicable Interest Period, or pursuant to any Change in Law or change in the reserve requirements imposed by the Board of Governors, which additional or increased costs would increase the cost of funding or maintaining loans bearing interest at Term SOFR. In any such event, Lender shall give Borrower notice of such a determination and adjustment and, upon its receipt of the notice from Lender, Borrower may, by notice to Lender (A) require Lender to furnish to Borrower a statement

setting forth in reasonable detail the basis for adjusting Term SOFR and the method for

determining the amount of such adjustment, or (B) repay the SOFR Loans or Base Rate Loans determined with reference to Term SOFR, in each case, of such Lender with respect to which such adjustment is made (together with any amounts due under Section 2.14(a)(ii)).

(ii)Subject to the provisions set forth in Section 2.14(a)(iii) below, in the event that any change in market conditions or any Change in Law shall at any time after the date hereof, in the reasonable opinion of Lender, make it unlawful or impractical for Lender to fund or maintain SOFR Loans (or Base Rate Loans determined with reference to Term SOFR) or to continue such funding or maintaining, or to determine or charge interest rates at the Term SOFR Reference Rate, Term SOFR or SOFR, Lender shall give notice of such changed circumstances to Borrower and (A) in the case of any SOFR Loans that are outstanding, such SOFR Loans will be deemed to have been converted to Base Rate Loans on the last day of the Interest Period of such SOFR Loans, if Lender may lawfully continue to maintain such SOFR Loans, or immediately, if Lender may not lawfully continue to maintain such SOFR Loans, and thereafter interest upon the SOFR Loans of Lender thereafter shall accrue interest at the rate then applicable to Base Rate Loans (and if applicable, without reference to the Term SOFR component thereof) and
(B) in the case of any such Base Rate Loans of Lender that are outstanding and that are determined with reference to Term SOFR, interest upon the Base Rate Loans of Lender after the date specified in such Lender's notice shall accrue interest at the rate then applicable to Base Rate Loans without reference to the Term SOFR component thereof in each case, until such Lender determines that it would no longer be unlawful or impractical to do so.

(iii)Benchmark Replacement Setting.

(A)Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event, Lender and Borrower may amend this Agreement to replace the then-current Benchmark with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. (New York City time) on the fifth (5th) Business Day after Lender has posted such proposed amendment to Borrower. No replacement of a Benchmark with a Benchmark Replacement pursuant to this Section 2.14(a)(iii) will occur prior to the applicable Benchmark Transition Start Date.

(B)Conforming Changes. In connection with the use, administration, adoption, or implementation of a Benchmark Replacement, Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(C)Notices; Standards for Decisions and Determinations. Lender will promptly notify Borrower of (1) the implementation of any Benchmark

Replacement, and (2) the effectiveness of any Conforming Changes in connection with the use, administration, adoption, or implementation of a Benchmark Replacement. Any determination, decision or election that may be made by Lender pursuant to this Section 2.14(a)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 2.14(a)(iii).

(D)Benchmark Unavailability Period. Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, any outstanding affected SOFR Loans will be deemed to have been converted to Base Rate Loans at the end of the applicable Interest Period. During any Benchmark Unavailability Period, the component of the Base Rate based upon the then-current Benchmark will not be used in any determination of the Base Rate.

(b)**No Requirement of Matched Funding**. Anything to the contrary contained herein notwithstanding, neither Lender nor any of its participants, is required actually to match fund any Obligation as to which interest accrues at Term SOFR or the Term SOFR Reference Rate.

(c)If any Regulatory Change: (i) shall subject Lender to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (e) of the definition of Excluded Taxes and (C) Connection Income Taxes) with respect to its loans, commitments or other obligations or its deposits, reserves other liabilities or capital attributable thereto; or (ii) shall impose, modify or deem applicable any reserve, special deposit, capital, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, Lender or shall impose on Lender any other condition affecting its loans or its obligation to make such loans, and the result of any of the foregoing shall be to increase the cost (other than Taxes) to such Lender of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make the Loan, or to increase the cost to such Lender, or to reduce the amount of any sum received or receivable by such Lender hereunder (whether of principal, interest or any other amount) (other than in respect of Taxes) then, upon request of Lender, Borrower will pay to such Lender such additional amount or amounts as will compensate such Lender, as the case may be, for such Taxes described in clause (i) or such additional costs incurred or reduction suffered described in clause (ii).

(d)A certificate of a Lender setting forth the amount or amounts necessary to compensate such Lender or its holding company, as the case may be, as specified in Section 2.14(c) and delivered to Borrower, shall be conclusive absent manifest error. Borrower shall pay such Lender the amount shown as due on any such certificate within 10 days after receipt thereof.

(e)Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's right to demand such compensation; provided that Borrower shall not be required to compensate a Lender pursuant to this Section for

any increased costs incurred or reductions suffered more than nine months prior to the date that such Lender notifies Borrower of the Regulatory Change giving rise to such increased costs or reductions, and of such Lender's intention to claim compensation therefor (except that, if the Regulatory Change giving rise to such increased costs or reductions is retroactive, then the nine (9)-month period referred to above shall be extended to include the period of retroactive effect thereof).

2.15Taxes.

(a)Payments Free of Taxes. Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of Borrower) requires the deduction or withholding of any Tax from any such payment by any Loan Party, then such Loan Party shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by any Loan Party shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) Lender receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(b)Payment of Other Taxes. Each Loan Party shall timely pay to the relevant Governmental Authority in accordance with applicable law any Other Taxes.

(c)Indemnification by Borrower. Each Loan Party shall indemnify Lender, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by Lender or required to be withheld or deducted from a payment to Lender and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to Borrower by a Lender shall be conclusive absent manifest error.

(d)Evidence of Payments. As soon as practicable after any payment of Taxes by any Loan Party to a Governmental Authority pursuant to this Section, the applicable Loan Party shall deliver to Lender the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to Lender.

(e)Status of Lenders.

(i)Any Lender or other recipient of a payment under any Loan Document that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to Borrower, at the time or times reasonably requested by Borrower, such properly completed and executed documentation reasonably requested by Borrower as will permit such payments to be made without

withholding or at a reduced rate of withholding. In addition, any Lender or other

recipient of a payment under any Loan Document, if reasonably requested by Borrower, shall deliver such other documentation prescribed by applicable law or reasonably requested by Borrower as will enable Borrower to determine whether or not such Lender or other recipient is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Sections 2.15(e)(ii)(A), 2.15(e)(ii)(B) and 2.15(e)(ii)(D)) shall not be required if in Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to Borrower on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code,
(x) a certificate substantially in the form of **Exhibit A-1** to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" related to any Loan Party as described in Section 881(c)(3)(C)

of the Code (a "**U.S. Tax Compliance Certificate**")

and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4)to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN or IRS Form W-8BEN-E, a U.S. Tax
Compliance Certificate substantially in the form of **Exhibit A-2 or Exhibit A-3**, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of **Exhibit A-4** on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to Borrower (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of Borrower), executed copies of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit Borrower to determine the withholding or deduction required to be made; and

(D)if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to Borrower at the time or times prescribed by law and at such time or times reasonably requested by Borrower such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by Borrower as may be necessary for any Loan Party to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify Borrower in writing of its legal inability to do so.

(f)Treatment of Certain Refunds. If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section 2.15 (including by the payment of additional amounts pursuant to this Section 2.15), it shall pay to the indemnifying party an amount equal to such refund

(but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (f) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (f), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (f) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(g)Survival. Each party's obligations under this Section 2.15 shall survive any assignment of rights by, or the replacement of, a Lender and the repayment, satisfaction or discharge of all the Obligations.

2.16Appointment of Servicer and Delegation of Lender Rights. Borrower acknowledges and agrees that, at the option of Lender, the Loan may be serviced by a servicer/trustee (the "**Servicer**") selected by Lender, and Lender may delegate all or any portion of its responsibilities under this Agreement and the other Loan Documents to the Servicer pursuant to a servicing agreement between Lender and Servicer, provided that such delegation will not release Lender from any of its obligations under the Loan Documents. Borrower shall be responsible for paying to Servicer (on each Payment Date) Servicer's monthly servicing fee for any period during which an Event of Default exists, provided that Borrower shall in no event be responsible for any such fee to the extent the same exceeds 0.5% (50 basis points) of the Loan Amount.

2.17Original Issue Discount. For applicable income Tax purposes, the parties hereto agree that the Loan is being issued with "original issue discount" within the meaning of Section 1273(a) of the Code and Treasury Regulation Section 1.1273-1 and shall not take any position to the contrary or file any Tax return, report or declaration inconsistent with such treatment unless required to do so pursuant to a "determination" within the meaning of Section 1313(a) of the Code (or comparable provision of state or local Law).

2.18Mitigation Obligations; Replacement of Lenders.

(a)Designation of a Different Lending Office. If Lender requests compensation under Section 2.14, or requires Borrower to pay any Indemnified Taxes or additional amounts to Lender or any Governmental Authority for the account of Lender pursuant to Section 2.15, then Lender shall (at the request of Borrower) use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or to assign its rights and obligations hereunder to another of its offices, branches or affiliates, if, in the judgment of Lender, such

designation or assignment (i) would eliminate or reduce amounts payable pursuant to Section 2.14 or Section 2.15, as the case may be, in the future, and (ii) would not subject Lender to any unreimbursed cost or expense and would not otherwise be disadvantageous to Lender. The Borrower hereby agrees to pay all reasonable costs and expenses incurred by Lender in connection with any such designation or assignment.

(b)Replacement of Lenders. If any Lender requests compensation under Section 2.14, or if Borrower is required to pay any Indemnified Taxes or additional amounts to Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15 and, in each case, Lender has declined or is unable to designate a different lending office in accordance with Section 2.18(a), then Borrower may, at its sole expense and effort, upon notice to such Lender, require Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in, and consents required by, Section 11.1), all of its interests, rights (other than its existing rights to payments pursuant to Section 2.14 or Section 2.15) and obligations under this Agreement and the related Loan Documents to the applicable assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment); provided that: (i) such Lender shall have received payment of an amount equal to the outstanding principal of its Loan, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or Borrower (in the case of all other amounts); (iii) in the case of any such assignment resulting from a claim for compensation under Section 2.14 or payments required to be made pursuant to Section 2.15, such assignment will result in a reduction in such compensation or payments thereafter; (iii) such assignment does not conflict with applicable law; and (iv) a Lender shall not be required to make any such assignment or delegation if, prior thereto, as a result of a waiver by such Lender or otherwise, the circumstances entitling Borrower to require such assignment and delegation cease to apply. Each party hereto agrees to execute and deliver such documents necessary to evidence such assignment as reasonably requested by the applicable Lender; provided, further that any such documents shall be without recourse to or warranty by the parties thereto.

ARTICLE III
RESERVE ACCOUNTS GENERALLY

3.1Reserve Accounts.

(a)Borrower hereby pledges and assigns, and grants to Lender a first-priority perfected security interest in, the Reserve Accounts and all funds therein and any and all monies now or hereafter deposited in the Reserve Accounts as additional security for payment of the Obligations. Until expended or applied in accordance herewith, the Reserve Accounts and all funds therein shall constitute additional security for the Obligations.

(b)This Agreement is, among other things, intended by the parties to be a security agreement for purposes of the UCC, in addition to the Security Agreement. Upon the occurrence and during the continuance of an Event of Default, Lender may, in addition to any and all other rights and remedies available to Lender, apply any sums then present in the Reserve Accounts to the payment of the Obligations in any order in its sole discretion.

(c)All interest on a Reserve Account shall be added to or become a part thereof. Borrower shall be responsible for payment of any Tax applicable to the interest earned on the Reserve Accounts credited or paid to any Borrower.

(d)The Reserve Accounts shall be under the sole control and dominion of Lender, and except as otherwise provided in this Agreement, Borrower shall not have any right of withdrawal therefrom.

(e)Borrower shall not, without obtaining the prior written consent of Lender, further pledge, assign or grant any security interest in the Reserve Accounts or the monies deposited therein or permit any lien or encumbrance to attach thereto, or any levy to be made thereon, or any UCC-1 Financing Statements, except those naming Lender as the secured party, to be filed with respect thereto or any Permitted Encumbrances.

(f)Lender and Servicer shall not be liable for any loss sustained on the investment of any funds the Reserve Accounts. Borrower shall indemnify Lender and Servicer and hold Lender and Servicer harmless from and against any and all actions, suits, claims, demands, liabilities, losses, damages, obligations and costs and expenses (including litigation costs and reasonable attorneys' fees and expenses) arising from or in any way connected with the Reserve Accounts or the performance of the obligations for which the Reserve Accounts were established.

(g)Any amount remaining in the Reserve Accounts after the Obligations have been paid in full in immediately available funds shall be released to Borrower or such other party that may be entitled thereto.

ARTICLE IV REPRESENTATIONS AND WARRANTIES

To induce Lender to execute this Agreement and make the Loan, each Loan Party hereby represents, warrants and covenants to Lender as of the date hereof and continuing hereafter as follows:

4.1Organization; Power; Special Purpose Entity. Each Loan Party: (a) is duly organized and validly existing in good standing under the laws of the State or Province of its formation; (b) is duly qualified to do business in each jurisdiction in which the nature of its business or assets makes such qualification necessary; (c) has the requisite power and authority to carry on its business as now being conducted; and (d) has the requisite power and authority to execute, deliver, and perform its obligations under the Loan Documents to which it is a party. Each Loan Party other than Canadian Parent is a "registered organization" within the meaning of the UCC in effect in the state where such Loan Party is organized. Each Loan Party's organizational identification number issued by such State or Province is as set forth on **Schedule 4.1**. Each Loan Party is in good standing in, every jurisdiction where such qualification is required. MD Propco and, once NJ Propco joins the Loan Documents, NJ Propco shall at all times remain a Special Purpose Entity.

4.2Authority; Enforceability. Each Loan Party has the requisite legal power and authority to execute, deliver and perform each of the Loan Documents to which it is a party. The execution, delivery and performance of each of the Loan Documents, and the consummation of the transactions contemplated thereby, have been duly authorized by all requisite action of each Loan Party, and no proceedings or authorizations on the part of any Loan Party is necessary to consummate such transactions other than as have been received on or prior to the Effective Date and are in full force and effect. The Loan Documents have been duly executed and delivered by each Loan Party that is party thereto and are the legal, valid and binding obligations of each Loan Party, as applicable, enforceable against each Loan Party, as applicable, in accordance with their terms, subject only to bankruptcy, insolvency and other limitations on creditors' rights generally and to equitable principles. Such Loan Documents are not subject to any right of rescission, set- off, counterclaim or defense by any Loan Party, including the defense of usury.

4.3Ownership of Loan Parties. The organizational chart attached hereto as **Schedule 4.3** is complete and accurate as of the Effective Date and illustrates all Persons who (a)have, together with its Affiliates, at least a 20% direct or indirect ownership interest in each Loan Party to each tier or level shown thereon and their respective ownership percentages and
(b)all direct and indirect Subsidiaries of each Loan Party. All of the issued and outstanding Equity Interests of the Loan Parties have been (to the extent such concepts are relevant with respect to such ownership interests) duly authorized and issued and are fully paid and non-assessable. There are no outstanding commitments or other obligations of any Loan Party (other than Canadian Parent) to issue, and no options, warrants or other rights of any Person to acquire, any Equity Interests of any Loan Party (other than Canadian Parent) other than as set forth in the Information Certificate. No Local Loan Party has any subsidiary other than as disclosed on the Information Certificate.

4.4No Conflict. The execution, delivery and performance by each Loan Party of the Loan Documents to which it is a party, and each of the transactions contemplated thereby, do not and will not: (a) conflict with or violate such Loan Party's, as applicable, partnership agreement, operating agreement, bylaws, articles of partnership, articles of organization, articles of incorporation or other partnership, organizational or corporate documents, as applicable;
(b) conflict with, result in a breach or violation of or constitute (with or without notice or lapse of time or both) a default under any (i) material agreement to which any Loan Party, the Property or the other Collateral is subject, (ii) statute, ordinance, rule or regulation of any Governmental Authority applicable to any Loan Party, the Property or the other Collateral, or (iii) court or Governmental Authority order; or (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Loan Party (other than Liens in favor of Lender arising pursuant to the Loan Documents).

4.5Consents and Authorizations. Each Loan Party has obtained all consents and authorizations required under its organizational documents, as applicable, or pursuant to its contractual obligations with any other Person, and has obtained all consents and authorizations of, and effected all notices to and filings with, any Governmental Authority as may be necessary to allow such Loan Party to lawfully execute, deliver and perform its obligations under the Loan Documents.

4.6Financial Information. All financial statements and other financial information heretofore delivered by any Loan Party to Lender, including, without limitation, information relating to the financial condition of any Loan Party and the Property, the other Collateral, or the shareholders, managers, or members in any Loan Party, are true and correct in all material respects, fairly and accurately reflect the financial condition of the subject thereof and have been prepared in accordance with the Accounting Standard, or another accounting method approved by Lender, consistently applied. Since June 30, 2022, there has been no change that would have a Material Adverse Effect on any Loan Party, or the ability of any Loan Party to perform its respective obligations under the Loan Documents. There are no known material unrealized or anticipated losses of any Loan Party. Neither any Loan Party nor any of their respective Members (other than Members of Canadian Parent) or Affiliates has filed or been the subject of any bankruptcy, insolvency, reorganization, dissolution or similar proceeding or any proceeding for the appointment of a receiver or trustee for all or any substantial part of their respective property or assets. Neither any Loan Party nor any of their respective Affiliates, has admitted in writing its inability to pay its debts when due, made an assignment for the benefit of creditors or taken other similar action.

4.7No Additional Liabilities of Borrower and/or Guarantors Not Previously Disclosed in Writing to Lender. No Local Loan Party or any of its Subsidiaries has any Indebtedness other than Permitted Indebtedness. No Parent has any Indebtedness other than Permitted Parent Indebtedness. Notwithstanding anything to the contrary contained hereunder or under any of the other Loan Documents, no Loan Party has any obligation which was not previously disclosed to Lender in writing, which obligation would have a Material Adverse Effect upon any of (a) any Loan Party's ability to perform hereunder or under any of the other Loan Documents, (b) any Loan Party's ability to timely and fully repay the Loan (and all amounts due in connection therewith) as required under the Note, this Agreement and the other Loan Documents, (c) any Loan Party's ability now or in the future to operate and renovate the Property (as required hereunder). There are no material defaults, breaches or violations existing in respect of any Permitted Indebtedness or Permitted Parent Indebtedness by any party thereto and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute a material default, breach or violation by any party thereunder, except to the extent that any of the foregoing have been waived in writing by the applicable holder of such Permitted Indebtedness or Permitted Parent Indebtedness. No borrower, guarantor or other party obligated in respect of the Permitted Indebtedness or Permitted Parent Indebtedness has given or received any notice of default under any of the Permitted Indebtedness or Permitted Parent Indebtedness that remains uncured or in dispute. No Permitted Indebtedness grants any Lien on any assets of any Local Loan Party or any greater priority than Lender has with respect to the Loan with respect to any payment obligations of any Loan Party. The Loan Parties have delivered to Lender true, correct and complete copies of all material documents and instruments evidencing or securing (i) any Existing Parent Indebtedness (other than with respect to the KingSett Loan) and the Success Fee Agreement.

4.8Litigation; Adverse Effects; Condemnation.

(a)Except as disclosure on the Information Certificate or with respect to which any Loan Party has provided notice as required hereunder, there is no action, suit, proceeding,

governmental investigation or arbitration, at law or in equity, or before or by any Governmental Authority, pending against and served upon or, to best of any Loan Party's knowledge, threatened against and not served upon any Loan Party, the Property or any other Collateral which (i) could result in a Material Adverse Effect upon such Person, the Property or other Collateral, or (ii) could materially and adversely affect the ability of any Loan Party to perform its obligations under the Loan Documents or (iii) involves any Loan Document or the transactions contemplated thereby.

(b)Except as disclosure on the Information Certificate, in Canadian Parent's most recent Form 10K and Form 10Q filed with the Securities and Exchange Commission as of the Effective Date or with respect to which any Loan Party has provided notice as required hereunder, no Loan Party is (i) in violation of any applicable Legal Requirements, which violation could have a Material Adverse Effect upon any Loan Party, the Property or any other Collateral, or (ii) subject to or in default with respect to any court or Governmental Authority order which could have a Material Adverse Effect upon any Loan Party, the Property or any other Collateral. There are no governmental or administrative proceedings pending or, to the best of each Loan Party's knowledge, threatened against any Loan Party, the Property or any other Collateral, which, if adversely decided, could have a Material Adverse Effect upon any Loan Party, the Property or any other Collateral.

(c)There are no known, pending or, to the best of each Loan Party's knowledge, threatened eminent domain or condemnation proceedings affecting the Property (or any portion thereof).

(d)Upon payment of the contractors identified on the closing statement prepared by the Title Company in connection with the closing of this Agreement, there are no known, pending, or to the best of each Loan Party's knowledge, threatened claims outstanding against any Loan Party or the Property (or any portion thereof) or any other Collateral in respect of any work done on or prior to the date hereof at, on or around the Property by any contractor or third party claimant.

4.9Payment of Taxes. All income and other material tax returns and reports to be filed by each Loan Party have been timely filed, and all taxes, assessments, fees and other governmental charges shown on such returns or otherwise payable by any Loan Party have been paid when due and payable, except such taxes, assessments, fees and other governmental charges if any, as (a) are being contested pursuant to a Permitted Contest or (b) to the extent that the failure to do so could not reasonably be expected to have a Material Adverse Effect, and, as applicable, subject to such valid extensions of the filing and/or due date thereof as such Loan Party shall have obtained. No Liens have been filed and no claims are being asserted with respect to any such Taxes and no Loan Party has any knowledge of any proposed tax assessment against any Loan Party that could have a Material Adverse Effect.

4.10Disclosure. The representations and warranties of each Loan Party contained in this Agreement, the other Loan Documents, the Information Certificate, and all certificates, financial statements and other documents delivered to Lender in connection herewith and therewith, do not, when taken as a whole, as of the date of such representation, warranty or other statement was made, contain any untrue statement of a material fact or omit to state a material fact necessary to

make the statements contained herein or therein, in light of the circumstances under

which they were made, not misleading (it being recognized that projections and forecasts provided by Borrower in good faith and based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results). All organizational documents, financial statements, Leases, Material Agreements, agreements and other documents and instruments delivered by or on behalf of any Loan Party to Lender pursuant to this Agreement, the other Loan Documents are true, correct and complete copies of the originals. The foregoing representations and warranties with respect to any documents, Leases or instruments relating to the Property or the Cannabis Business or Support Business and not prepared by or on behalf of any Loan Party are made to the best of each Loan Party's knowledge. No Loan Party has withheld any material fact from Lender in regard to any matter addressed in or material to the Loan Documents.

4.11 Requirements of Law and Other Covenants. Each Loan Party, the Cannabis Business, the Support Business, the Property and the other Collateral and the ownership and use thereof comply with (a) all Legal Requirements applicable to that respective Loan Party, the Cannabis Business, the Support Business or the Property (including, without limitation, State Cannabis Laws, the ADA and all Hazardous Materials Laws but excluding all US federal statutes, ordinances, rules and regulations related solely to the operation of a Cannabis Business), in all material respects, in each case that the failure to so comply could reasonably be expected to have a Material Adverse Effect or have a material adverse effect on such Loan Party's ability to operate the Cannabis Business or any Support Business as conducted prior to such failure and (b) all restrictive covenants or other title matters affecting the Property, the other Collateral or any portion thereof. Without limiting the generality of the foregoing, each Loan Party has all required Government Approvals (including Regulatory Licenses) (excluding any United States federal Government Approvals) to operate its business as currently conducted, and all of such state and provincial Government Approvals are in full force and effect and have not been revoked, suspended, cancelled, rescinded, terminated, modified and have not expired. There are no pending or threatened actions by or before any Governmental Authority to revoke, suspend, cancel, rescind, terminate or materially adversely modify any such Government Approvals. Except as disclosure on the Information Certificate or as otherwise disclosed to Lender in writing, no Loan Party has received notice of any claim with respect to any Hazardous Materials Liability or knows of any basis for any Hazardous Materials Liability and except with respect to any other matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, no Loan Party (i) has failed to comply with any Hazardous Materials Law or to obtain, maintain or comply with any permit, license or other approval required under any Hazardous Materials Law, (ii) has become subject to any Hazardous Materials Liability, (iii) has received notice of any claim with respect to any Hazardous Materials Liability or (iv) knows of any basis for any Hazardous Materials Liability. The Property consists of one or more legal and separate lot(s) for tax assessment purposes. All requisite permits, easements and rights of way necessary for the occupancy, operation, ownership and use of the Property, the Cannabis Business and the Support Business, as applicable, have been obtained by Borrower and those that have been obtained are in full force and effect and not subject to default by any party thereto.

4.12 Property and Collateral Documents. The Loan Parties have heretofore delivered to Lender true, complete and correct copies of all Material Contracts. No Loan Party has otherwise discovered in the course of its due diligence investigations, any facts, matters or circumstances

that could have a Material Adverse Effect (including, without limitation, on any Loan Party, the Cannabis Business, the Property or any other Collateral, the transactions contemplated by this Agreement or the other Loan Documents). No Lien upon the Property or the other Collateral materially adversely affects the value, operation or use of the Property or such Collateral or Borrower's or any Guarantor's ability to pay the Obligations. There are no outstanding options to purchase or rights of first refusal affecting all or any portion of the Property or the other Collateral except as set forth in the limited liability company agreement of TerrAscend NJ delivered to Lender in connection with the closing. To the knowledge of the Loan Parties, the survey for the Property delivered to Lender does not fail to reflect any material matter affecting the Property or the title thereto. Except as may otherwise be set forth on the survey provided to Lender, all of the Improvements included in determining the appraised value of the Property lie wholly within the boundaries and building restriction lines of the Property, and no improvement on an adjoining property encroaches upon the Property, and no easement or other encumbrance upon the Property encroaches upon any of the Improvements, except pursuant to the Cell Tower Lease and those insured against by the Title Policy insuring the Lien of the Security Instrument. The Property is taxed separately and does not include any other property, and for all purposes the Property may be mortgaged, conveyed and otherwise dealt with as a separate legal parcel. The cost basis information for the Property delivered to Lender is true, complete, and accurate in all respects.

4.13Title to Assets; No Liens. Each Local Loan Party has good, marketable and indefeasible fee title to the applicable Collateral, free and clear of all Liens, except for Permitted Encumbrances. All transfer taxes, deed stamps, intangible taxes or other amounts in the nature of transfer taxes required to be paid by any Person under applicable Legal Requirements in connection with the transfer of the Property have been paid when due except such taxes, if any, as are being contested in good faith by appropriate proceedings and for which adequate reserves are maintained in accordance with GAAP, and subject to such valid extensions of the filing and/or due date thereof as such Borrower shall have obtained. No such taxes are currently being so contested. The Security Instrument, when properly recorded in the appropriate records, together with any UCC Financing Statements required to be filed in connection therewith, will create (a) a valid, perfected, first priority lien on Borrower's interest in the Collateral, and (b) valid and perfected first priority security interests in and to, and perfected collateral assignments of, all personalty of Borrower (including the Leases), all in accordance with the terms thereof, in each case subject only to any Liens approved by Lender, and in each case excluding motor vehicles and deposit accounts and securities accounts (other than the Blocked Account). All mortgage, recording, stamp, intangible or other similar taxes required to be paid by any Person under applicable Legal Requirements in connection with the execution, delivery, recordation, filing, registration, perfection or enforcement of any of the Loan Documents have been or will be paid. Each Borrower owns, or is licensed to use, all trademarks, tradenames, copyrights, patents and other intellectual property necessary to its business as currently conducted, and the use thereof by each Borrower does not infringe in any material respect upon the rights of any other Person, and each Borrower's rights thereto are not subject to any licensing agreement or similar arrangement other than pursuant to the WANA License and the Cookies License. No Local Loan Party has entered into or granted any security agreements, or permitted the filing or attachment of any security interests on or affecting any of their respective assets, including the Collateral, directly or indirectly that would have priority or in any way be superior to Lender's security interests and rights in and to the Collateral. No Local Loan Party has entered into or granted any security agreements, or permitted

the filing or attachment of any security interests on or affecting any Excluded Asset other than Permitted Encumbrances.

4.14Utilities. All utility services, including, without limitation, gas, water, sewage, electrical and telephone, necessary for the use and occupancy of the Property are available at or within the boundaries of the Property and have been connected or are available for connection by Borrower upon payment of all required connection or hook-up fees.

4.15Leases. No portion of the Property has been leased or subleased to any Person except (a) the MD Real Property has been leased by MD Propco to each of MD Opco 1 and MD Opco 2 pursuant to the MD Operating Leases, as applicable, and (b) upon consummation of the Permitted Reorganization, the NJ Real Property will be leased by NJ Propco to TerrAscend NJ pursuant to the NJ Operating Lease. No Local Loan Party leases or subleases any real property other than the Property except pursuant to the Leases described on **Schedule 4.15** (the "**Existing Leases**"). The MD Operating Lease (and, upon the consummation of the Permitted Reorganization, the NJ Operating Leases) and the Existing Leases are in full force and effect and there is no material default or breach existing thereunder by any party thereto and no event has occurred that, with the passage of time or the giving of notice, or both, would constitute a material default or breach by any party thereunder. Borrower has not given or received any notice of default under any of the Operating Leases or the Existing Leases that remains uncured or in dispute. Neither the execution or delivery of the Loan Documents nor Borrower's performance thereunder will adversely affect its rights under the Operating Leases or the Existing Leases.

4.16Affiliate Fees and Transactions. No Borrower is obligated to pay any fee or compensation to any Affiliate in connection with the acquisition, financing, operation or management of the Property, the Cannabis Business or the Support Business (collectively "**Affiliate Fees**") except as set forth on **Schedule 4.16**.

4.17Defects. There are no known defects, facts or conditions affecting the Property or any portion thereof that would make the Property unsuitable for the occupancy, use or sale thereof. To the knowledge of the Loan Parties, there are no surface or subsurface soils conditions adversely affecting the Property, including, without limitation, unstable soil or landfills.

4.18Patriot Act and Related Matters.

(a)Each Loan Party complies and will comply at all times with the Patriot Act and Anti-Money Laundering Laws applicable to such Loan Party. Lender shall have the right to audit each Loan Party's compliance with the Patriot Act and all applicable requirements of Governmental Authorities having jurisdiction of any Loan Party or the Property, including, without limitation, those relating to money laundering and terrorism. If any Loan Party fails to comply with the Patriot Act or any such requirements of Governmental Authorities, then Lender may, at its option, cause such Loan Party to comply therewith and any and all costs and expenses incurred by Lender in connection therewith shall become part of the Obligations, secured by the Collateral.

(b)No Loan Party: (i) is listed on any Government Lists; (ii) is a Person who has been determined by competent authority to be subject to the prohibitions contained in

Presidential Executive Order No. 13224 (Sept. 23, 2001) or any other similar prohibitions contained in the rules and regulations of OFAC or in any enabling legislation or other Presidential Executive Orders in respect thereof; (iii) has been previously indicted for or convicted of any felony involving a crime or crimes of moral turpitude or for any Patriot Act Offense (as defined below); (iv) is not currently under investigation by any Governmental Authority for alleged criminal activity or (v) is a Prohibited Person. For purposes hereof, the term "**Patriot Act Offense**" means any violation of the criminal laws of the United States of America or of any of the several states, or that would be a criminal violation if committed within the jurisdiction of the United States of America or any of the several states, relating to terrorism or the laundering of monetary instruments, including any offense under (A) the criminal laws against terrorism; (B) the criminal laws against money laundering, (C) the Bank Secrecy Act, as amended, (D) the Money Laundering Control Act of 1986, as amended, or the (E) Patriot Act. "Patriot Act Offense" also includes the crimes of conspiracy to commit, or aiding and abetting another to commit, a Patriot Act Offense.

(c)Each Loan Party and to the knowledge of each Loan Party, each of its Members (excluding any Members of any Loan Party whose Equity Interests are traded on a national or international securities exchange), is in compliance with all Federal Trade Embargos and Anti-Corruption Obligations in all material respects. No Embargoed Person owns any direct or indirect equity interest in any Loan Party. No Loan Party, or to their knowledge any of their Affiliates nor any of their respective direct or indirect equityholders (i) conducts any business, or engage in any transaction or dealing, with any Embargoed Person, including the making or receiving of any contribution of funds, goods, or services, to or for the benefit of a Embargoed Person, or (ii) engages in or conspire to engage in any transaction that evades or avoids, or has the purpose of evading or avoiding, or attempts to violate, any Federal Trade Embargo.

(d)No tenant at the Property is identified on the OFAC List.

(e)Each Loan Party has implemented procedures, and will consistently apply those procedures throughout the term of the Loan, to ensure that the foregoing representations and warranties remain true and correct during the term of the Loan.

4.19ERISA. Neither any Loan Party nor any ERISA Affiliate maintains, contributes to, has any obligation to contribute to, or has any direct or indirect liability with respect to any "employee benefit plan," "multiemployer plan," or any other "plan" (each as defined in ERISA). No Loan Party is an "employee benefit plan," as defined in Section 3(3) of ERISA, subject to Title I of ERISA, a "plan," as defined in Section 4975(e)(1) of the Code, subject to Code Section 4975, or a "governmental plan" within the meaning of Section 3(32) of ERISA. None of the assets of any Loan Party constitutes "plan assets" of one or more of any such plans under 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of the Code. The transactions contemplated by the Loan Documents do not violate state statutes regulating investment of, and fiduciary obligations with respect to, governmental plans and such state statutes do not in any manner affect the ability of any Loan Party to perform its obligations under the Loan Documents or the ability of Lender to enforce any and all of its rights under this Agreement and the other Loan Documents. If an investor or direct or indirect equity owner in any Loan Party is a plan that is not subject to Title I of ERISA or Section 4975 of the Code, but is subject to the provisions of any federal, state, local, non-U.S. or other laws or regulations that are similar to those portions of

ERISA or the Code, the assets of the Loan Parties do not constitute the assets of such plan under such other laws. "**ERISA Affiliate**" means any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code, of which any Loan Party is a member, and (b) solely for purposes of potential liability under Section 302(b)(2) of ERISA and Section 412(b)(2) of the Code and the lien created under Section 303(k) of ERISA and Section 430(k) of the Code, described in Section 414(m) or (o) of the Code, of which any Loan Party is a member.

4.20Investment Company Act; Public Utility Holding Company Act. No Loan Party is (a) an "investment company" or a company "controlled" by an "investment company," within the meaning of the Investment Company Act of 1940, as amended; (b) a "holding company" or a "subsidiary company" of a "holding company" or an "affiliate" of either a "holding company" or a "subsidiary company" within the meaning of the Public Utility Holding Company Act of 1935, as amended; or (c) subject to any other federal or state law or regulation which purports to restrict or regulate its ability to borrow money. No Loan Party is engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock, or extending credit for the purpose of purchasing or carrying margin stock, and no part of the proceeds of any Loan will be used to buy or carry any margin stock.

4.21Contracts.

(a)No Loan Party has entered into, or is bound by, any Material Contract other than as set forth on **Schedule 4.21** or as disclosed to Lender in writing (and Schedule 4.21 shall be deemed to be updated to the extent such notice is provided to Lender).

(b)No Loan Party is a party to, nor is bound by, any material Regulatory License or other material agreement that prohibits or otherwise restricts such Loan Party from incurring the obligations under this Agreement and the Loan Documents to which it is a party or granting a security interest in the Collateral, other than this Agreement or the other Loan Documents.

(c)Upon written request by Lender, the Loan Parties have delivered true, correct and complete copies of the Material Contracts (including all amendments and supplements thereto) to Lender.

(d)Each of the Material Contracts (i) is in full force and effect and there is no material default thereunder which would give rise to a right to terminate such Material Contract and (ii) is binding upon and enforceable against the applicable Persons party thereto in accordance with its terms. No Loan Party has given or received any notice of default under any of the Material Contracts that remains uncured or in dispute. Neither the execution or delivery of the Loan Documents nor any Loan Party's performance thereunder will adversely affect any Loan Party's rights under the Material Contracts.

4.22Solvency. Each Loan Party has (a) not entered into the transaction contemplated by this Agreement or executed the Loan Documents with the actual intent to hinder, delay or defraud any creditor and (b) received reasonably equivalent value in exchange for its obligations under such Loan Documents. The fair saleable value of each Loan Party's assets exceeds and will,

immediately following the making of the Loan, exceed such Person's total liabilities, including subordinated, unliquidated, disputed and contingent liabilities. The present fair saleable value of the property of each Loan Party will be greater than the amount that will be required to pay the probable liability of its debts and other liabilities, subordinated, contingent or otherwise, as such debts and other liabilities become absolute and matured. Each Loan Party will be able to pay its debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured. Each Loan Party's assets do not and, immediately following the making of the Loan will not, constitute unreasonably small capital to carry out its business as conducted or as proposed to be conducted. No Loan Party intends to, nor believes that it will, incur debts beyond its ability to pay such debts as they mature, taking into account the timing of and amounts of cash to be received by it and the timing of the amounts of cash to be payable on or in respect of its liabilities. No petition in bankruptcy has been filed against any Loan Party, and no Loan Party has ever made an assignment for the benefit of creditors or taken advantage of any insolvency act for the benefit of debtors. No Loan Party or any of their respective direct or indirect owners is contemplating either the filing of a Bankruptcy Action by any Loan Party and no Loan Party has knowledge of any Person contemplating the filing of any such petition against it. No Loan Party is contemplating the liquidation of all or a major portion of its assets or properties.

4.23Compliance with Law; Government Approvals. Each Loan Party and the Property, as applicable, and the use thereof and operations thereat, comply in all material respects with all State Cannabis Laws and other Legal Requirements that are applicable to each such Loan Party or Property, as applicable. **Schedule 4.23** sets forth a true, correct and complete list of all Regulatory Licenses maintained by each Loan Party applicable to the Property and the Cannabis Business conducted at the Property.

4.24Use of Property. The Property is and will be used exclusively in connection with the Cannabis Business and the Support Business, as applicable.

4.25Use of Funds. Each Loan Party hereby warrants, represents and covenants that all funds disbursed hereunder shall be used for business or commercial purposes and that no funds disbursed hereunder shall be used for personal, family or household purposes.

4.26Insurance. Each copy of the insurance policies relating to the Collateral delivered to Lender (a) is a true, correct, and complete copy of the respective original policy in effect on the date of this Agreement, and no amendments or modifications of said documents or instruments not included in such copies have been made, and (b) has not been terminated and is in full force and effect. No Loan Party is in default in the observance or performance of its material obligations under said policies and such Loan Party has done all things required to be done as of the date of this Agreement to keep unimpaired its rights thereunder.

4.27Common Enterprise. The successful operation and condition of each of the Loan Parties is dependent on the continued successful performance of the functions of the group of the Loan Parties as a whole and the successful operation of each of the Loan Parties is dependent on the successful performance and operation of each other Loan Party. Each Loan Party expects to derive benefit (and its board of directors or other governing body, as applicable, has determined that it may reasonably be expected to derive benefit), directly and indirectly, from (a) successful

operations of each of the Loan Parties and (b) the credit extended by Lender to Borrower

hereunder, both in their separate capacities and as members of the group of companies. Each Loan Party has determined that execution, delivery, and performance of this Agreement and any other Loan Documents to be executed by such Loan Party is within its purpose, in furtherance of its direct and/or indirect business interests, will be of direct and indirect benefit to such Loan Party, and is in its best interest.

ARTICLE V
REPORTING COVENANTS

Each Loan Party covenants and agrees that, on and after the date hereof, until payment in full of the Loan and other amounts payable under the Loan Documents:

5.1 Financial Statements and Other Financial and Operating Information. Each Loan Party shall keep and maintain or shall cause to be kept and maintained, on a Fiscal Year basis, in accordance with the Accounting Standard, consistently applied, books, records and accounts reflecting in reasonable detail all of the financial affairs of such Loan Party and all items of income and expense in connection with the operation of their applicable business. The Loan Parties shall deliver or cause to be delivered to Lender:

(a) Intentionally omitted.

(b) Quarterly Operating and Financial Statements. Within sixty (60) days following the end of each Fiscal Quarter (excluding the fourth (4th) Fiscal Quarter) during the Loan term, (i) consolidated operating statements for Borrower and the Property for such quarter and
(ii) consolidated unaudited financial statements of Borrower, consisting of a balance sheet and income statement. Such financial statements shall be prepared on the basis of the Accounting Standard, and shall be accompanied by a certificate executed by the applicable Loan Party, certifying the completeness, fairness and consistency thereof.

(c) Annual Financial Statements. Within one hundred and twenty (120) days after the end of each Fiscal Year, annual audited consolidated financial statements of the Canadian Parent, consisting of a balance sheet and income statement. Such financial statements shall be prepared on the basis of the Accounting Standard and shall be accompanied by a certificate executed by the applicable Loan Party, certifying the completeness, fairness and consistency thereof. All audited statements shall be audited by a reputable accounting firm acceptable to Lender, it being acknowledged and agreed that MNP LLP is acceptable to Lender.

(d) Annual Budget. Not later than November 1 of each calendar year, Within sixty (60) days after the end of each calendar year, the proposed annual operating budget of Borrower (including with respect to the Property) for each month of the succeeding Fiscal Year.

(e) Compliance Certificates. Concurrently with the financial statements delivered pursuant to Section 5.1(b) and 5.1(c), Borrower shall provide Lender with an executed Compliance Certificate evidencing the calculation of the Debt Service Coverage Ratio as of the last day of the immediately preceding Fiscal Quarter and the other matters required in the definition of

Compliance Certificate.

(f)Knowledge of Event of Default. Promptly upon any Loan Party obtaining knowledge of (i) any condition or event which constitutes an Event of Default or Default, or
(ii) any condition or event which has or will have a Material Adverse Effect, written notice specifying the nature and period of existence of any such condition or event, or specifying the notice given or action taken by the applicable Loan Party and the nature of such claimed Event of Default, Default or other event or condition, and what action the applicable Loan Party has taken, is taking and proposes to take with respect thereto.

(g)Litigation, Arbitration or Government Investigation. Promptly upon any Loan Party obtaining knowledge of (i) the institution of, or threat of, any action, suit, proceeding, governmental investigation inquiry, examination, audit, warning letter, enforcement, penalty, fine, or arbitration against or affecting any Loan Party, the Property or any other Collateral not previously disclosed in writing by any Loan Party to Lender pursuant to this section, including any eminent domain or other condemnation proceedings affecting the Property; or (ii) any development of the foregoing already disclosed, which, in either case, has a Material Adverse Effect, written notice thereof to Lender and such other information as may be available to it to enable Lender and its counsel to evaluate such matters.

(h)Additional Material Items. Promptly upon any Loan Party obtaining knowledge of (i) any Lien or claim made or asserted against any of the Collateral (other than Permitted Encumbrances) or Excluded Assets unless such Lien is subject to a Permitted Contest;
(ii) any loss, damage, or destruction to the Collateral in the amount of $300,000 or more, whether or not covered by insurance; (iii) any and all default notices given or received under or with respect to (x) the Real Property or (y) any Material Contract; (iv) any termination or non-renewal of any Material Contract or the receipt by any Person of any written notice from the other party to any Material Contract of such party's intent to terminate or not renew such Material Contract (other than the assignment of the Maplewood Lease at the time of the Permitted Disposal); (v) entry into a new Material Contract; (vi) notice of any rejection or non-renewal of any Regulatory License or other Government Approval that is material to the conduct of the Cannabis Business, and such other material information as may be readily available to it to enable Lender and its counsel to evaluate such matters, and (vii) any written notice or order from any Governmental Authority relating to any Loan Party's failure to comply with any Legal Requirements that (A) relate to any Borrower or the Collateral or (B) if not promptly cured, would be reasonably likely to have a Material Adverse Effect or result in a termination or suspension of any Regulatory License.

(i)Bankruptcy, Etc. Immediately upon becoming aware thereof, notice (whether involuntary or voluntary) of the bankruptcy, insolvency, examinership, reorganization of any Loan Party, or the appointment of any trustee, assignee, receiver or similar estate fiduciary in connection with or anticipation of any such occurrence, or the taking of any step by any Person in furtherance of any such action or occurrence.

(j)Organizational Documents. Promptly following the date thereof, any amendments or modifications of any Loan Party's organizational documents entered into in accordance with and as expressly permitted under, this Agreement and the other Loan Documents.

(k)Other Information. Such other information, reports, contracts, schedules, lists,

documents, agreements and instruments in the possession or control of any Loan Party with

respect to (i) the Collateral, or (ii) the business, assets, condition (financial or otherwise), income or prospects of any Loan Party as Lender may from time to time reasonably request.

5.2Environmental Notices. Each Loan Party shall promptly notify Lender in writing after such Loan Party's learning thereof of any of the following: (a) a discovery of any Hazardous Materials on, under or about the Property, other than Hazardous Materials temporarily in transit through the Property or that are in use or necessary for the operation of a Cannabis Business; (b) any knowledge by such Loan Party that the Property does not comply with any Hazardous Materials Laws; (c) any claims alleging that any Loan Party or the Property is not in compliance with or has violated Hazardous Materials Laws; and/or (d) any claim for a Hazardous Materials Liability.

5.3Accuracy of Information. Each Loan Party will ensure that any information, including financial statements or other documents, furnished to Lender in connection with this Agreement or any other Loan Document contains no material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and the furnishing of such information shall be deemed to be a representation and warranty by the Loan Parties on the date thereof as to the matters specified in this Section; provided that, with respect to projected financial information, the Loan Parties will only ensure that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

ARTICLE VI
OTHER COVENANTS

Each Loan Party covenants and agrees that, on and after the date hereof, until indefeasible payment in full of the Loan and other amounts payable under the Loan Documents:

6.1Existence. Each Loan Party shall at all times maintain its partnership or limited liability company, or corporate existence, as applicable and shall do or cause to be done all things necessary to preserve and keep in full force and effect its rights to do business in, and shall remain in good standing in, each jurisdiction in which the character of the properties owned or leased by it therein or in which the transaction of its business makes such qualification necessary including without limitation doing or causing to be done all things necessary to preserve, renew and keep in full force and effect the rights, qualifications, licenses, permits, franchises, governmental authorizations, intellectual property rights, licenses and permits material to the conduct of its business.

6.2Compliance. Each Loan Party shall comply with all covenants, conditions, restrictions, Leases, easements, reservations, rights and rights-of-way and all Legal Requirements (including, without limitation, all State Cannabis Laws, all Hazardous Materials Laws, all Anti- Money Laundering Laws, the Patriot Act and the ADA) applicable to each respective Loan Party, in each case in which noncompliance therewith could reasonably be expected to have a Material Adverse Effect. Each Loan Party shall obtain and maintain in full force and effect all necessary approvals, consents, Government Approvals (including all Regulatory Licenses) and will comply with each of the rights, duties and obligations under each of the foregoing, in each case, so that the

business carried on by the Loan Parties may be properly conducted in accordance with Legal

Requirements at all times. There shall never be committed by any Loan Party, and no Loan Party shall ever permit any other Person in occupancy of or involved with the operation or use of the Property to commit any act or omission affording any Governmental Authority the right of forfeiture against (i) the Property or any part thereof, (ii) any Regulatory License, (iii) any other Collateral, or (iv) any monies paid in performance of the Obligations. Each Loan Party hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture.

6.3Payment of Property Taxes, Assessments and Charges. Each Loan Party will timely pay, discharge and otherwise satisfy all income and other material Taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits, or upon any properties belonging to it, prior to the date on which such Tax, assessment or governmental charge is delinquent, and all lawful claims that, if unpaid, could reasonably be expected to become a Lien having priority over Lender's Liens (other than Permitted Encumbrances) or an otherwise material Lien on any of the Collateral; provided that none of the Loan Parties shall be required to pay any such Tax, assessment, charge, levy or claim that is being contested pursuant to a Permitted Contest. The Loan Parties shall pay all Property Taxes and Insurance Premiums with respect to itself and the Property prior to delinquency thereof.

6.4Books and Records. Each Loan Party shall maintain full and complete books of account and other records reflecting the results of its operations in accordance with the Accounting Standard, consistently applied. Each Local Loan Party shall permit Lender and its agents, during regular business hours upon reasonable notice (provided no notice shall be required when an Event of Default has occurred and is continuing), to inspect and copy all of such books and records no more than two times per year (except if an Event of Default has occurred and is continuing).

6.5Entry and Inspection. Lender and its authorized representatives shall, during regular business hours upon reasonable notice to Borrower, and subject to compliance with State Cannabis Laws, have the right of entry and reasonable access to the Property to inspect the Property for any purpose including, without limitation, the evaluation of the existence, location, nature and magnitude of any Hazardous Materials, and the Loan Parties' compliance with Hazardous Materials Laws; provided that, Lender's right of entry to the Property shall be limited to not more than two (2) times per year (except if an Event of Default has occurred and is continuing). Such entry shall be undertaken so as to minimize any unreasonable interference with Borrower's use of the Property.

6.6Intentionally Omitted.

6.7Loan Party Indebtedness.

(a)Without the prior written consent of Lender, which may be granted or withheld in Lender's sole and absolute discretion, no Local Loan Party shall incur any Indebtedness other than Permitted Indebtedness and no Parent shall incur any Indebtedness other than Permitted Parent Indebtedness.

(b)In the event that any Loan Party or any Subsidiary of any Borrower shall at any

time issue or have outstanding any Subordinated Indebtedness, such Loan Party shall take or

cause such Subsidiary to take all such actions as shall be necessary to cause the Obligations to constitute senior indebtedness (however denominated) in respect of such Subordinated Indebtedness and to enable Lender to have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness. Without limiting the foregoing, the Obligations are hereby designated as "senior indebtedness" and as "designated senior indebtedness" and words of similar import under and in respect of any indenture or other agreement or instrument under which such Subordinated Indebtedness is outstanding and are further given all such other designations as shall be required under the terms of any such Subordinated Indebtedness in order that Lender may have and exercise any payment blockage or other remedies available or potentially available to holders of senior indebtedness under the terms of such Subordinated Indebtedness.

6.8Leases. No Local Loan Party shall enter into any lease, subleases, license agreements or any other agreement providing any Person with any right to occupancy of the Property or other right to use such Loan Party's assets without Lender's prior written approval, other than (i) the lease to TerrAscend NJ as contemplated by the definition of Permitted Reorganization, (ii) the MD Operating Lease, and (iii) the Cell Tower Lease.

6.9Subdivision Maps; Zoning; Joint Assessment. No Loan Party shall record any final map, parcel map, lot line adjustment or other subdivision map of any kind covering any portion of the Property (or portion thereof), or otherwise subdivide in any way, in each and every case, only with Lender's prior written consent, which consent may be granted or withheld in Lender's sole and absolute discretion. No Loan Party shall materially change the Property's use or initiate, join in or consent to any (a) change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the Property's uses or any part thereof (including filing a declaration of condominium, map or any other document having the effect of subjecting the Property to the condominium or cooperative form of ownership), except those necessary in connection with the uses permitted pursuant to this Agreement; or (b) joint assessment of the Property with any other real or personal property.

6.10ERISA Compliance. Each Loan Party shall take or refrain from taking, as the case may be, such actions as may be necessary to cause the representations and warranties in Section 4.18 to remain true and correct throughout the term of the Loan.

6.11Transfers. No Borrower shall suffer or permit any Transfer to occur, without the prior written consent of Lender, except: (a) dispositions of inventory in the ordinary course of business, (b) dispositions of obsolete, surplus or worn out personal property or property no longer used in its business, (c) dispositions as a consequence of any loss or damage in connection with any casualty or any condemnation or taking of such assets by eminent domain proceeds, (d) is for fair market value and the following conditions are met: (i) the aggregate Transfers during any Fiscal Year shall not exceed $500,000 and the amount of any single Transfer shall not exceed $500,000, (ii) immediately prior to and immediately after giving effect to the Transfer, no Event of Default shall have occurred and be continuing or would result therefrom, (iii) the assets transferred are not material to the operations of the business of Borrower, and (iv) no less than 80% of the consideration received for such Transfer is received in cash, (e) is a sale or disposition of equipment to the extent that such equipment is exchanged for credit against the purchase price for similar replacement equipment, or the proceeds of such Transfers are reasonably promptly

applied to the purchase of similar replacement equipment, all in the ordinary course of business, (f) is an abandonment, failure to renew or other disposition in the ordinary course of business of any intellectual property that is not material to the conduct of the business of any Borrower or any Subsidiary of such Borrower, (g) is by any Borrower or Subsidiary thereof to another Borrower or Subsidiary thereof, (h) dispositions of cash or Cash Equivalents in the ordinary course of business or otherwise in accordance with Borrower's organizational documents, (i) dispositions to effect the Permitted Reorganization, provided that the Permitted Reorganization Conditions have been satisfied, and (l) dispositions to effect the Permitted Disposal, provided that the Permitted Disposal Conditions have been satisfied.

6.12Liens. Each Local Loan Party will not, and will not permit any of its Subsidiaries to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible and including, without limitation, any interest in any other Loan Party) of any such Person, whether now owned or hereafter acquired, except for Permitted Encumbrances. No Parent shall grant (i) any Lien on any assets of any Parent in respect of any Permitted Parent Indebtedness other than Liens specifically contemplated within the definition of Permitted Parent Indebtedness or (ii) any greater priority than Lender has with respect to the Loan with respect to any payment obligations of any Parent under any Permitted Parent Indebtedness except to the extent specifically contemplated within the definition of Permitted Parent Indebtedness.

6.13Patriot Act and Related Matters. At all times throughout the term of the Loan, including after giving effect to any Transfers permitted pursuant to the Loan Documents, the Loan Parties shall cause the representations and warranties made in Section 4.18 to remain true and correct.

6.14Fundamental Changes. Except with respect to the Permitted Reorganization, no Local Loan Party shall merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or otherwise dispose of all or any substantial part of its assets, or all or substantially all of the Equity Interests of any of its subsidiaries (in each case, whether now owned or hereafter acquired), or liquidate or dissolve, without the prior written consent of Lender. Borrower shall not engage in any business other than the Cannabis Business or Support Business, as applicable. No Loan Party shall cause or suffer to exist a Change of Control. No Loan Party shall change the type of entity that it is. No Loan Party shall change its state or jurisdiction of incorporation or organization, in each case, unless Lender shall have received at least thirty (30) days prior written notice of such change and Lender shall have acknowledged in writing that either (a) such change will not adversely affect the validity, perfection or priority of Lender's security interest in the Collateral, or (b) any reasonable action requested by Lender in connection therewith has been completed or taken (including any action to continue the perfection of any Liens in favor of Lender in any Collateral), provided that, other than with respect to the Canadian Parent, any new location of incorporation or organization shall be in the continental United States and, in respect of Canadian Parent only, any new location of incorporation or organization shall be in Canada.

6.15Special Purpose Entity. MD Propco and, once NJ Propco joins the Loan Documents, NJ Propco shall not (a) fail to be a Special Purpose Entity; or (b) modify, amend,

waive or terminate its organizational documents.

6.16Maintenance; Waste; Alterations. Borrower shall at all times keep the Property in good repair, working order and condition, except for reasonable wear and use. Borrower shall obtain Lender's prior written consent to any alterations to any Improvements, which consent shall not be unreasonably withheld, except with respect to any alterations to any Improvements which may have a Material Adverse Effect. Notwithstanding the foregoing, Lender's consent shall not be required in connection with any alterations that (a) will not have a Material Adverse Effect; provided that such alterations (i) are either work performed pursuant to the terms of any Lease approved in accordance with the terms hereof, or the costs for such alterations are adequately covered in the current Approved Annual Budget, (ii) do not adversely affect any structural component of any Improvements, any utility or HVAC system contained in any Improvements or the exterior of any building constituting a part of any Improvements and (iii) the aggregate cost thereof does not exceed Five Hundred Thousand Dollars ($500,000), or (b) are performed in connection with Restoration after the occurrence of a Casualty in accordance with the terms and provisions of this Agreement.

6.17Material Contracts. Borrower shall not enter into, amend, modify, supplement or terminate any Material Contract other than (i) any amendment, modification or supplement that is not materially adverse to Lender without the prior written consent of Lender in its reasonable discretion, or (ii) the disposal, assignment or transfer of the Maplewood Lease concurrently with the Permitted Disposal. Each Loan Party will preserve and maintain in full force and effect each of the Material Contracts and comply in all material respects with each of their respective rights, duties and obligations under each of the Material Contracts, in each case, so that the business carried on by the parties to such Material Contracts may be properly conducted in accordance with Legal Requirements at all times. No Loan Party shall enter into any agreement that prohibits or impairs any Loan Party from performing its obligations under this Agreement and the other Loan Documents, or that is otherwise inconsistent with or in violation of this Agreement or the other Loan Documents. No Loan Party shall enter into, incur or permit to exist any agreement or other arrangement (other than the Loan Documents or as required by Legal Requirements) that prohibits, restricts or imposes any condition upon the ability of such Person to create, incur or permit to exist any Lien on the Collateral, other than a Permitted Encumbrance. No Loan Party will amend, modify or waive any of its rights under its charter, articles or certificate of incorporation or organization, by-laws, operating, management or partnership agreement or other organizational or governing documents in a manner that is materially adverse to Lender.

6.18Cannabis Related Provisions.

(a)Permitting. In the event the Property is used by a Loan Party or is leased to a tenant that uses or intends to utilize the Property to conduct a Cannabis Business, Borrower agrees that it shall not, and shall not suffer or permit any such tenant to operate, any Cannabis Business at the Property without first receiving proof of compliance with applicable State Cannabis Laws and other Legal Requirements, which proof it shall promptly deliver to Lender. Evidence of compliance shall include a copy of a permit issued by the city in which the Property is located authorizing such Loan Party to operate a Cannabis Business at the Property, along with any other material license, permit, or Material Contract required by any Governmental Authority to operate the Cannabis Business or the Support Business.

(b)Restricted Activities. No Loan Party shall engage in any Restricted Cannabis Activity.

(c)Licenses. Each Borrower shall preserve and maintain in full force and effect each of the Regulatory Licenses.

6.19Additional Collateral; Further Assurances. Subject to applicable Legal Requirements, each Borrower will cause each subsidiary formed or acquired after the date of this Agreement to become a Loan Party by executing a joinder agreement in form satisfactory to Lender. In connection therewith, Lender shall have received all documentation and other information regarding such newly formed or acquired subsidiaries as may be required to comply with the applicable "know your customer" rules and regulations, including the Patriot Act. Upon execution and delivery thereof, each such Person (a) shall automatically become a Guarantor hereunder and thereupon shall have all of the rights, benefits, duties, and obligations in such capacity under the Loan Documents and (b) will grant Liens to Lender in any property of such Loan Party which is intended to constitute Collateral. Each Borrower will cause 100% of the issued and outstanding Equity Interests of each of its subsidiaries to be subject at all times to a first priority, perfected Lien in favor of Lender pursuant to the terms and conditions of the Loan Documents or other security documents as Lender shall reasonably request. Without limiting the foregoing, each Borrower will, and will cause each subsidiary to, execute and deliver, or cause to be executed and delivered, to Lender such documents, agreements and instruments, and will take or cause to be taken such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents and such other actions or deliveries of the type required by Section 2.5, as applicable), which may be required by any Legal Requirement or which Lender may, from time to time, reasonably request to carry out the terms and conditions of this Agreement and the other Loan Documents and to ensure perfection and priority of the Liens created or intended to be created by the Loan Documents, all in form and substance reasonably satisfactory to Lender and all at the expense of the Loan Parties, provided that, no perfection by "control" or control agreements shall be required with respect to any deposit account or securities accounts (other than the Blocked Account) and, with respect to any motor vehicle that constitutes Collateral, no steps to perfect the security interest therein shall be required other than the filing of a UCC-1 Financing Statement unless requested by Lender after the Effective Date. If any real property is acquired by any Borrower after the Effective Date (other than assets constituting Collateral under the Security Agreement that become subject to the Lien under the Security Agreement upon acquisition thereof), the Loan Parties will (i) notify Lender, and, if requested by Lender, cause such real property to be subjected to a Lien securing the Obligations and (ii) take, and cause each applicable Loan Party to take, such actions as shall be necessary or reasonably requested by Lender to grant and perfect such Liens, including actions described in this Section, all at the expense of the Loan Parties.

6.20Accounts. No Borrower will maintain or open any deposit or securities account other than the accounts set forth of **Schedule 6.20** (as may be updated from time to time and, upon delivery of such updated **Schedule 6.20** by Borrower to Lender, **Schedule 6.20** shall be deemed to be updated).

6.21DSCR Period. If a DSCR Period shall exist, then, within five (5) Business Days

after (a) the commencement of such DSCR Period and (b) the end of each Fiscal Quarter during

the continuance of such DSCR Period, Borrower shall deposit into the Blocked Account, as additional collateral for the Loan, an amount of cash equal to the DSCR Required Payment Amount; provided, however, that in no event shall the aggregate payments made by Borrower pursuant to this Section 6.21 during any particular DSCR Period exceed Six Million and 00/100 Dollars ($6,000,000.00). If and when a DSCR Period ends, provided no Event of Default shall then exist, Lender shall promptly release the funds on deposit in the Blocked Account to Borrower.

6.22Holding Company Covenant. Neither Canadian Parent nor American Parent shall conduct, transact or otherwise engage in any business or operations other than (i) the ownership and/or acquisition of equity interests in its Subsidiaries, (ii) the maintenance of its legal existence, including the ability to incur fees, costs and expenses relating to such maintenance, (iii) participating in tax, accounting and other administrative matters as owner of its Subsidiaries (including the Loan Parties) and reporting related to such matters, (iv) the performance of its obligations under and in connection with the Loan Documents and any documentation governing Permitted Parent Indebtedness, (v) in the case of Canadian Parent, any public offering of its common stock or any other issuance or registration of its stock for sale or resale, including the costs, fees and expenses related thereto, (vi) the making of any dividend or the holding of any cash received in connection with dividends made by its Subsidiaries, (vii) incurring fees, costs and expenses relating to overhead and general operating including professional fees for legal, tax and accounting issues and paying taxes, (vii) providing indemnification to officers and directors and as otherwise permitted hereunder, (viii) activities incidental to the consummation of the transactions contemplated by the Loan Documents, (ix) financing activities related to Permitted Parent Indebtedness, including the issuance of securities, incurrence of debt, payment of dividends, making contributions to the capital of its Subsidiaries and guaranteeing the obligations of its Subsidiaries, and (x) activities incidental to the businesses or activities described in clauses (i) to (ix) of this Section 6.22.

6.23Affiliate Fees. All Affiliate Fees payable by any Borrower to any Guarantor or any other Affiliate of any Loan Party shall at all times be subordinate to the Loan and subject to the terms of Section 9.6. The Loan Parties shall cause any such Loan Party or other Affiliate to whom any Borrower may owe Affiliate Fees to acknowledge the same in writing to Lender prior to Borrower becoming obligated to pay the same.

6.24Post-Closing. The Loan Parties will perform or deliver to Lender the Post-Closing Obligations prior to the deadline therefor provided for on **Schedule 6.24**.

ARTICLE VII
CONSTRUCTION

7.1Construction Work. Borrower shall perform and complete the construction work at the Property as more particularly set forth on **Schedule 7.1** hereto (such repairs hereinafter collectively referred to as the "**Construction Work**"). It shall be an Event of Default if Borrower does not complete the Construction Work by December 31, 2022. Upon the occurrence of such an Event of Default, Lender, at its option, may withdraw all funds from the Construction Reserve Account and Lender may apply such funds either to completion of the Construction Work or

toward reduction of the Loan in such order, proportion and priority as Lender may determine in its

sole discretion. Lender's right to withdraw and apply funds in the Construction Reserve Account shall be in addition to all other rights and remedies provided to Lender under this Agreement and the other Loan Documents. Nothing in this Section 7.1 shall (a) make Lender responsible for performing or completing any Construction Work; (b) require Lender to expend funds in addition to the funds in the Construction Reserve Account to complete any Construction Work; (c) obligate Lender to proceed with any Construction Work; or (d) obligate Lender to demand from Borrower additional sums to complete any Construction Work. Borrower shall permit Lender and Lender's agents and representatives (including Lender's construction consultant) or third parties to enter onto the Property during regular business hours upon reasonable notice to Borrower, and subject to compliance with State Cannabis Laws, to inspect the progress of any Construction Work and all materials being used in connection therewith and to examine all plans and shop drawings relating to such Construction Work.

7.2Establishment of Construction Reserve Account. Lender has established a construction reserve account (the "**Construction Reserve Account**"), into which funds shall be deposited for the payment of costs incurred by Borrower in connection with the Construction Work pursuant to the Approved Construction Budget. On the Effective Date, Lender shall be deemed to have funded the amount described in Section 2.1 into the Construction Reserve Account. Upon the establishment of the Blocked Account and the execution and delivery of the Control Agreement by all intended parties thereto, the Lender shall promptly cause the Construction Reserve Funds to be transferred into the Blocked Account, and thereafter all references herein to the Construction Reserve Account shall mean and refer to the Blocked Account. Following Completion, the payment of all Construction Costs and written request by Borrower, any Construction Reserve Funds remaining in the Construction Reserve Account shall be disbursed to Borrower. The insufficiency of any balance in the Construction Reserve Account shall not relieve Borrower from its obligation to perform the Construction Work in a good and workmanlike manner and in accordance with all Legal Requirements.

ARTICLE VIII
INSURANCE; CASUALTY, CONDEMNATION AND RESTORATION

Each Loan Party covenants and agrees that, on or after the date hereof, until payment in full of the Obligations, each Loan Party shall obtain and maintain in effect, at their sole expense, the following policies of insurance in form and substance satisfactory to Lender, each of which, except for the insurance required in Section 8.1, shall be issued by companies authorized to do business in the state there the applicable Property is located with claims paying ability ratings of at least "A-VII (7)" or better by AM Best, and shall otherwise be approved by Lender.

8.1Title Insurance. If applicable, the Title Policy, together with any endorsements, reinsurance and co-insurance agreements which Lender may require, insuring Lender, in the principal amount of the Loan, that the Security Instrument constitutes a valid first priority Lien on the Property, subject only to matters approved by Lender in writing. During the term of the Loan, the Loan Parties shall deliver to Lender, within five (5) Business Days of Lender's written request, such other commercially available endorsements to the Title Policy as Lender may reasonably require.

8.2Property Insurance. "Special Form" property insurance coverage , including but not limited to, coverage for fire, wind, hail, collapse, sinkhole and course of construction (if applicable) for an amount not less than 100% of the replacement cost of the Property, (exclusive of costs for foundations, underground utilities and footings), machinery and equipment without deduction for physical depreciation. Such all-risk property insurance policy shall contain a lender loss payable endorsement, and not less than the following: (a) [intentionally omitted]; (b) a deductible not to exceed $50,000 (or $100,000 with respect to wind and hail) unless approved in advance by Lender; (c) ordinance or law coverage including loss in value to the undamaged portion of the building(s) to full replacement value; (d) machinery and equipment breakdown with coverage including, but not limited to, loss or damage from electrical injury, machinery and equipment breakdown, and explosion of steam boilers, air conditioning equipment, high pressure piping, pressure vessels or similar apparatus; and (e) business income and loss rents coverage for the Property in amounts and for periods of coverage approved by Lender in its reasonable discretion. In addition, if any portion of the Improvements is currently or at any time in the future located in a federally designated "special flood hazard area, Borrower shall obtain flood hazard insurance equal to the lesser of (1) the outstanding principal balance of the Loan or (2) the maximum amount of such insurance available under the National Flood Insurance Program, or such greater amount as Lender shall require in its discretion.

8.3Builder's Risk Insurance. For any project under renovation or construction, Builders Risk insurance on an "all risks" basis including all perils required in Section 8.2 and covering 100% of the insurable completed value of all construction work, including hard costs, recurring soft costs, delay in use losses, and delay in completion coverage, insuring the Improvements (including all buildings under construction), machinery, equipment, supplies, fences, scaffolding, construction forms, signs, temporary structures, cribbing, false work, foundations, underground pipes and wiring and all other property of any nature which is to be used in fabrication, erection, installation and completion of the project until it is completed and accepted by the owner, including materials in storage and while in transit.

8.4Liability Insurance.

(a)A commercial general liability policy written on a primary and non- contributory basis insuring against claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Real Property, to be on "occurrence" form with limits not less than $5,000,000 per occurrence and $5,000,000 general aggregate. Coverage must include premise liability, products liability, and completed operations (if applicable, provided that products liability coverage may be provided through a separate policy with the same limits.

(b)If applicable, an owned and non-owned and hired auto liability policy with a combined single limit of than $1,000,000 per occurrence.

(c)If applicable, a workers compensation and employer's liability policy with limits not less than statutory limits for worker's compensation with employer's liability limits of
$1,000,000 each accident, each disease and each employee.

8.5General Insurance Requirements. The following additional requirements are also

applicable:

(a)Insurance premiums may be financed but not more than 12 months in advance. All outstanding premiums for the current policy term are to be paid prior to the Effective Date;

(b)No insurance policy required hereunder shall be permitted to provide for premium assessments to be made against Lender;

(c)The Loan Parties shall provide the following prior to the Effective Date:
(i) an Acord 25, Acord 25S or equivalent certificate of liability insurance and (ii) an Acord 28 or equivalent certificate of property insurance, which shall name all Loan Parties as additional insureds and include coverage for all real property owned or leased by a Loan Party; and shall provide endorsements to each policy;

(d)Each policy shall be endorsed to contain not less than a thirty (30) day notice to Lender of written cancellation or material change and not less than ten (10) days prior notice to Lender of cancellation for non-payment of premium;

(e)Prior to the Effective Date and prior to the renewal date of each insurance policy required hereunder, the Loan Parties shall provide certificates of insurance providing evidence that the policies have been renewed;

(f)Lender may, at any time, request and be provided, complete copies of the insurance policies providing the coverage required hereunder or copies of specific endorsements supporting the certificates of insurance;

(g)Lender to be named (i) the first mortgagee and lender loss payee with respect to the property insurance coverage, and (ii) an additional insured with respect to general liability and umbrella or excess liability insurances, as follows:

Pelorus Fund REIT, LLC ISAOA, ATIMA 6529 Riverside Ave.,
Ste. 280
Riverside, CA 92506-3122

(h)A waiver of subrogation shall be provided on all policies of insurance waiving rights of recovery against Lender;

(i)The limits of insurance contained herein are minimum limits established by Lender and shall not be construed to mean that Lender represents or warrants that the required limits contained herein are adequate for protection to the Loan Parties; and

(j)All policies required pursuant to this Article VIII or the other Loan Documents shall be issued by companies authorized to do business in the state where the Property is located with a financial strength and claims paying ability rating of A-VII or better by AM Best.

8.6Restoration Proceeds.

(a)Any and all awards, compensation, reimbursement, damages, proceeds,

settlements, and other payments or relief paid or to be paid, together with all rights and causes of

action relating to or arising from, (i) any insurance policy maintained by or on behalf of a Loan Party following any damage, destruction, casualty or loss to all or any portion of the Property (a "**Casualty**", and such proceeds, "**Insurance Proceeds**") or (ii) any temporary or permanent taking or voluntary conveyance of all or part of the Property, or any interest therein or right accruing thereto or use thereof, as the result of, or in settlement of, any condemnation or other eminent domain proceeding by any Governmental Authority whether or not the same shall have actually been commenced (a "**Taking**", and such proceeds, "**Condemnation Proceeds**", and together with Insurance Proceeds, collectively, "**Restoration Proceeds**") are hereby assigned to Lender as additional collateral security hereunder subject to the Lien of the Security Instrument and the Security Agreement to be applied in accordance with this Article VIII. Lender shall be entitled to receive and collect all Restoration Proceeds, and the Loan Parties shall instruct and cause the issuer of each policy of insurance described herein and any applicable Governmental Authority to deliver to Lender all Restoration Proceeds. The Loan Parties shall execute such further assignments of the Restoration Proceeds as Lender may from time to time reasonably require. Notwithstanding the foregoing, if the Restoration Proceeds, less the amount of Lender's costs and expenses (including attorneys' fees and costs) incurred in collecting the same (the "**Net Restoration Proceeds**"), are $100,000 or less (the "**Restoration Proceeds Threshold**"), provided no Event of Default then exists, Lender shall make such Net Restoration Proceeds available to the Loan Parties. All Insurance Proceeds received by a Loan Party or Lender in respect of business interruption coverage required hereunder, and all Condemnation Proceeds received with respect to a temporary Taking available to a Loan Party, shall be deposited in a segregated escrow account with Lender or its servicer, as applicable, and Lender shall estimate the number of months required for the Loan Parties to restore the damage caused such Casualty or replace cash flow interrupted by such temporary Taking, as applicable, and shall divide the aggregate proceeds by such number of months, and, provided no Event of Default then exists, shall disburse a monthly installment thereof to the Loan Parties each such month. Subject to Lender's rights under Sections 8.6 and 8.7, provided no Event of Default has occurred and is continuing and the Restoration has been completed in accordance with this Agreement, any Net Restoration Proceeds available to the Loan Parties for Restoration, to the extent not used by the Loan Parties in connection with, or to the extent they exceed the cost of such Restoration and any costs incurred by Lender, shall be paid to the Loan Party entitled thereto.

(b)Lender shall be entitled at its option to participate in any compromise, adjustment or settlement in connection with (i) any insurance policy claims relating to any Casualty, and (ii) any Taking in an amount in controversy, in either case, in excess of the Restoration Proceeds Threshold, and the Loan Parties shall within ten (10) Business Days after request therefor reimburse Lender for all reasonable out-of-pocket expenses (including reasonable attorneys' fees and disbursements) incurred by Lender in connection with such participation. No Loan Party shall make any compromise, adjustment or settlement in connection with any such claim in excess of the Restoration Proceeds Threshold or if an Event of Default then exists without the prior written approval of Lender. No Loan Party shall make any compromise, adjustment or settlement in connection with any claim unless same is commercially reasonable.

(c)If and to the extent Restoration Proceeds are not required to be made available to the Loan Parties to be used for the Restoration of the Improvements affected by the Casualty or Taking, as applicable, pursuant to this Agreement, Lender shall be entitled, without

any Loan Party's consent, to apply such Restoration Proceeds or the balance thereof, at Lender's option either (i) to the full or partial payment or prepayment of the Obligations; provided that such payment or prepayment shall not require any defeasance of the Loan, or (ii) to the Restoration of all or any part of such Improvements affected by the Casualty or Taking, as applicable.

8.7Restoration. The Loan Parties shall restore and repair the Property, the other Collateral, or any part thereof, now or hereafter damaged or destroyed by any Casualty or affected by any Taking; provided, however, that if the Casualty is not insured against or insurable, the Loan Parties shall so restore and repair even though no Insurance Proceeds are received. Notwithstanding anything to the contrary set forth in Section 8.6, Lender agrees that Lender shall make the Net Restoration Proceeds (other than business interruption Insurance Proceeds, which shall be held and disbursed as provided in Section 8.6) available to the Loan Parties for restoration and repair of the Property or the other Collateral affected by the Casualty or Taking (a "**Restoration**"), as applicable, on the following terms and subject to the Loan Parties' satisfaction of the following conditions; provided, that Lender shall have the right to waive any of the following conditions in its discretion:

(a)At the time of such Casualty or Taking, as applicable, and at all times thereafter there shall exist no Event of Default;

(b)The Property affected by the Casualty or Taking, as applicable, shall be capable of being restored (including replacements) to substantially the same condition, utility, quality and character, as existed immediately prior to such Casualty or Taking, as applicable, in all material respects with a fair market value and projected cash flow of the Property equal to or greater than prior to such Casualty or Taking, as applicable;

(c)The Loan Parties shall demonstrate to Lender's reasonable satisfaction their ability to pay the Obligations coming due during such repair or restoration period (after taking into account proceeds from business interruption insurance carried by the Loan Parties);

(d)(i) In the event of a Casualty, the Casualty resulted in an actual or constructive loss of less than 30% of the fair market value of the Property and less than 30% of the usable area of the Property and (ii) in the event of a Taking, the Taking resulted in an actual or constructive loss of less than 15% of the fair market value of the Property and less than 15% of the usable area of the Property, less than 15% of the land constituting the Property is taken, such land is located along the perimeter or periphery of the Property, and no portion of the Improvements is the subject of such Taking;

(e)The Loan Parties shall have provided to Lender all of the following, and collaterally assigned the same to Lender pursuant to assignment documents acceptable to Lender:
(i) an architect's contract with an architect reasonably acceptable to Lender and complete plans and specifications for the Restoration of the Property lost or damaged to the condition, utility and value prior to the applicable Casualty; (ii) fixed-price or guaranteed maximum cost construction contracts with contractors reasonably acceptable to Lender for completion of the Restoration work in accordance with the aforementioned plans and specifications; (iii) such additional funds (if any) as are necessary from time to time, in Lender's reasonable opinion, to complete the Restoration

(which funds shall be held by Lender as additional collateral securing the Obligations and shall be

disbursed, if at all, pursuant to this Article VIII); and (iv) copies of all permits and licenses necessary to complete the Restoration in accordance with the plans and specifications and all Legal Requirements;

(f)The Loan Parties shall commence such work within one hundred- twenty (120) days after such Casualty or Taking, as applicable, and shall diligently pursue such work to completion;

(g)Lender shall be satisfied that the Restoration will be completed on or before the earliest to occur of (i) the date six (6) months prior to the Maturity Date, (ii) such time as may be required under applicable Legal Requirements in order to repair and restore the Property to the condition it was in immediately prior to such Casualty or such Taking, as applicable, (iii) the expiration of the business interruption insurance coverage referred to above, and (iv) the earliest date required pursuant to the terms of any Lease; and

(h)The Property and the use thereof after the Restoration will be in compliance with all applicable Legal Requirements.

8.8Disbursement.

(a)Each disbursement by Lender of such Restoration Proceeds shall be funded subject to conditions and in accordance with disbursement procedures which a commercial construction lender would typically establish in the exercise of sound banking practices, including requiring lien waivers and any other documents, instruments or items which may be reasonably required by Lender and generally consistent with the conditions applicable to disbursements in commercial construction loans.

(b)In no event shall Lender be obligated to make disbursements of Restoration Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as determined by Lender, less, as to each contractor, subcontractor or materialman engaged in a Restoration, an amount equal to the greater of (i) 10% of the costs actually incurred for work in place as part of such Restoration, as reasonably determined by Lender, and (ii) the amount actually withheld by Borrower (the "**Casualty Retainage**"). The Casualty Retainage shall not be released until Lender reasonably determines that the Restoration has been completed in accordance with the provisions of this Agreement and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate Governmental Authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage.

8.9Change in Insurance Requirements. Lender may at any time amend these insurance requirements due to (a) new information not known by Lender on the Effective Date which poses a material risk to the Property or the other Collateral or (b) changed circumstances after the Effective Date which in the reasonable judgment of Lender makes such change necessary. Promptly following the receipt of a notice from Lender, the Loan Parties will make such modifications to the terms of any insurance policy as Lender specifies.

8.10Notification of Loss. The Local Loan Parties shall promptly notify Lender of any single loss or event likely to give rise to any claim against an insurer covered by any insurance policies required hereunder for an amount in excess of (a) $100,000 with respect to any such claim in respect of the Collateral and (b) $300,000 for any other such claim.

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

9.1Events of Default. The occurrence of any one or more of the following, whatever the reason therefor, shall constitute an Event of Default hereunder:

(a)Payment. (i) Borrower shall fail to pay any portion of the principal amount of the Loan as and when the same shall become due and payable, (ii) Borrower shall fail to pay any accrued interest on the Loan or any other amount payable under the this Agreement or the other Loan Documents within five (5) days following the date when and as the same shall become due and payable, provided that the foregoing grace period shall not apply to amounts payable on the Maturity Date.

(b)Certain Covenants. Any Loan Party, as applicable, shall fail to comply with the provisions of Sections 6.6, 6.7-6.14, 6.17-18, 6.21 and 6.22

(c)Other Covenants. Any Loan Party, as applicable, shall fail to perform any other covenant or agreement to be performed by such Loan Party under this Agreement or the other Loan Documents, and such failure shall continue for more than ten (10) days after the earlier of (i) receipt of written notice by Lender, and (ii) Borrower's or any Guarantor's knowledge thereof (provided that such ten (10)-day cure period shall not apply to any of the occurrences set forth in any other lettered paragraph of this Section 9.1).

(d)Liens, Attachments, Condemnation. (i) The recording of any mechanic's lien or claim of lien (other than a Permitted Encumbrance) against the Property or any other Collateral if such lien or claim of lien is not removed or bonded and contested pursuant to a Permitted Contest; (ii) the condemnation, seizure or appropriation of, or the occurrence of a material uninsured casualty with respect to, any material portion of the Property or any other Collateral; or (iii) the sequestration or attachment of, or any levy or execution upon, any of the Property, any other Collateral, or any substantial portion of the other assets of any Loan Party, which sequestration, attachment, levy or execution is not released, expunged or dismissed prior to the earlier of sixty (60) days or the sale of the assets affected thereby.

(e)Representations and Warranties. Any representation or warranty made by any Loan Party in this Agreement or any of the other Loan Documents or in any certificate, agreement, instrument or other document made or delivered pursuant to or in connection with any of the Loan Documents shall have been false or misleading in any material respect when made.

(f)Dissolution. Any Loan Party is terminated, dissolved or liquidated; or all or substantially all of the assets of any Loan Party are sold or otherwise transferred or disposed of without Lender's written consent.

(g)Insolvency. (i) Any Loan Party is the subject of an order for relief by any bankruptcy court, or is unable or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of creditors; or (ii) any Loan Party applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Loan Party, and the appointment continues undischarged or unstayed for thirty (30) days; or
(iii) any Loan Party institutes or consents to any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, custodianship, conservatorship, liquidation, rehabilitation or similar proceedings relating to it or to all or any part of its property under the applicable Legal Requirements of any jurisdiction; or any similar proceeding is instituted without the consent of any Loan Party and continues undismissed or unstayed for sixty (60) days; or
(iv) any judgment, writ, attachment, execution or similar process is issued or levied against all or any part of the property of any Loan Party and is not released, vacated or fully bonded within sixty (60) days after its issue or levy.

(h)Property Taxes. Any failure to pay Property Taxes prior to delinquency as required by Section 6.3.

(i)Insurance Policies. If the insurance policies required hereunder or under any Loan Document are not kept in full force and effect, or if copies of the certificates evidencing the insurance policies (or certified copies of the insurance policies if requested by Lender) are not delivered to Lender within thirty (30) days after written request therefor.

(j)Violation of Legal Requirements. The failure of any Loan Party to comply in any material respect with any Legal Requirement, including any material State Cannabis Law, in each case as applicable to such Loan Party, if such failure could, in the reasonable judgment of Lender, have a Material Adverse Effect or have a material adverse effect on such Loan Party's ability to operate the Cannabis Business or any Support Business as conducted prior to such failure, or if any Loan Party engages in any Restricted Cannabis Activity or Borrower fails to maintain a Regulatory License required for the operation of Borrower's business.

(k)Restraint of Operations. Any Loan Party shall be enjoined, restrained, or in any way prevented by court order or other Governmental Authority from continuing to conduct all or any material part of its business affairs, the effect of which has a Material Adverse Effect on such Loan Party, for more than thirty (30) consecutive Business Days.

(l)Other Proceedings. Any Loan Party or any officer, director, member or manager thereof shall have been found guilty of an act of fraud or violation of any State Cannabis Law.

(m)Material Adverse Effect. Any Material Adverse Effect shall occur.

(n)Loss of Priority; Enforceability. Except as the result of the action or inaction by Lender, the failure at any time of (i) the Security Instrument to be a valid and perfected first priority Lien upon the Real Property or any portion thereof, (ii) the Security Agreement or Security Instrument to be a valid and perfected first priority Lien upon the Collateral described

therein (other than the Property), subject only to Permitted Encumbrances, or (iii) the Pledge Agreement to be a valid and perfected Lien upon the Collateral described therein. Any Loan Document shall fail to remain in full force and effect or any action, and be valid, binding an enforceability in accordance with its terms, or any action is taken to discontinue or to assert the invalidity or unenforceability of any Loan Document.

(o)Inspection. Any of Lender, its representatives or its construction consultant is not permitted, at all reasonable times, to enter upon the Property, inspect the Improvements and the construction thereof and all materials, fixtures and articles used or to be used in connection therewith, and to examine all detailed plans, shop drawings and specifications which relate to the Improvements and such default remains uncured for a period of ten (10) days after notice thereof from Lender to Borrower.

(p)Operating Lease. The Operating Lease shall no longer be in effect for any reason whatsoever other than the termination thereof pursuant to Section 9.8, including, without limitation, expiration of the Operating Lease by its terms absent renewal or extension of the Operating Lease or the prior written consent of Lender.

(q)Cross Default. There is a default in any agreement to which any Loan Party or any Subsidiary of a Loan Party is a party with a third party or parties (i) resulting in a right by such third party or parties, whether or not exercised, to accelerate the maturity of any Indebtedness in an amount in excess of Three Million Dollars ($3,000,000.00) or (ii) that could reasonably be expected to have a Material Adverse Effect.

(r)Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least (i) One Hundred Thousand and 00/100 Dollars ($100,000.00) with respect to any Local Loan Party and (ii) One Million Dollars ($1,000,000.00) with respect to any Parent, shall be rendered against any Loan Party and shall remain unsatisfied, unvacated, or unstayed for a period of twenty (20) days after the entry thereof.

(s)Change in Control. A Change in Control shall occur.

(t)Other Default. The occurrence of any other event, circumstance or condition that constitutes an “Event of Default” under any of the other Loan Documents, beyond the expiration of any applicable grace or cure periods, if any, specified for such breach or default therein, as the case may be.

9.2Remedies upon Default. Upon the occurrence and during the continuance of an Event of Default, all or any one or more of the rights, powers and other remedies available to Lender against any Loan Party under any Loan Document, or at law or in equity may be exercised by Lender at any time and from time to time (including the right to accelerate and declare the outstanding Obligations to be immediately due and payable), without notice or demand, whether or not all or any portion of the Obligations shall be declared due and payable, and whether or not Lender shall have commenced any foreclosure proceeding or other action for the enforcement of its rights and remedies under any of the Loan Documents with respect to all or any portion of the Property or other Collateral. In addition to the foregoing, upon an Event of Default and at all times

thereafter, Lender may take any or all of the following actions, at the same or different times:

(a)terminate any remaining commitment to make the Loan or portion thereof, whereupon such commitment shall terminate immediately;

(b)declare the Loan to be due and payable in whole or in part, whereupon the principal of the Loan so declared to be due and payable, together with accrued interest thereon and all fees (including, for the avoidance of doubt, the Minimum Interest Payment or the Exit Fee) and other accrued Obligations (whether of Borrower, any Guarantor, hereunder or under any other Loan Document), shall become due and payable immediately, in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by Borrower and each Guarantor;

(c)charge interest on the Obligations at the Default Interest Rate;

(d)appoint a receiver for the property of any of the Loan Parties or the Collateral, or a chief restructuring officer for the operation of any Loan Party, and each Loan Party hereby consents to such rights and such appointment and hereby waives any objection such party may have thereto or the right to have a bond or other security posted by Lender in connection therewith; and

(e)exercise any and all rights and remedies provided to Lender under the Loan Documents or at law or equity, including all remedies provided under the applicable UCC.

Notwithstanding the foregoing or anything contained herein to the contrary, the outstanding Obligations shall be accelerated and immediately due and payable, without any election by Lender upon the occurrence of an Event of Default described in Section 9.1(g) in each case without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Loan Parties.

9.3Remedies Cumulative. The rights, powers and remedies of Lender under this Agreement shall be cumulative and not exclusive of any other right, power or remedy which Lender may have against any Loan Party pursuant to this Agreement or the other Loan Documents executed by or with respect to any of Loan Party, or existing at law or in equity or otherwise. Lender's rights, powers and remedies may be pursued singly, concurrently or otherwise, at such time and in such order as Lender may determine in Lender's discretion. No delay or omission to exercise any remedy, right or power accruing upon an Event of Default shall impair any such remedy, right or power or shall be construed as a waiver thereof, but any such remedy, right or power may be exercised from time to time and as often as may be deemed expedient. A waiver of any Event of Default shall not be construed to be a waiver of any subsequent Event of Default or to impair any remedy, right or power consequent thereon. Any and all of Lender's rights with respect to the Property and the other Collateral shall continue unimpaired, and each Loan Party shall be and remain obligated in accordance with the terms hereof, notwithstanding (a) the release or substitution of Property or any other Collateral at any time, or of any rights or interest therein, or (b) any delay, extension of time, renewal, compromise or other indulgence granted by Lender upon the occurrence of any Event of Default with respect to the Property, any other Collateral or otherwise hereunder. Notwithstanding any other provision of this Agreement, Lender reserves the right to seek a deficiency judgment or preserve a deficiency claim, in connection with the

foreclosure of the Property or any other Collateral pursuant to any Loan Document, to the extent necessary to foreclose on other parts of the Property or any other Collateral.

9.4Lender Appointed Attorney-In-Fact. Each Loan Party hereby irrevocably and unconditionally constitutes and appoints Lender as such Loan Party's true and lawful attorney-in- fact exercisable upon the occurrence and during the continuance of an Event of Default, to execute, acknowledge and deliver any documents, agreements or instruments and to exercise and enforce every right, power, remedy, option and privilege of such Loan Party under all Loan Documents, and do in the name, place and stead of such Loan Party, all such acts, things and deeds for and on behalf of and in the name of such Loan Party under any Loan Document, which such Loan Party could or might do or which Lender may deem necessary or desirable to more fully vest in Lender the rights and remedies provided for under the Loan Documents and to accomplish the purposes thereof. The foregoing powers of attorney coupled with an interest and irrevocable.

9.5Lender's Right to Perform. If any Loan Party fails to perform any covenant or obligation on it, as applicable, contained herein for a period of five (5) Business Days after receipt of written notice thereof from Lender, Lender may, but shall have no obligation to, perform, or cause performance of, such covenant or obligation, and the reasonable and actual expenses of Lender incurred in connection therewith shall be payable by Borrower to Lender upon demand, together with interest thereon at the Default Interest Rate. Notwithstanding the foregoing, Lender shall have no obligation to send notice to Borrower or any other Loan Party of any such failure. At the option of Lender, Lender may apply any amounts in the Blocked Account towards the performance of any such obligation or covenant provided that Lender first gives Borrower five (5) Business Days' written notice of its intention to do so if Borrower does not do so prior to the expiration of such period

9.6Affiliate Agreements. Following the foreclosure or deed or assignment in lieu of foreclosure of any Collateral constituting an interest in Borrower, Lender, its nominee or designee or the purchaser at any foreclosure sale (a "**Successor Owner**") shall have the right to terminate any Indebtedness, contract or agreement, with any other Loan Party or any of their respective Affiliates or Subsidiaries (each a "**Formerly Related Party**") that would be binding on such Borrower or Successor Owner (including, without limitation, pursuant to Section 10.10), provided that if any such Indebtedness, contract or agreement is so terminated, then all contracts, agreements or Indebtedness owing by any Formerly Related Party to such Borrower shall likewise be terminated. Each Loan Party makes this agreement on behalf of itself and its Subsidiaries and its and their respective Affiliates and shall take all such action as may be required to cause such parties to abide by such agreement, including without limitation joining in or executing and delivering an acknowledgment of, and agreement to, this Section. This Section shall survive any such foreclosure or deed in lieu of foreclosure of any Collateral.

9.7Borrower Cooperation. Prior to the consummation of any foreclosure or assignment in lieu of foreclosure of the Pledge Agreement, the Loan Parties shall cooperate with Lender and any prospective Successor Owner in identifying any and all liabilities that any Borrower is subject to, including in respect of any employees of any such Person. This Section shall survive any such foreclosure or deed or assignment in lieu of foreclosure of any Collateral.

9.8Operating Lease. Notwithstanding anything to the contrary herein or in any other Loan Documents or in the Operating Lease, upon conveyance of all or any portion of the Property by foreclosure or deed in lieu of foreclosure, Lender may, at its sole option and regardless of whether Opco is in default or in compliance with the terms of the Operating Lease, terminate any Operating Lease without payment of any termination fee, penalty or other amount, such termination to be effective upon such conveyance or such later date as Lender shall determine in its sole discretion. In addition, upon acceleration of the Loan, Lender may, at its sole option and regardless of whether Opco is in default or in compliance with the terms of the Operating Lease, deliver a termination notice to Borrower terminating any Operating Lease without payment of any termination fee, penalty or other amount, such termination to be immediately effective upon the conveyance of the Property relating to such Operating Lease by foreclosure or deed in lieu of foreclosure.

ARTICLE X
LOAN GUARANTY

10.1Full Guaranty. Each Guarantor hereby agrees that it is jointly and severally liable for, and, as a primary obligor and not merely as surety, absolutely and unconditionally and irrevocably guarantees to Lender, the prompt payment and performance when due, whether at stated maturity, upon acceleration or otherwise, and at all times thereafter, of the Obligations and all costs and expenses including, without limitation, all court costs and reasonable attorneys' and paralegals' fees (including allocated costs of in-house counsel and paralegals) and expenses paid or incurred by Lender in endeavoring to collect all or any part of the Obligations from, or in prosecuting any action against, Borrower, any Loan Party or any other guarantor of all or any part of the Obligations (such costs and expenses, together with the Obligations, collectively the "**Guaranteed Obligations**"). Each Guarantor further agrees that the Guaranteed Obligations may be extended or renewed in whole or in part without notice to or further assent from it, and that it remains bound upon its guarantee notwithstanding any such extension or renewal.

10.2Guaranty of Payment. This Loan Guaranty is a guaranty of payment and performance and not of collection. Each Guarantor waives any right to require Lender to sue Borrower, any Guarantor, any other guarantor of, or any other Person obligated for all or any part of the Guaranteed Obligations (each, an "**Obligated Party**"), or otherwise to enforce its payment against any Collateral securing all or any part of the Guaranteed Obligations.

10.3No Discharge or Diminishment of Loan Guaranty.

(a)Except as otherwise provided for herein, the obligations of each Guarantor hereunder are unconditional and absolute and not subject to any reduction, limitation, impairment or termination for any reason (other than the indefeasible payment in full of the Guaranteed Obligations), including: (i) any claim of waiver, release, extension, renewal, settlement, surrender, alteration, or compromise of any of the Guaranteed Obligations, by operation of law or otherwise;
(ii) any change in the corporate existence, structure or ownership of Borrower or any other Obligated Party liable for any of the Guaranteed Obligations; (iii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting any Obligated Party, or their assets or any resulting release or discharge of any obligation of any Obligated Party; or (iv) the existence of any

claim, setoff or other rights which any Guarantor may have at any time against any Obligated Party, Lender or any other Person, whether in connection herewith or in any unrelated transactions.

(b)The obligations of each Guarantor hereunder are not subject to any defense or setoff, counterclaim, recoupment, or termination whatsoever by reason of the invalidity, illegality, or unenforceability of any of the Guaranteed Obligations or otherwise, or any provision of applicable law or regulation purporting to prohibit payment by any Obligated Party, of the Guaranteed Obligations or any part thereof.

(c)Further, the obligations of any Guarantor hereunder are not discharged or impaired or otherwise affected by: (i) the failure of Lender to assert any claim or demand or to enforce any remedy with respect to all or any part of the Guaranteed Obligations; (ii) any waiver or modification of or supplement to any provision of any agreement relating to the Guaranteed Obligations; (iii) any release, non-perfection, or invalidity of any indirect or direct security for the obligations of Borrower for all or any part of the Guaranteed Obligations or any obligations of any other Obligated Party liable for any of the Guaranteed Obligations; (iv) any action or failure to act by Lender with respect to any collateral securing any part of the Guaranteed Obligations; or (v) any default, failure or delay, willful or otherwise, in the payment or performance of any of the Guaranteed Obligations, or any other circumstance, act, omission or delay that might in any manner or to any extent vary the risk of such Guarantor or that would otherwise operate as a discharge of any Guarantor as a matter of law or equity (other than the indefeasible payment in full of the Guaranteed Obligations).

10.4Defenses Waived. To the fullest extent permitted by applicable law, each Guarantor hereby waives any defense based on or arising out of any defense of Borrower or any Guarantor or the unenforceability of all or any part of the Guaranteed Obligations from any cause, or the cessation from any cause of the liability of Borrower, any Guarantor or any other Obligated Party, other than the indefeasible payment in full of the Guaranteed Obligations. Without limiting the generality of the foregoing, each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest and, to the fullest extent permitted by law, any notice not provided for herein, as well as any requirement that at any time any action be taken by any Person against any Obligated Party, or any other Person. Each Guarantor confirms that it is not a surety under any state law and shall not raise any such law as a defense to its obligations hereunder. Lender may, at its election, foreclose on any Collateral held by it by one or more judicial or non-judicial sales, accept an assignment of any such Collateral in lieu of foreclosure or otherwise act or fail to act with respect to any collateral securing all or a part of the Guaranteed Obligations, compromise or adjust any part of the Guaranteed Obligations, make any other accommodation with any Obligated Party or exercise any other right or remedy available to it against any Obligated Party, without affecting or impairing in any way the liability of such Guarantor under this Loan Guaranty, except to the extent the Guaranteed Obligations have been paid in full. To the fullest extent permitted by applicable law, each Guarantor waives any defense arising out of any such election even though that election may operate, pursuant to applicable law, to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Guarantor against any Obligated Party or any security.

10.5Rights of Subrogation. No Guarantor will assert any right, claim or cause of action,

including, without limitation, a claim of subrogation, contribution or indemnification that it has

against any Obligated Party, or any Collateral, until the Loan Parties have fully performed all their obligations to Lender.

10.6Subordination.

(a)Any indebtedness of Borrower to Guarantor, or of any Guarantor to any other Guarantor, in any such case now or hereafter existing (the "**Subordinate Debt**") is hereby subordinated to payment of the Debt. Each Guarantor (each, a "**Subordinating Party**") agrees that, until all of the Guaranteed Obligations have been fully satisfied, such Subordinating Party will not (a) seek, accept, or retain for its own account, any payment from Borrower or Guarantor on account of the Subordinate Debt, (b) declare due or accelerate the maturity of any Subordinate Debt, (c) take any actions to enforce or collect any Subordinate Debt or any part thereof or realize upon any collateral securing Subordinate Debt, or (d) act as a petitioning creditor in any Bankruptcy Action involving Borrower or Guarantor (each such proceeding, a "**Bankruptcy Proceeding**").

(b)Any payments to a Subordinating Party on account of the Subordinate Debt shall be collected and received by such Subordinating Party in trust for Lender and shall be paid over to Lender for application to the Debt in such order as Lender may elect without impairing or releasing the obligations of such Subordinating Party hereunder, including, without limitation, any payment, dividend, or distribution received by a Subordinating Party in any Bankruptcy Proceeding.

(c)Each Subordinating Party hereby irrevocably nominates, constitutes and appoints Lender as such Subordinating Party's true and lawful attorney-in-fact with full power of substitution and authority to appear on such Subordinating Party's behalf and its place and stead in any Bankruptcy Proceeding for the purpose of filing proof of such Subordinating Party's claim for any Subordinate Debt owed to such Subordinating Party, or any part thereof, to vote the claims of the indebtedness constituting such Subordinate Debt, and prosecuting such claim and collecting any creditors' dividend or other payment made in respect of such Subordinate Debt. Each Subordinating Party agrees to cooperate with any and all requests by Lender in connection with any such Bankruptcy Proceedings and to do such other acts and things and deliver, or cause to be delivered, such other documents as Lender may reasonably request to effect the intent and purpose of this Section 10.6.

(d)At the request of Lender, each Subordinating Party will enter into a subordination agreement with respect to its Subordinated Debt in form and substance acceptable to Lender.

10.7Reinstatement; Stay of Acceleration. If at any time any payment of any portion of the Guaranteed Obligations (including a payment effected through exercise of a right of setoff) is rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, or reorganization of Borrower or otherwise (including pursuant to any settlement entered into by Lender in its discretion), each Guarantor's obligations under this Loan Guaranty with respect to that payment shall be reinstated at such time as though the payment had not been made and whether or not Lender is in possession of this Loan Guaranty. If acceleration of the time for payment of any of the Guaranteed Obligations is stayed upon the insolvency, bankruptcy or reorganization of

Borrower,

all such amounts otherwise subject to acceleration under the terms of any agreement relating to the Guaranteed Obligations shall nonetheless be payable by the Guarantors forthwith on demand by Lender.

10.8Information. Each Guarantor assumes all responsibility for being and keeping itself informed of Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks that each Guarantor assumes and incurs under this Loan Guaranty, and agrees that Lender shall not have any duty to advise any Guarantor of information known to it regarding those circumstances or risks.

10.9Maximum Liability. Notwithstanding any other provision of this Loan Guaranty, the amount guaranteed by each Guarantor hereunder shall be limited to the Guaranteed Obligations and shall be further limited the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act or similar statute or common law. In determining the limitations, if any, on the amount of any Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Guarantor may have under this Loan Guaranty, any other agreement or applicable law shall be taken into account.

10.10Contribution.

(a)To the extent that any Guarantor shall make a payment under this Loan Guaranty (a "**Guarantor Payment**") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Guarantor if each Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Guarantor's @"Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Guarantor Payment, the indefeasible payment in full of the Guaranteed Obligations and the termination of this Agreement, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b)As of any date of determination, the "**Allocable Amount**" of any Guarantor shall be equal to the excess of the fair saleable value of the property of such Guarantor over the total liabilities of such Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Guarantors as of such date in a manner to maximize the amount of such contributions.

(c)This Section 10.10 is intended only to define the relative rights of the

Guarantors, and nothing set forth in this Section 10.10 is intended to or shall impair the obligations

of the Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Loan Guaranty.

(d)The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Guarantor or Guarantors to which such contribution and indemnification is owing.

(e)The rights of the indemnifying Guarantors against other Guarantors under this Section 10.10 shall be exercisable upon the indefeasible payment in full of the Guaranteed Obligations and the termination of this Agreement.

10.11Liability Cumulative. The liability of each Guarantor under this Article X is in addition to and shall be cumulative with all liabilities of each Loan Party to Lender under this Agreement and the other Loan Documents to which such Loan Party is a party or in respect of any obligations or liabilities of the other Loan Parties, without any limitation as to amount, unless the instrument or agreement evidencing or creating such other liability specifically provides to the contrary.

ARTICLE XI
SECONDARY MARKET TRANSACTIONS

11.1General. Each Loan Party hereby acknowledges that Lender currently has, and shall continue to have in the future, the absolute and unconditional right at any time after the date hereof and at any time during the term of the Loan, without giving any notice to or requiring any consent or approval from any Loan Party, any Affiliate of any Loan Party, any party to any Loan Document or any other Person, the right in one or more transactions to: (a) sell or securitize the Loan or portions thereof in one or more transactions through the issuance of securities, which securities may be rated by the Rating Agencies; (b) sell, pledge or otherwise transfer the Loan or any portion thereof one or more times (including selling or assigning its duties, rights or obligations hereunder or under any Loan Document in whole, or in part, to a servicer and/or a trustee); (c) sell participation interests in the Loan one or more times; (d) re-securitize the securities issued in connection with any securitization; and/or (e) further divide the Loan into two or more separate notes or components (the transactions referred to in clauses (a) through (e) above, each a "**Secondary Market Transaction**" and collectively "**Secondary Market Transactions**"). With respect to any Secondary Market Transaction described in clause (e) above, (i) such notes and note components may be assigned different principal amounts and interest rates, so long as immediately after the effective date of such modification, the aggregate amount of, and the weighted average of the interest rates payable under, the Loan and such component note(s), equal the maximum outstanding Loan amount and Applicable Interest Rate, respectively, immediately prior to such modification, and (ii) Borrower agrees to execute and deliver to Lender such amendments to the Loan Documents, title insurance endorsements, legal opinions and other customary loan documentation as Lender may reasonably require in connection therewith), subject to the other provisions of this Section. The indemnity obligations of the Loan Parties under the Loan Documents shall also apply with respect to any purchaser, transferee, assignee, servicer, participant or investor. Notwithstanding the foregoing, (x) in no event shall any Secondary Market Transaction, or any documents or information delivered by any Loan Party in connection therewith, modify or increase the liability, or impair or diminish the rights, of any Loan Party

hereunder or under any other Loan Document or otherwise modify any existing, or include any additional, commercial terms that are more burdensome to the Loan Parties by more than a *de minimis* respect, (y) any such Secondary Market Transaction shall not result in the incurrence by any Loan Party of any cost or expense other than legal fees that may be incurred by the Loan Parties in connection with its review of any required documentation related to the applicable Secondary Market Transaction (provided, however, that, so long as no Event of Default has occurred and is continuing, (A) Lender shall be responsible for 50% of any reasonable legal fees so incurred by the Loan Parties in excess of $75,000 and (B) Lender shall be solely responsible for all such reasonable legal fees and expenses in connection with any Secondary Market Transaction after the first such Secondary Market Transaction), and (z) so long as no Event of Default has occurred and is continuing, Lender shall not sell, transfer or otherwise assign its interests in the Loan Documents to any Person who is (I) listed on **Schedule 11.1** or (II) a natural person.

11.2Register. Borrower shall maintain at one of its offices in the United States a copy of each assignment delivered to it and a register for the recordation of the names and addresses of Lenders, and the commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Borrower and Lenders shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

11.3Participations. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of Borrower, maintain a register on which it enters the name and address of each participant and the principal amounts (and stated interest) of each participant's interest in the Loans or other obligations under the Loan Documents (the "**Participant Register**"); provided that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any participant or any information relating to a participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. The Borrower agrees that each participant shall be entitled to the benefits of Sections 2.14 and 2.15 (subject to the requirements and limitations therein, including the requirements under Section 2.15(e) (it being understood that the documentation required under Section 2.15(e) shall be delivered to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to Section 11.1; provided that such participant shall not be entitled to receive any greater payment under Section 2.15 with respect to any participation, than its participating Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the participant acquired the applicable participation.

11.4Borrower Cooperation. Each Loan Party shall cooperate, and shall cause each Affiliate of any Loan Party, any party to any Loan Document or any other Person (to the extent

possible), associated or connected with the Loan or the Property, or the other Collateral to cooperate in all respects with Lender in connection with any Secondary Market Transaction. Each Loan Party shall execute and deliver, and shall cause each Affiliate of any Loan Party, any party to any Loan Document or any other Person (to the extent possible), associated or connected with the Loan or the Property or the other Collateral to execute and deliver, to Lender such documents, instruments, certificates, financial statements, assignments and other writings (including, without limitation, delivery of a substantive non-consolidation legal opinion in form and substance reasonably satisfactory to Lender), do such other acts and provide such information, and participate in such meetings and discussions, in each case that are necessary or desirable to facilitate the consummation of each Secondary Market Transaction, including, without limitation, to (a) split the Loan into two or more loans evidenced by and pursuant to separate sets of Note and other related loan documents, or (b) to modify the terms and provisions of the Loan Documents, in each case to the full extent required by Lender to facilitate any Secondary Market Transaction, provided that any such splitting or modification of the Loan will not adversely affect or diminish the rights of any Loan Party or any other party to the any Loan Document as presently set forth in the Loan Documents and will not increase the monetary obligations and liabilities or materially increase the non-monetary obligations under the Loan Documents of any Loan Party or any other party to the any Loan Document.

11.5Dissemination of Information. If Lender determines at any time to participate in a Secondary Market Transaction expressly permitted by this Article XI, then Lender shall have the absolute and unconditional right without giving any notice to or obtaining the prior consent or approval of any Loan Party, any Affiliate of any Loan Party, any party to any Loan Document or any other Person to disclose, deliver and to share with any potential purchaser, transferee, assignee, servicer, participant or investor in such securities (individually, an "**Investor**" and collectively, the "**Investors**"), any Rating Agency rating such securities, any organization maintaining databases on the underwriting and performance of commercial loans, trustee, counsel, accountant, and each prospective Investor, all documents and information which Lender now has or may hereafter acquire relating to the Loan, any Loan Party, any direct or indirect equity owner of any Loan Party and the Property, which shall have been furnished by any such Person or otherwise furnished in connection with the Loan, as Lender in its discretion determines necessary or desirable.

11.6Change of Payment Date. At any time prior to securitization of the Loan by Lender, Lender shall have the right to change the Payment Date to a date other than as set forth herein (such new date, the "**New Payment Date**") on thirty (30) days of notice to Borrower, provided that any such change in the Payment Date: (a) shall not modify the amount of regularly scheduled monthly principal and interest payments, except that the first payment of principal and interest payable on the New Payment Date shall be accompanied by interest at the Applicable Interest Rate for the period from the Payment Date in the month in which the New Payment Date first occurs to the New Payment Date, and (b) shall extend the Maturity Date to the New Payment Date occurring in the calendar month set forth in the definition of Maturity Date.

ARTICLE XII MISCELLANEOUS

12.1Performance by Lender. If any Loan Party defaults in or fails to perform any of its

obligations under the Loan Documents, then Lender shall have right, but not the obligation, and

without limitation upon any of Lender's other rights pursuant thereto, to perform the same, and Borrower agrees to pay to Lender, upon demand, all reasonable costs and expenses incurred by Lender in connection therewith, including reasonable attorneys' fees, together with interest thereon from the date of expenditure at the Default Interest Rate.

12.2Actions. Lender shall have the right, but not the obligation, to commence, appear in and defend any action or proceeding purporting to affect the rights or duties of the parties hereunder or the payment of any funds, and, in connection therewith, Lender may pay necessary expenses, employ counsel and pay reasonable attorneys' fees and fees of expert witnesses. Borrower agrees to pay to Lender, upon demand, all costs and expenses incurred by Lender in connection therewith, including, without limitation, attorneys' fees and fees of expert witnesses, together with interest from the date of expenditure at the Default Interest Rate.

12.3Nonliability of Lender. Each Loan Party acknowledges and agrees that:

(a)By accepting or approving anything required to be provided to Lender pursuant to the Loan Documents, including, without limitation, any certificate, financial statement, survey, appraisal or insurance Policy, Lender shall not be deemed to have warranted or represented the sufficiency, effectiveness or legal effect of any term or provision thereof, and such acceptance or approval thereof shall not constitute a warranty or representation to anyone with respect thereto by Lender;

(b)Lender neither undertakes nor assumes any responsibility or duty to any Loan Party to select, review, inspect, supervise, pass judgment upon or inform any Loan Party of any matter in connection with the Property, the other Collateral or the Loan;

(c)The relationship of Borrower and Lender under the Loan Documents is, and shall at all times remain, solely that of borrower and lender, and Lender neither undertakes nor assumes any responsibility or duty to Borrower, any Loan Party or to any other Person with respect to the Property, the other Collateral or the Loan, except as expressly provided in the Loan Documents; and, notwithstanding any other provision of the Loan Documents: (i) Lender is not, and shall not be construed as, a partner, joint venturer, alter ego, manager, controlling person or other business associate or participant of any kind of any Loan Party or any Affiliate of Borrower, and Lender does not intend to ever assume such status; (ii) Lender's activities in connection with the Loan Documents shall not be "outside the scope of the activities of a lender of money" within the meaning of California Civil Code Section 3434, as amended or recodified from time to time, and Lender does not intend to ever assume any responsibility to any Person for the quality, suitability, safety or condition of the Property or any other Collateral; and (iii) Lender shall not be deemed responsible for or a participant in any acts, omissions or decisions of Borrower, any Loan Party or any Affiliate of Borrower;

(d)Lender shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any Person or property arising from any construction on, or occupancy or use of, the Property or any portion thereof, whether caused by, or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other Improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of any Loan Party, any Affiliate, agent,

employee, independent contractor, licensee or invitee of any Loan Party; (iii) any accident in, on or around the Property or any portion thereof, or any fire, flood or other casualty or hazard thereon;
(iv) the failure of any Loan Party, any of Borrower's or any other Loan Party's licensees, employees, invitees, agents, independent contractors or other representatives to maintain any of the Property in a safe condition; and (v) any nuisance made or suffered on any part of the Property, except to the extent caused by Lender's gross negligence or willful misconduct;

(e)Borrower shall be solely responsible for all aspects of its business and conduct in connection with the Property;

(f)If a claim or adjudication is made that Lender or its agents, has acted unreasonably or unreasonably delayed acting in any case where by law or under any Loan Document, then Lender or such agent, as the case may be, has an obligation to act reasonably or promptly, and each Loan Party agrees that neither Lender nor its agents, shall be liable for any monetary damages, and the Loan Parties' sole remedies shall be limited to commencing an action seeking injunctive relief or declaratory judgment. The parties hereto agree that any action or proceeding to determine whether Lender has acted reasonably shall be determined by an action seeking declaratory judgment. Furthermore, notwithstanding anything to the contrary in this Agreement, all Lender actions may be in the sole and absolute discretion of Lender during the continuation of an Event of Default;

(g)Lender shall not be liable to any Loan Party or any other parties for:
(i) errors, acts or failures to act of others, including other entities, banks, communications carriers or clearinghouses, through which Borrower's transfers may be made or information received or transmitted, and no such entity shall be deemed an agent of Lender, or
(ii) any special, consequential, indirect or punitive damages, whether or not (A) any claim for these damages is based on tort or contract, or (B) Lender or any Loan Party knew or should have known the likelihood of these damages in any situation. Lender makes no representations or warranties other than those expressly made in this Agreement, if any.

12.4No Third Parties Benefited. This Agreement is made for the purpose of setting forth certain rights and obligations of the Loan Parties and Lender in connection with the Loan. It is made for the sole protection of the Loan Parties and Lender, and Lender's successors and assigns. No other person shall have any rights of any nature hereunder or by reason hereof.

12.5Indemnity. Each Loan Party, jointly and severally, hereby agrees to indemnify, defend and hold Lender, Pelorus Fund REIT, LLC, a Delaware limited liability company, each of its respective Affiliates, and its and its Affiliates' respective directors, officers, managers, agents, advisors, representatives and employees harmless from, any and all Liabilities and Costs which Lender or any such Person may suffer or incur as a direct or indirect consequence of: (a) Lender's making of the Loan, except for violations of banking laws or regulations by Lender; (b) any Loan Party's failure to perform any of its obligations as and when required by this Agreement or any of the other Loan Documents, including, without limitation, any failure, at any time, of any representation or warranty of any Loan Party to be true and correct and any failure by any Loan Party to satisfy any condition; (c) any claim or cause of action of any kind by any Person to the effect that Lender is in any way responsible or liable for any act or omission by any Loan Party,

whether on account of any theory of derivative liability, breach of fiduciary duty by any Loan

Party or an Affiliate, breach of contract by any Loan Party or an Affiliate or otherwise, including, without limitation, any claim or cause of action for fraud, misrepresentation, tort or willful misconduct by any Loan Party or any Affiliate or any cause of action brought by any Loan Party's direct or indirect investors; or (d) any claim or cause of action of any kind by any Person which would have the effect of denying Lender the full benefit or protection of any provision of this Agreement or the Loan Documents. Notwithstanding the foregoing, no Loan Party shall be obligated to indemnify Lender with respect to any willful misconduct, intentional tort or act of gross negligence which Lender is personally determined by the judgment of a court of competent jurisdiction (sustained on appeal, if any) to have committed. Borrower shall pay any indebtedness arising under this indemnity to Lender immediately upon demand by Lender together with interest thereon from the date such indebtedness arises at the Default Interest Rate. The Loan Parties' duty to defend and indemnify Lender shall survive the release and cancellation of the Note, the release and reconveyance of the Security Instrument, the termination of this Agreement, the termination of any other Loan Document. This Section 12.5 shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

12.6Binding Effect; Assignment. This Agreement shall be binding upon, and shall inure to the benefit of, the Loan Parties and Lender and their respective permitted successors and assigns, except that no Loan Party may assign its rights or delegate any of its duties under this Agreement or any of the other Loan Documents without the prior written consent of Lender, which may be granted or withheld in Lender's sole and absolute discretion and Lender's right to assign its interest in the Loan Documents is subject to the provisions of Section 11.1. The Borrower agrees that any assignee shall be entitled to the benefits of Sections 2.14 and 2.15 (subject to the requirements and limitations therein, including the requirements under Section 2.15(e); provided that such assignee shall not be entitled to receive any greater payment under Section 2.15 with respect to any Loan, than the assignor Lender would have been entitled to receive, except to the extent such entitlement to receive a greater payment results from a Change in Law that occurs after the assignee Lender acquired the interest in the Loan.

12.7Joint and Several Obligations. The obligations of each of the Loan Parties under this Agreement are joint and several with, and separate, independent and distinct from, the obligations of Borrower, any other Loan Party or any other person. This Agreement may be enforced against any Guarantor without attempting to collect from Borrower, any other Guarantor or any other person, and without attempting to enforce the rights of Lender in any of the security for the Loan. Lender may join any Guarantor in any suit in connection with the Loan Documents or proceed against any one or more Guarantor in a separate action. Lender shall have the right to exercise its remedies in such order as it determines in its sole discretion.

12.8Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages. An electronic facsimile (including .pdf of an executed counterpart of this Agreement) shall constitute

an original for all purposes. The electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. The parties agree that any electronically signed document (including this Agreement) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed, and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither Borrower nor Lender shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually signed original signature that is then transmitted via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message, and "electronically signed document" means a document transmitted via e-mail containing an electronic signature.

12.9Amendments; Waiver in Writing . No modification, amendment, extension, discharge, termination or waiver of any provision of this Agreement, the Note or any other Loan Document, or consent to any departure by any Loan Party therefrom, shall in any event be effective unless the same shall be in a writing signed by all of the Loan Parties, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to or demand on any Loan Party shall entitle any Loan Party to any other or future notice or demand in the same, similar or other circumstances.

12.10Costs and Expenses. Borrower shall pay to Lender, upon demand the following:

(a)Reasonable attorneys' fees and other reasonable and documented third party out-of-pocket expenses incurred by Lender or its successors and assigns in connection with the negotiation, preparation, execution, delivery, modification and administration of this Agreement and any other Loan Document and any matter related thereto; Lender shall inform Borrower of such attorneys' fees and expenses incurred by Lender in connection with the negotiation, preparation, execution and delivery of this Agreement and the other Loan Documents on or before the Effective Date; provided that Borrower has previously paid to Lender a third party fee deposit in the amount of Two Hundred Forty Thousand Five Hundred and 00/100 Dollars ($240,500.00) and such deposit shall be applied toward satisfaction of such fees and expenses incurred by Lender in connection with the negotiation, preparation, execution and delivery of this Agreement and other Loan Documents on or before the Effective Date; and

(b)The out-of-pocket costs and expenses of Lender, its successors and assigns in connection with the enforcement of this Agreement and any other Loan Document and any matter related thereto, including, without limitation, the fees and expenses of any legal counsel, independent public accountants and other outside experts retained by Lender.

(c)All costs, expenses, fees, premiums and other charges relating or arising with respect to the Loan Documents or any transactions contemplated thereby or in the compliance with any of the terms and conditions thereof, including, without limitation, recording fees, filing

fees, release or reconveyance fees, title insurance premiums, external or in-house appraisal or cost engineering fees (including inspections), auditor fees and environmental consultant fees.

This Section 12.10 shall not apply to Taxes, which shall be covered by Section 2.15. All sums paid or expended by Lender, any loan participant or their respective successors and assigns in accordance with this Agreement and the other Loan Documents shall be considered to be a part of the Loan. All such sums, together with all amounts to be paid by Borrower to Lender pursuant to this Agreement and the other Loan Documents, shall bear interest from the date of expenditure at the Default Interest Rate, and shall be immediately due and payable by Borrower upon demand.

12.11 Intentionally Omitted.

12.12 Survival. This Agreement and all covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the execution and delivery of this Agreement and the execution and delivery by Borrower to Lender of the Note and the other Loan Documents, and shall continue in full force and effect so long as any portion of the Obligations is outstanding and unpaid. Whenever in this Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party. All covenants, promises and agreements in this Agreement contained, by or on behalf of Borrower, shall inure to the benefit of the respective successors and assigns of Lender. Nothing in this Agreement or in any other Loan Document, express or implied, shall give to any Person other than the parties and the holder(s) of the Note, the Security Instrument and the other Loan Documents, and their legal representatives, successors and assigns, any benefit or any legal or equitable right, remedy or claim hereunder.

12.13 Notices. All notices and other communications required or permitted under this Agreement or any other Loan Document must be in writing and must be personally delivered; mailed by U.S. registered or certified mail, return receipt requested, postage prepaid; sent by nationally recognized private courier service; or transmitted by email (provided that a copy of such notice or other communication is also delivered by another permitted means of delivery), delivered or addressed to the appropriate party at its respective address set forth below:

If to Borrower,

J 07005

Attn: Chief Legal Officer Email:
Legal@TerrAscend.com

with a copy to: Cooley LLP

55 Hudson Yards, New York, NY 10001 Attention: Maria Cornilsen
Email: mcornilsen@cooley.com and mvega@cooley.com

If to Lender: Pelorus Fund REIT, LLC
124 Tustin Avenue, Suite 200 Newport Beach, CA
92663 Attn: Lee Scholtz
Email: lee@pelorusequitygroup.com

with a copy to:K&L Gates LLP
599 Lexington Avenue New York, NY
10022 Attn: Alan Schacter, Esq.
Email: alan.schacter@klgates.com

Any party may change its address by giving written notice to the other party in accordance with this Section 12.13. If any notice or other communication is given by registered or certified mail it will be deemed effective seventy-two (72) hours after it is deposited in the U.S. mail, postage prepaid; or if given by any other permitted means, when received at the address listed above.

12.14Further Assurances. Each Loan Party shall, at its sole cost and expense, do such further acts and execute and deliver such further documents as Lender from time to time may reasonably require for the purpose of assuring and confirming to Lender the rights hereby created, for carrying out the intention or facilitating the performance of the terms of any Loan Document, or for assuring the validity of any Lien under any Loan Document.

12.15Governing Law. The parties hereto acknowledge and agree that the state of California has a substantial relationship to the parties and the underlying transactions embodied hereby. In all respects, including, without limitation, performance of this Agreement and the obligations arising hereunder, this Agreement shall be governed by, and construed in accordance with, the internal laws of the state of California applicable to contracts made and to be performed in such state, without regard to its principles of conflict of laws.

12.16Severability of Provisions. Any provision in any Loan Document that is held by a court of competent jurisdiction to be inoperative, unenforceable or invalid shall be inoperative, unenforceable or invalid without affecting the remaining provisions, and to this end the provisions of all Loan Documents are declared to be severable.

12.17Headings. Article, section and subparagraph headings in this Agreement are included for convenience of reference only and are not part of this Agreement for any other purpose.

12.18Time of the Essence; Delay Not a Waiver. Time is of the essence of this Agreement and each and every provision hereof. Neither any failure nor any delay on the part of Lender in insisting upon strict performance of any term, condition, covenant or agreement, or exercising any right, power, remedy or privilege under any Loan Document, or any other instrument given as security therefor, shall operate as or constitute a waiver thereof, nor shall a single or partial exercise thereof preclude any other future exercise, or the exercise of any other right, power, remedy or privilege. In particular, and not by way of limitation, by accepting payment

after the due date of any amount payable under any Loan Document, Lender shall not be

deemed to have waived any right either to require prompt payment when due of all other amounts due under any Loan Document, or to declare a default for failure to effect prompt payment of any such other amount.

12.19Construction of Agreement. Both the Loan Parties, on the one hand, Borrower and Lender, on the other, have cooperated in the drafting and negotiation of this Agreement, and any ambiguities which may be contained herein shall not be construed against any such party.

12.20Brokers. Each Loan Party hereby represents that, it has dealt with no financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Agreement. The Loan Parties, jointly and severally, shall indemnify, defend and hold Lender harmless from and against any and all claims, liabilities, costs and expenses of any kind (including Lender's attorneys' fees and expenses) in any way relating to or arising from a claim by any Person that such Person acted on behalf of any Loan Party or Lender in connection with the transactions contemplated herein. The provisions of this Section 12.20 shall survive the expiration and termination of this Agreement and the payment of the Loan.

12.21Lender's Discretion. Whenever pursuant to this Agreement or any other Loan Document, Lender exercises any right, option or election given to Lender to approve or disapprove, or consent or withhold consent, or any arrangement or term is to be satisfactory to Lender or is to be in Lender's discretion, the decision of Lender to approve or disapprove, consent or withhold consent, or to decide whether arrangements or terms are satisfactory or not satisfactory or acceptable or not acceptable to Lender in Lender's discretion, shall (except as is otherwise specifically herein provided) be in the sole and absolute discretion of Lender.

12.22Preferences. Lender shall have the continuing and exclusive right to apply or reverse and reapply any and all payments by Borrower to any portion of the obligations of Borrower hereunder. To the extent Borrower makes a payment or payments to Lender for Borrower's benefit, which payment or proceeds or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then, to the extent of such payment or proceeds received, the obligations hereunder or part thereof intended to be satisfied shall be revived and continue in full force and effect, as if such payment or proceeds had not been received by Lender.

12.23Waiver of Notice. No Loan Party shall be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Agreement or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which any such Loan Party is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice (in which case only such Loan Party(ies) shall be entitled to such notice). Each Loan Party hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Agreement or the other Loan Documents does not specifically and expressly provide for the giving of notice by Lender to such Loan Party.

12.24Offsets, Counterclaims and Defenses. Any assignee of Lender's interest in and to

the Loan Documents shall take the same free and clear of all offsets, counterclaims or defenses

which are unrelated to the Loan, and the Loan Documents which any Loan Party may otherwise have against any assignor, and no such unrelated counterclaim or defense shall be interposed or asserted by any Loan Party in any action or proceeding brought by any such assignee upon, the Loan Documents and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by each Loan Party.

12.25Waiver of Marshalling of Assets Defense. To the fullest extent that each Loan Party may now or hereafter legally do so, each such Loan Party waives all rights to a marshalling of the assets of such Loan Party, and of the Collateral, or to a sale in inverse order of alienation upon foreclosure of the interests hereby created, and irrevocably agrees not to assert any right under any laws pertaining to the marshalling of assets, the sale in inverse order of alienation, homestead exemption, the administration of estates of decedents, or any other matters whatsoever to defeat, reduce or affect the right of Lender under the Loan Documents to a sale of the Property or other Collateral for the collection of the Obligations without any prior or different resort for collection, or the right of Lender or any trustee under the Security Instrument to the payment of the Obligations in preference to every other claimant whatsoever.

12.26Arbitration; Submission to Jurisdiction; Waiver of Right to Trial by Jury.

(a)Any dispute, controversy or claim arising out of or relating to this Agreement or any of the other Loan Documents or the breach, termination, interpretation, or validity thereof – including, but not limited to, any dispute over the scope of this Section 12.26 (**Dispute**) -- shall be submitted to mandatory, final and binding arbitration before the American Arbitration Association (AAA). Except as otherwise noted in this Section 12.26, any arbitration shall proceed in accordance with the Commercial Arbitration Rules of the AAA (Commercial Rules) in effect at the time of filing of the demand for arbitration, with the arbitration administered by AAA, subject to the provisions of this Section 12.26. For the avoidance of doubt, the United States Federal Arbitration Act, 9 U.S.C., Section 1, *et seq.*, shall govern the enforcement, interpretation, and validity of the dispute resolution provisions of this Section 12.26.

(b)There shall be one arbitrator, who will be agreed to by the Parties within 30 days of receipt by respondent of a copy of the demand for arbitration. If the Parties cannot agree on an arbitrator within the time period specified then, at the request of either Party, such arbitrator shall be appointed by the AAA in accordance with the Commercial Rules.

(c)The place of arbitration shall be the City of Los Angeles, County of Los Angeles, California.

(d)With the exception of any action to perfect, enforce, or foreclose on any liens or security interests as contemplated by Section 12.26(f), the arbitration shall be the sole and exclusive forum for resolution of the Dispute, and the award shall be in writing, state the reasons for the award, and be final and binding. Judgment thereon may be entered in any court of competent jurisdiction.

(e)By agreeing to arbitration, the Parties do not intend to deprive any court of its jurisdiction to issue a pre-arbitral injunction, pre-arbitral attachment, or other order in aid of

arbitration proceedings and the enforcement of any award. Without prejudice to such provisional

remedies as may be available under the jurisdiction of a court, the AAA and/or the arbitrator shall have full authority to grant provisional remedies in accordance with the Commercial Rules, to direct the Parties to request that any court modify or vacate any temporary or preliminary relief issued by such court, and to award damages for the failure of any Party to respect the arbitral tribunal's orders to that effect. In any such judicial action: (i) each of the Parties irrevocably and unconditionally consents to the exclusive jurisdiction and venue of the state courts located in City of Los Angeles, County of Los Angeles, California (the "**California State Courts**") for the purpose of any pre-arbitral injunction, pre-arbitral attachment, or other order in aid of arbitration proceedings, and to the non-exclusive jurisdiction of such courts for the enforcement of any judgment on any award; (ii) each of the Parties irrevocably waives, to the fullest extent they may effectively do so, any objection, including any objection to the laying of venue or based on the grounds of forum non conveniens or any right of objection to jurisdiction on account of its place of incorporation or domicile, which it may now or hereafter have to the bringing of any such action or proceeding in any California State Courts; and (iii) each of the Parties irrevocably consents to service of process by first-class certified mail, return receipt requested, postage prepaid.

(f)THE PARTIES ACKNOWLEDGE AND AGREE THAT THE STATE OF CALIFORNIA HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS AGREEMENT AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS) AND ANY LEGAL REQUIREMENTS OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS CREATED PURSUANT HERETO AND PURSUANT TO THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE APPLICABLE PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF CALIFORNIA SHALL GOVERN THE CONSTRUCTION, VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS AND ALL OF THE OBLIGATIONS ARISING HEREUNDER OR THEREUNDER. TO THE FULLEST EXTENT PERMITTED BY LAW, EACH OF BORROWER AND LENDER, HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY CLAIM TO ASSERT THAT THE LAW OF ANY OTHER JURISDICTION GOVERNS THIS AGREEMENT AND THE NOTE, AND THIS AGREEMENT AND THE NOTE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

(g)Notwithstanding the Parties' agreement in Section 12.26(f) that this Agreement and any Dispute shall be governed by laws of the State of California, and that any arbitration pursuant to this Section 12.26 shall be governed by the Commercial Rules, the Parties expressly agree that, in any arbitration pursuant to this Section 12.26 that is based upon an effort to enforce upon an instrument for the payment of money only, the procedures set forth in New York Civil Practice Law and Rules Section 3213 shall be available to the claimant, such that the

claimant may serve with the notice of arbitration a notice of motion for summary judgment and the supporting papers and require the respondent to show why judgment should not be entered against it. For the avoidance of doubt, the parties agree that, in such an action to enforce upon an instrument for the payment of money only, the arbitrator shall abide by New York law governing the procedures set forth in New York Civil Practice Law and Rules Section 3213.

(h)TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE LOAN PARTIES AND LENDER, HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION
(i) ARISING UNDER THIS AGREEMENT OR THE NOTE, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF, OR (ii) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THIS AGREEMENT OR THE NOTE (EACH AS NOW OR HEREAFTER MODIFIED) OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH LOAN PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

12.27Additional Cannabis Terms.

(a)Federal Cannabis Law Acknowledgement. Each party to this Agreement acknowledges that, although State Cannabis Laws have legalized certain cultivation, distribution, sale and possession of cannabis and related products and other Cannabis Businesses, the nature and scope of Federal Cannabis Laws may result in circumstances where activities permitted under State Cannabis Laws may contravene Federal Cannabis Laws. It is acknowledged that, as of the Effective Date, State Cannabis Laws contravene Federal Cannabis Laws. Accordingly, for the purposes of this Agreement and the other Loan Documents, each representation, warranty, covenant and other provision in this Agreement or any other Loan Document will be subject to the following: (i) no representation, warranty, covenant or other agreement is made, or deemed to be made, with respect to compliance with, or application of, any Federal Cannabis Law to the extent such Federal Cannabis Law relates, directly or indirectly, to the unlawful nature of Cannabis Businesses; and (ii) engagement in any activity that is permitted by State Cannabis Laws but contravenes Federal Cannabis Laws will not, in and of itself, be deemed to be non-compliance with Legal Requirements. Nothing contained in this Agreement shall require any Loan Party to violate any provision of any State Cannabis Laws.

(b)Change in Cannabis Law.

(i)Restricted Cannabis Activity. If any Change in Cannabis Law results in any business activities of any Loan Party becoming a Restricted Cannabis Activity, such Change in Cannabis Law will be deemed to have had a Material Adverse Effect and the Obligations will immediately become due and payable in full.

(ii)Ongoing Compliance. This Agreement and the other Loan Documents are subject to strict requirements for ongoing regulatory compliance by the parties hereto, including, without limitation, requirements that the parties take no action in violation of either any State Cannabis Laws or the guidance or instruction of any applicable state regulatory body (together with any successor or regulator with overlapping jurisdiction, the "**Regulator**"). The parties acknowledge and understand that Federal Cannabis Laws, State Cannabis Laws and/or the requirements of the Regulator are subject to change and are evolving as the marketplace for state-compliant cannabis businesses continues to evolve. If necessary or desirable to comply with the requirements of Federal Cannabis Laws permitting or authorizing the Cannabis Business, State Cannabis Laws and/or the Regulator that do not constitute a Change in Cannabis Law, upon notice from one party to the other (the "**Compliance Notice**"), the parties hereby agree to (and to cause their respective affiliates and related parties and representatives to) use their respective commercially reasonable efforts to take all actions reasonably requested to ensure compliance with such Legal Requirements and/or the Regulator, including, without limitation, negotiating in good faith to amend, restate, amend and restate, supplement, or otherwise modify this Agreement and the other Loan Documents to reflect terms that most closely approximate the parties original intentions. To the extent a mutual agreement with respect to the foregoing is not achieved within ten (10) Business Days following receipt of the Compliance Notice, or if a Change in Cannabis Law shall otherwise occur, the Obligations shall immediately become due and payable in full.

(c)No Right of Rescission. No party hereto shall have any right of rescission or amendment arising out of or relating to any non-compliance with Federal Cannabis Laws existing on the Effective Date, and no party shall seek to enforce the provisions hereof in federal court unless and until the parties have reasonably determined that State Cannabis Laws are fully compliant with Federal Cannabis Laws.

12.28California Provisions. The parties hereto agree that the terms of this Section 12.28 shall apply with respect to the Property:

(a)Agreements related to Takings

(i)Any implied covenant in this Agreement restricting the right of Lender to make an election to apply Net Restoration Proceeds to payment of the Obligations under Sections Sections 8.6 or 8.7 is waived.

(ii)Each Loan Party hereby waives the provisions of any law prohibiting Lender from making an election to apply Net Restoration Proceeds to payment of the Indebtedness under Sections 8.6 or 8.7, including, without limitation, the provisions of the California Code of Civil Procedure commencing with Section 1265.210.

(iii)Each Loan Party hereby unconditionally and irrevocably waives to the extent permitted under applicable law, all rights of a property owner under Section 1265.225(a) of the California Code of Civil Procedure or any successor statute providing for the allocation of condemnation proceeds between a property owner and a lien holder,

to the extent the same are contrary to the provisions of this Agreement.

(b)CCP Section 726.5. In the event that any portion of the Property is determined to be "environmentally impaired" (as "environmentally impaired" is defined in California Code of Civil Procedure Section 726.5(e)(3)) or to be an "affected parcel" (as "affected parcel" is defined in California Code of Civil Procedure Section 726.5(e)(1)), then, without otherwise limiting or in any way affecting Lender's rights and remedies under this Agreement or any trustee's rights and remedies under the applicable Security Instrument, Lender may elect to exercise its right under California Code of Civil Procedure Section 726.5(a) to (1) waive its lien on such environmentally impaired or affected portion of the Property and (2) exercise (i) the rights and remedies of an unsecured creditor, including reduction of its claim against any Loan Party to judgment, and (ii) any other rights and remedies permitted by law. For purposes of determining Lender's right to proceed as an unsecured creditor under California Code of Civil Procedure Section 726.5(a), the owner of the Property shall be deemed to have willfully permitted or acquiesced in a release or threatened release of hazardous materials, within the meaning of California Code of Civil Procedure Section 726.5(d)(1), if the release or threatened release of hazardous materials was knowingly or negligently caused or contributed to by any lessee, authorized occupant or authorized user of any portion of the Property and the owner of the Property knew or should have known of the activity by such lessee, authorized occupant or authorized user which caused or contributed to the release or threatened release. All costs and expenses, including, but not limited to, attorneys' fees, incurred by Lender in connection with any action commenced under this Section 12.28(b), including any action required by California Code of Civil Procedure Section 726.5(b) to determine the degree to which the Property is environmentally impaired, plus interest thereon at the rate specified in the Note until paid, shall be added to the indebtedness secured by the Security Instrument(s) and shall be due and payable to Lender upon its demand made at any time following the conclusion of such action.

(c)Additional Provision Regarding Application of Payments. Borrower agrees that, if Lender accepts a guaranty of only a portion of the obligations under the Loan Documents, Borrower waives its right under California Civil Code Section 2822(a), to designate the portion of the Obligation which will be satisfied by a guarantor's partial payment.

(d)Waiver of Defenses. In accordance with CCP § 2856, the Loan Parties waive all rights and defenses that any such party may have because the debtor's debt is secured by real property. This means, among other things:

(1)The creditor may collect from the guarantor without first foreclosing on any real or personal property collateral pledged by the debtor.

(2)If the creditor forecloses on any real property collateral pledged by the debtor:

(A)The amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price.

(B)The creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor.

This is an unconditional and irrevocable waiver of any rights and defenses the guarantor may have because the debtor's debt is secured by real property. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the Code of Civil Procedure.

[Remainder of Page Intentionally Blank; Signatures on Following Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

BORROWER:

TERRASCEND NJ LLC,
a New Jersey limited liability company

By: /s/ Keith Stauffer

Name :Keith Stauffer Title: Authorized Officer

HMS HAGERSTOWN, LLC,
a Delaware limited liability company

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer/Manager

HMS PROCESSING LLC,
a Maryland limited liability company

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer/Manager

HMS HEALTH, LLC,
a Maryland limited liability company

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer/Manager

GUARANTORS:

WELL AND GOOD, INC.,
a Delaware corporation

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer

WDB HOLDING MD, INC.,
a Maryland corporation

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer/Secretary

TERRASCEND CORP.,
an Ontario corporation

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer

TERRASCEND USA, **INC.**,
a Delaware corporation

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer/Treasurer/Secretary

[signatures continue on following page]

LENDER:

PELORUS FUND REIT, LLC,
a Delaware limited liability company

By: /s/ Dan Leimel
Name: Dan Leimel
Title: Managing Member

SCHEDULE 1
LOAN DOCUMENTS

1.Loan Documents. The documents listed in this Section 1.1, and amendments, modifications and supplements thereto which have received the prior written consent of Lender, together with any documents executed in the future that are approved by Lender and that recite that they are "Loan Documents" for purposes of this Agreement are collectively referred to herein as the Loan Documents.

1.1This Agreement.

1.2The Note.

1.3The Security Instrument.

1.4The Environmental Indemnity Agreement.

1.5The Pledge Agreement.

1.6The Information Certificate.

1.7The Security Agreement.

1.8Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by TerrAscend NJ, as debtor, in favor of Lender, as secured party, to be filed with the Secretary of State of the State of New Jersey.

1.9Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by MD Propco, as debtor, in favor of Lender, as secured party, to be filed with the Secretary of State of the State of Maryland.

1.10Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by MD Opco, as debtor, in favor of Lender, as secured party, to be filed with the Secretary of State of the State of Maryland.

1.11Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by WDB Holding MD, Inc., as debtor, in favor of Lender, as secured party, to be filed with the Secretary of State of the State of Maryland.

1.12Uniform Commercial Code – National Financing Statement – Form UCC-1 of even date herewith, by Well and Good, Inc., as debtor, in favor of Lender, as secured party, to be filed with the Secretary of State of the State of Delaware.

SCHEDULE 2.6
CONDITIONS TO CLOSING

(a)Loan Documents. Each Loan Party (and any other party thereto) shall have executed, acknowledged (if appropriate) and delivered to Lender each of the Loan Documents set forth on **Schedule 1** to which it is a party to, each in form and substance acceptable to Lender, together with each of the other Loan Documents and all other documents to be executed and/or delivered by or on behalf of Borrower, Guarantor or any other party pursuant to this Agreement or as Lender shall otherwise reasonably require.

(b)Property Documents. Lender shall have received each of the following additional documents with respect to the Property, in form and substance acceptable to Lender:

(i)Appraisal. An Appraisal of the Property acceptable to Lender in its sole discretion;

(ii)Title Policy. Title Policy, together with any endorsements, reinsurance and co-insurance agreements which Lender may require, insuring Lender in the maximum amount of the Loan, that the Security Instrument constitutes a valid first priority Lien upon the Property, subject only to such title exceptions as Lender shall approve in its sole discretion, and otherwise in such form and substance as shall be acceptable to Lender and Lender's counsel. Such Title Policy shall at all times expressly insure against all mechanics' liens;

(iii)Property Reports. Such environmental assessments, studies, reports and investigations on the Property, and/or the soils or groundwaters thereof, prepared by environmental consultants satisfactory to Lender and in form and substance acceptable to Lender and Lender's counsel in the sole discretion of such Persons;

(iv)Survey. A current ALTA survey of the Property certified in favor of Lender and otherwise in a form acceptable to Lender and Lender's counsel in the sole discretion of such Persons;

(v)Borrower Equity Investment. Evidence reasonably satisfactory to Lender that Borrower has invested not less than $60,600,000 in connection with the acquisition and development of the Property; and

(vi)Other Required Documents. Such other documents with respect to the Property as are required pursuant to this Agreement or as Lender shall otherwise require.

(c)Organizational Documents. Lender shall have received such corporate, partnership and limited liability company documents with respect to each Loan Party as Lender shall require, including evidence of authorization and incumbency of all Persons executing the Loan Documents on behalf of any Loan Party;

(d)Perfection of Liens. The Security Instrument, the Financing Statements and any other recordable Loan Documents shall have been recorded or filed, as applicable, and Lender shall have a valid, perfected first priority Lien on Borrower's interest in the Property and on all of the Collateral subject to the Loan Documents;

(e)Loan Fees. On the Effective Date, Lender shall have received the Loan Origination Fee and any other fees or other amounts then due to Lender under this Agreement and the other Loan Documents, and all reasonably incurred documented out-of-pocket expenses of Lender incurred prior to the Effective Date (including, without limitation, all attorneys' and appraisers' fees, environmental review costs, cost engineering expenses, title insurance premiums and endorsement charges), shall have been paid by Borrower;

(f)Consents and Approvals. Any Government Approvals and any other licenses, permits, consents and approvals of Governmental Authorities, and all corporate, partnership and limited liability company action necessary to enable the Loan Parties to enter into the financing transactions contemplated by this Agreement shall have been obtained and/or taken by such Loan Party (including, without limitation, any required consents of any Members);

(g)Regulatory Licenses. Lender shall have received confirmation of the Regulatory Licenses;

(h)Insurance. Lender shall have received evidence that Borrower has obtained all insurance policies and associated coverage amounts required under Article VIII, in each case satisfactory to Lender and issued by insurance companies acceptable to Lender, and loss payable endorsements in form and substance satisfactory to Lender naming Lender as loss payee (as its interests may appear) shall have been delivered to Lender, together with such certificates of insurance and binders as Lender shall require;

(i)Representations and Warranties. All

(j)representations and warranties of Borrower contained in this Agreement or the other Loan Documents shall be true and correct in all material respects on the Effective Date; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof;

(k)Opinions of Counsel. Lender shall have received opinions of counsel for Borrower dated as of the Effective Date as to such matters as Lender shall require, in form and substance satisfactory to Lender and Lender's counsel;

(l)Due Diligence. Lender shall have completed its review of the Property and the other Collateral, including, without limitation, any contracts and agreements relating to the Property, and Lender shall have completed such other real estate and legal due diligence investigations as Lender deems necessary, and such review and investigations shall provide Lender with resulting information which, in Lender's sole discretion, is satisfactory to permit Lender to enter into this Agreement and to make the Loan;

(m)Affiliate Fees. Borrower shall have disclosed to Lender, and Lender shall have approved, all Affiliate Fees which have been or will be reimbursed or paid to or paid on behalf of Borrower, any Guarantor or any Affiliate thereof in connection with the acquisition or financing of the Property. All Affiliate Fees shall be deducted from the calculation of the capitalization costs of the financing transaction contemplated by this Agreement for determining the maximum principal amount of the Loan. Without limitation on the foregoing, all Affiliate Fees shall be subordinate to the Loan and shall be terminable by Lender upon the occurrence of an Event of Default;

(n)Information Certificate. The Loan Parties shall have disclosed to Lender, and Lender shall have approved, all information required to be disclosed on the Information Certificate; and

(o)Other Documents. Lender shall have received and approved such other documents, materials or information as Lender or its counsel shall reasonably require.

SCHEDULE 4.1

ORGANIZATION IDENTIFICATION NUMBERS OF THE LOAN PARTIES

Loan Party	Jurisdiction of Organization/ Formation	Organizational Identification Number
Well and Good, Inc.	DE	7015918
TerrAscend NJ LLC	NJ	0450293238
WDB Holding MD, Inc.	MD	D21032016
HMS Processing, LLC	MD	W16745689
HMS Health, LLC	MD	W19151646
HMS Hagerstown, LLC	DE	6345148

SCHEDULE 4.3
BORROWER ORGANIZATIONAL CHART
See attached

SCHEDULE 4.15 EXISTING LEASES

Borrower	Address	Owner/Landlord, as applicable
TerrAscend NJ LLC	1865 Springfield Avenue Maplewood, NJ 07040	5 Gould LLC
TerrAscend NJ LLC	200 Route 17 South Lodi, NJ 07644	17 RT 200 South Limited Liability Company
TerrAscend NJ LLC	130 Brainards Road, Phillipsburg, NJ 08865	Harmony Land Holdings

SCHEDULE 4.15
MATERIAL CONTRACTS

1.Amended and Restated License and Packaging Agreement dated February 23, 2022 by and among 1L Botanicals LLC, a California limited liability company ("1L Botanicals"), Cookies Creative Consulting & Promotions, Inc., a California corporation ("CCC&P" and, collectively with 1L Botanicals, as "licensor") and TerrAscend NJ, as licensee ("Cookies License Agreement").

2.First Amendment to Amended and Restated License and Packaging Agreement dated July 15, 2022 among 1L Botanicals, CCC&P and TerrAscend NJ in relation to the Cookies License Agreement.

3.Retail License Agreement dated as of August 18, 2021 between CCC&P and TerrAscend NJ.

4.The License and Consulting Agreement dated as of August 11, 2022 between The Cima Group LLC, a Colorado limited liability company, as licensor and TerrAscend NJ, as licensee.

5.The License and Consulting Agreement dated as of August 11, 2022 between The Cima Group LLC, a Colorado limited liability company, as licensor and WDB Holding MD, Inc., as licensee.

6.Second Amended and Restated Operating Agreement of TerrAscend NJ LLC dated October 7, 2022 among TerrAscend NJ and the existing Members (as defined therein) of TerrAscend NJ as of the Effective Date.

7.Letter entitled Success Fee Payment dated August 30, 2018 by Well & Good, Inc., to Alex Havenick ("Success Fee Letter Agreement").

8.First Amendment to Success Fee Letter Agreement dated November 25, 2020 among Well & Good, Inc. and Alexander Havenick.

9.Second Amendment to Success Fee Letter Agreement dated July 19, 2021 among Well & Good Inc. and Alexander Havenick.

10.Third Amendment to Success Fee Letter Agreement dated October 7, 2022 among Well & Good Inc. and Alexander Havenick.

11.Assignment of Membership Interests by Blue Marble Ventures LLC, a New Jersey limited liability company in favor of BWH NJ LLC, a New Jersey limited liability

company effective as of March 24, 2022.

12.Commercial Lease dated as of November 2020 by and between 17 RT 200 South Limited Liability Company, as landlord and TerrAscend NJ, as tenant in respect of the retail store located at 200 NJ-17, Lodi, New Jersey.

13.Lease Agreement dated as of July 31, 2020 by and between 5 Gould LLC, as landlord and TerrAscend NJ, as tenant in respect of premises located at 1865 Springfield Avenue, Maplewood, NJ ("Maplewood Lease").

14.Amendment to Maplewood Lease dated August 26, 2022.

15.Subordinated promissory note dated October 7, 2022 among TerrAscend NJ, Canadian Parent and NJ Partners.

16.Subordination and Intercreditor Agreement among Lender, NJ Partners and TerrAscend NJ dated October 7, 2022, as amended, restated, supplemented or modified from time.

17.Second priority mortgage Lien on the NJ Real Property dated October 7, 2022 in connection with the Permitted NJ Indebtedness in favor of NJ Partners.

SCHEDULE 4.16 AFFILIATE FEES

1.The Borrowers pay certain Affiliate Fees in connection with certain shared services expenses of the Northeast division of TerrAscend Group that are incurred pro rata based on revenue of each operation in PA, MD and NJ with each party contributing at a minimum 20% of such shared services expenses in accordance with that certain Shared Services Agreement dated October 7, 2022 among IHC Management LLC, a Delaware limited liability company, Ilera Healthcare LLC, a Pennsylvania limited liability company, HMS Health, LLC, and each of its subsidiaries, affiliates, successors and related entities and TerrAscend NJ LLC, a New Jersey limited liability company.

2.Letter entitled Success Fee Payment dated August 30, 2018 by Well & Good, Inc., to Alex Havenick ("Success Fee Letter Agreement").

3.First Amendment to Success Fee Letter Agreement dated November 25, 2020 among Well & Good, Inc. and Alexander Havenick.

4.Second Amendment to Success Fee Letter Agreement dated July 19, 2021 among Well & Good Inc. and Alexander Havenick.

5.Third Amendment to Success Fee Letter Agreement dated October 7, 2022 among Well & Good Inc. and Alexander Havenick.

6.Second Amended and Restated Operating Agreement of TerrAscend NJ LLC dated October 7, 2022 among TerrAscend NJ and the existing Members (as defined therein) of TerrAscend NJ as of the Effective Date.

SCHEDULE 4.23
REGULATORY LICENSES

Borrower	License Type	Property	Regulatory Body
TerrAscend NJ LLC	License to Operate a Cannabis Business for the Purpose of Cultivator	130 Old Denville Road Boonton, NJ 07005	State of New Jersey Cannabis Regulatory Commission
TerrAscend NJ LLC	License to Operate a Cannabis Business for the Purpose of Manufacturer	130 Old Denville Road Boonton, NJ 07005	State of New Jersey Cannabis Regulatory Commission
TerrAscend NJ LLC	Permit to Operate an Alternative Treatment Center for the purpose of cultivating and processing medicinal marijuana	130 Old Denville Road Boonton, NJ 07005	State of New Jersey Cannabis Regulatory Commission

Borrower	License Type	Property	Regulatory Body
Terrascend NJ LLC	Permit to Operate an Alternative Treatment Center for the purpose of dispensing medicinal marijuana	1865 Springfield Avenue Maplewood, NJ 07040	State of New Jersey Cannabis Regulatory Commission
Terrascend NJ LLC	Permit to Operate an Alternative Treatment Center for the purpose of dispensing medicinal marijuana	55 South Main Street Phillipsburg, NJ 08865	State of New Jersey Cannabis Regulatory Commission
Terrascend NJ LLC	Permit to Operate an Alternative Treatment Center for the purpose of dispensing medicinal marijuana	200 NJ-17, Lodi, NJ 07644	State of New Jersey Cannabis Regulatory Commission
HMS Health, LLC	License to Cultivate Cannabis	4106 Harvard Place, Unit B2, Frederick, MD 21703	Maryland Medical Cannabis Commission
HMS Health, LLC	License to Cultivate Cannabis (conditional)	273 East Memorial Blvd. Hagerstown, MD 21740	Maryland Medical Cannabis Commission

Borrower	License Type	Property	Regulatory Body
HMS Processing, LLC	License to Process Cannabis	273 East Memorial Blvd. Hagerstown, MD 21740	Maryland Medical Cannabis Commission

SCHEDULE 6.7
EXISTING PARENT INDEBTEDNESS

1.In connection with that certain Loan Agreement, dated as of February 4, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time), between TerrAscend Canada Inc., a corporation incorporated under the laws of the Province of Ontario, as borrower, and Canopy Rivers Corporation, a corporation incorporated under the federal laws of Canada, as lender ("***CRC***"), Canadian Parent has issued a Warrant, dated as of February 4, 2020, to CRC, pursuant to which CRC has a right to purchase up to 2,225,714 shares of Common Stock of Canadian Parent upon the Exercise Period Start Date (as defined therein).

2.In connection with a mortgage granted by TerrAscend Canada Inc., as mortgagor, to and in favor of Kingsett Mortgage Corporation ("***Kingsett***"), as mortgagee, Canadian Parent entered into that certain Guarantee, made as of June 19, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time) in favor of Kingsett, as lender.

3.Canadian Parent and American Parent are parent guarantors, and American Parent provides a pledge of 100% of its Equity Interests in WDB Holding PA, Inc. pursuant to that certain Credit Agreement dated as of December 18, 2020 (as amended, amended and restated, supplemented or otherwise modified from time to time), between WDB Holding PA, Inc., a Delaware corporation, as borrower, Canadian Parent, American Parent, the other subsidiary guarantors party thereto from time to time, the lenders party thereto and Acquiom Agency Services LLC, as agent.

4.In connection with that certain Credit Agreement, dated as of November 22, 2021, among certain subsidiaries and/or affiliates of Canadian Parent and/or American Parent, as borrowers, the guarantors from time to time party thereto, the lenders from time to time party thereto and Chicago Atlantic Admin, LLC, a Delaware limited liability company ("***Chicago Admin***"); (i) American Parent provided that certain General Continuing Guaranty, dated as of August 10, 2022 (as amended, restated, supplemented or otherwise modified from time to time), in favor of Chicago Admin.

5.In connection with that certain (i) Secured Promissory Note, effective as of August 22, 2022, by Spartan Partners Properties, LLC, a Michigan limited liability company, as borrower ("***Spartan***") in favor of Kisa Pinnacle Holdings LLC, a Michigan limited liability company ("***Kisa***"), in the principal sum of $5,300,000, executed in consideration for the transactions contemplated by an Agreement of Purchase and Sale, dated as of April 14, 2022, between Spartan and Kisa, as seller; and (ii) Secured Promissory Note effective as of August 22, 2022, by Spartan in favor of Kisa, in the principal sum of $4,700,000, executed in consideration for the transactions contemplated by an Asset Purchase Agreement, dated as of April 14, 2022, between Spartan and Kisa, as seller, the Canadian Parent, as entered into that certain Guaranty, dated as of August 22, 2022 (as amended,

amended and restated, supplemented or otherwise modified from time to time) in favor of

Kisa, pursuant to which Canadian Parent agrees to guaranty the indebtedness described therein.

6.Guaranty by TerrAscend Corp. in respect of obligations of WDB Holding MD, Inc. pursuant to that certain Purchase Agreement dated as of November 5, 2020 among WDB Holdings MD, Inc., as buyer, Canadian Parent, as Buyer Parent, and Curaleaf, Inc., as seller.

SCHEDULE 6.20 ACCOUNTS

SCHEDULE 6.24

POST-CLOSING OBLIGATIONS

1.Lodi and Maplewood - Borrower shall obtain and deliver to Lender on or before the date that is sixty (60) days after the Effective Date (a) a final certificate of occupancy for the Maplewood Assets and (b) a final certificate of occupancy for the Lodi Assets.

2.Regulatory Licenses - Borrower shall deliver to Lender copies of any and all required Governmental Approvals, including but not limited to all Regulatory Licenses, required to operate a Cannabis Business as part of the Harmony Assets, prior to the commencement of any such operation.

3.Lease Termination - Borrower shall deliver to Lender within twenty (20) Business Days after the Effective Date a termination of the lease agreement for the Frederick, MD facility.

4.Phillipsburg - Borrower shall deliver to Lender within forty-five (45) days after the Effective Date a copy of the final certificate of occupancy for the NJ Real Property located in Phillipsburg, NJ.

5.Insurance Endorsements - Borrower to provide to Lender within 45 days after the Effective Date (a) 30 days' notice of cancellation endorsement as evidenced on all certificates of insurance including the premium finance agreement and

(b) additional insured endorsements as evidenced on all certificates of insurance.

6.Insurance Premiums - all additional insurance premiums required to be paid in connection with changes to insurance policies required by Lender as of the Effective Date shall be paid by the Loan Parties within 10 days after the date each such change was implemented or bound by the insurer.

7.Immediate Repairs - Borrower shall complete the following repairs within 180 days of the Effective Date except for the current inspection tags item below, which shall be completed within 30 days after the Effective Date:

a.Phillipsburg:

i.Roof drainage appeared clogged and needs clearing - $2,500

ii.Suspect water damage was observed at damaged drywall above a window on the mezzanine level. Approximately a 3' by 2' area above an arched window in need of moisture remediation, drywall repair and repainting. - $1,200

b.Boonton:

i.Areas of linear cracking, map cracking and deterioration were observed on the asphalt pavement. Repair of the damaged areas and crack sealing is recommended. - $3,600

ii.Current inspection tags were not observed on the main control panel. Necessary inspection by a licensed professional and display of current inspection tags is recommended. - $1,000 within 30 days of closing

8.Blocked Account - Borrower shall establish the Blocked Account and execute and deliver to Lender, and cause Blocked Account Bank to execute and deliver to Lender, the Control Agreement, in form and substance reasonably satisfactory to Lender within fifteen (15) days after the Effective Date.

9.Boonton Lien Release - Borrower shall provide evidence to Lender of the release of the approximately $20,000 Lien affecting the NJ Real Property located in Boonton, New Jersey within 5 days after the Effective Date.

10.Estoppel Certificates - Within 10 days after the Effective Date, Borrower shall request the landlords at the Lodi Assets, Maplewood Asses and the Harmony Assets to provide estoppel certificates with respect to the leases of such facilities. The failure to obtain any such estoppel certificates shall not constitute a default or Event of Default hereunder.

11.Boonton Odor Violations - Within 60 days after the Effective Date, Borrower shall provide documentation that Administrative Order and Notice of Civil Administrative Penalty Assessment Nos. PEA210002 and PEA210003, issued by the New Jersey Department of Environmental Protection ("DEP"), have been resolved to the satisfaction of DEP. In the event that such Administrative Orders are not resolved within 60 days, Borrower shall provide evidence that it is taking best efforts to resolve the outstanding violations; that the delay is not caused by Borrower; and that Borrower is making progress towards such resolution. Borrower shall also provide timely updates, no less than once per quarter, regarding the status of its administrative hearing to resolve Administrative Order and Notice of Civil Administrative Penalty Assessment No. PEA220001 issued by DEP, and provide any orders, agreements and/or judgments associated with such administrative order once they become available. In the event that DEP takes enforcement action pursuant to the aforementioned Administrative Order and Notice of Civil Administrative Penalty Assessments that has a Material Adverse Effect or a material adverse effect on the ability to operate the Boonton Assets, such action shall be considered an Event of Default.

SCHEDULE 7.1
DESCRIPTION OF CONSTRUCTION WORK

-Door hardware
-Final clean
-Receipt of Certificate of Occupancy

SCHEDULE 7.2

APPROVED CONSTRUCTION BUDGET[1]

1 NTD: Borrower to provide.

SCHEDULE 11.1

LIST OF DISQUALIFIED LENDERS

Name
1933 Industries, Inc. and any of its Affiliates
4Front Ventures Corp. and any of its Affiliates
Ascend Wellness Holdings Inc and any of its Affiliates
Ayr Wellness Inc Sub Ltd and any of its Affiliates
C21 Investments, Inc. and any of its Affiliates
Cansortium, Inc. and any of its Affiliates
Captor Capital Corp. and any of its Affiliates
Columbia Care Inc and any of its Affiliates
Cresco Labs Inc. and any of its Affiliates
Curaleaf Holdings Inc and any of its Affiliates
Flower One Holdings, Inc. and any of its Affiliates
Glass House Brands Inc and any of its Affiliates
Green Thumb Industries Inc and any of its Affiliates
Jushi Holdings Inc. and any of its Affiliates
MariMed Inc. and any of its Affiliates
Medicine Man Technologies Inc. and any of its Affiliates
MedMen Enterprises, Inc. and any of its Affiliates
Planet 13 Holdings Inc and any of its Affiliates
Planet 13 Holdings, Inc. and any of its Affiliates
SLANG Worldwide, Inc. and any of its Affiliates
Stateside Holdings, Inc. and any of its Affiliates
TILT Holdings, Inc. and any of its Affiliates
TPCO Holding Corp. and any of its Affiliates
Trulieve Cannabis Corp and any of its Affiliates
Unrivaled Brands, Inc. and any of its Affiliates
Verano Holdings and any of its Affiliates
AFC Gamma, Inc. and any of its Affiliates
Measure 8 Venture Partners and any of its Affiliates

SCH. 11.1

EXHIBIT A
FORM OF DISBURSEMENT REQUEST PELORUS FUND

REIT, LLC
124 Tustin Avenue, Suite 200 Newport Beach, CA
92663 Attn: Lee Scholtz
Email: lee@pelorusequitygroup.com

'**Borrower**") Loan #_ ("**Loan**")

Ladies and Gentlemen:

Pursuant to the terms of that certain Loan Agreement dated as of [_], 202_ (the "**Loan Agreement**"), and the representations, warranties and covenants set forth therein and herein, Borrower hereby submits a disbursement request for the amount of $[_]. Initially capitalized terms used but not defined herein shall have the same meanings as in the Loan Agreement

This disbursement request (this "**Request**") shall be deemed to be a representation by Borrower and the person/entity signing this Request in its capacity as authorized representative of Borrower (in the case of the person/entity signing this Request, to person's/entity's knowledge) that: (a) no Event of Default or Default has occurred or will exist upon the making of the disbursement requested herein; (b) the representations and warranties contained in the Loan Agreement and in the other Loan Documents are, as of the date hereof, true, correct and complete in all material respects; (c) all information set forth in this Request and on any exhibit attached hereto is true, correct and complete in all material respects; and (d) all conditions precedent to the disbursement to be made in connection with this Request as required under the Loan Agreement and the other Loan Documents have been satisfied.

This Request is submitted as of _, 20_.

[BORROWER], a [_]

By: _ Name: _ Title: _

EXHIBIT A-1

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among **TERRASCEND NJ LLC** a New Jersey limited liability company ("**TerrAscend NJ**"), **HMS HAGERSTOWN, LLC** a Delaware limited liability company ("**MD Propco**"), **HMS PROCESSING, LLC**, a Maryland limited liability company ("**MD Opco 1**"), **HMS HEALTH, LLC**, a Maryland limited liability company ("**MD Opco 2**" and, together with MD Opco 1, individually and collectively, as the context may require, "**MD Opco**"; each of TerrAscend NJ, MD Propco and MD Opco are referred to herein individually and collectively, as the context may require, as "**Borrower**"), **TERRASCEND CORP.**, an Ontario corporation ("**Canadian Parent**"), **TERRASCEND USA, INC.**, a Delaware corporation ("**American Parent**" and, together with Canadian Parent, individually and collectively, as the context may require, "**Parent**"), **WELL AND GOOD, INC.**, a Delaware corporation, and **WDB HOLDING MD, INC.**, a Maryland corporation (Well and Good, Inc., and WDB Holding MD, Inc. are referred to herein individually and collectively, as the context may require, as "**Guarantor**"), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, "**Lender**"), and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.15 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan (as well as any Note evidencing such Loan) in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Borrower with a certificate of its non-U.S. Person status on IRS Form W- 8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower, and (2) the undersigned shall have at all times furnished the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT A-2
FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among **TERRASCEND NJ LLC** a New Jersey limited liability company ("**TerrAscend NJ**"), **HMS HAGERSTOWN, LLC** a Delaware limited liability company ("**MD Propco**"), **HMS PROCESSING, LLC**, a Maryland limited liability company ("**MD Opco 1**"), **HMS HEALTH, LLC**, a Maryland limited liability company ("**MD Opco 2**" and, together with MD Opco 1, individually and collectively, as the context may require, "**MD Opco**"; each of TerrAscend NJ, MD Propco and MD Opco are referred to herein individually and collectively, as the context may require, as "**Borrower**"), **TERRASCEND CORP.**, an Ontario corporation ("**Canadian Parent**"), **TERRASCEND USA, INC.**, a Delaware corporation ("**American Parent**" and, together with Canadian Parent, individually and collectively, as the context may require, "**Parent**"), **WELL AND GOOD, INC.**, a Delaware corporation, and **WDB HOLDING MD, INC.**, a Maryland corporation (Well and Good, Inc., and WDB Holding MD, Inc. are referred to herein individually and collectively, as the context may require, as "**Guarantor**"), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, "**Lender**"), and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.15 of the Credit Agreement, the undersigned hereby certifies that
(i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that
(1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT A-3
FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among **TERRASCEND NJ LLC** a New Jersey limited liability company ("**TerrAscend NJ**"), **HMS HAGERSTOWN, LLC** a Delaware limited liability company ("**MD Propco**"), **HMS PROCESSING, LLC**, a Maryland limited liability company ("**MD Opco 1**"), **HMS HEALTH, LLC**, a Maryland limited liability company ("**MD Opco 2**" and, together with MD Opco 1, individually and collectively, as the context may require, "**MD Opco**"; each of TerrAscend NJ, MD Propco and MD Opco are referred to herein individually and collectively, as the context may require, as "**Borrower**"), **TERRASCEND CORP.**, an Ontario corporation ("**Canadian Parent**"), **TERRASCEND USA, INC.**, a Delaware corporation ("**American Parent**" and, together with Canadian Parent, individually and collectively, as the context may require, "**Parent**"), **WELL AND GOOD, INC.**, a Delaware corporation, and **WDB HOLDING MD, INC.**, a Maryland corporation (Well and Good, Inc., and WDB Holding MD, Inc. are referred to herein individually and collectively, as the context may require, as "**Guarantor**"), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, "**Lender**"), and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.15 of the Credit Agreement, the undersigned hereby certifies that
(i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation, (iii) with respect to such participation, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and
(v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption:
(i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF PARTICIPANT]

By:_ Name:
Title:

Date: _, 20[ ]

313271651.15

EXHIBIT A-4

FORM OF U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is hereby made to the Credit Agreement dated as of [ ] (as amended, supplemented or otherwise modified from time to time, the "**Credit Agreement**"), among **TERRASCEND NJ LLC** a New Jersey limited liability company ("**TerrAscend NJ**"), **HMS HAGERSTOWN, LLC** a Delaware limited liability company ("**MD Propco**"), **HMS PROCESSING, LLC**, a Maryland limited liability company ("**MD Opco 1**"), **HMS HEALTH, LLC**, a Maryland limited liability company ("**MD Opco 2**" and, together with MD Opco 1, individually and collectively, as the context may require, "**MD Opco**"; each of TerrAscend NJ, MD Propco and MD Opco are referred to herein individually and collectively, as the context may require, as "**Borrower**"), **TERRASCEND CORP.**, an Ontario corporation ("**Canadian Parent**"), **TERRASCEND USA, INC.**, a Delaware corporation ("**American Parent**" and, together with Canadian Parent, individually and collectively, as the context may require, "**Parent**"), **WELL AND GOOD, INC.**, a Delaware corporation, and **WDB HOLDING MD, INC.**, a Maryland corporation (Well and Good, Inc., and WDB Holding MD, Inc. are referred to herein individually and collectively, as the context may require, as "**Guarantor**"), and **PELORUS FUND REIT, LLC**, a Delaware limited liability company (together with its successors and/or assigns, "**Lender**"), and each lender from time to time party thereto.

Pursuant to the provisions of Section 2.15 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan (as well as any Note evidencing such Loan) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan (as well as any Note evidencing such Loan), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a "bank" extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a "10 percent shareholder" of the Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a "controlled foreign corporation" related to the Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Borrower with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided in this certificate changes, the undersigned shall promptly so inform the Borrower, and (2) the undersigned shall have at all times furnished the Borrower with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

Unless otherwise defined herein, terms defined in the Credit Agreement and used herein shall have the meanings given to them in the Credit Agreement.

[NAME OF LENDER]

By:_ Name:
Title:

Date: _, 20[ ]

EXHIBIT B

DEFINITION OF "SPECIAL PURPOSE ENTITY"

"**Special Purpose Entity**" means a Person, other than an individual, which, since the date of its formation and at all times prior to, on and after the date thereof, has complied with and shall at all times comply with the following requirements:

(a)Was, is and will be formed solely for the purpose of acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, financing, managing and operating the Property and any lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(b)Is not, and will not be engaged in any business unrelated to acquiring, developing, owning, holding, selling, leasing, transferring, exchanging, financing managing and operating the Property and any lawful business that is incident, necessary and appropriate to accomplish the foregoing;

(c)Does not have and will not have any assets other than those related to the Property;

(d)Is not engaged in, sought or consented to, and will, to the fullest extent permitted by law, not engage in, seek or consent to, (i) any dissolution, winding up, liquidation, consolidation, merger, or sale of all or substantially all of its assets, (ii) except as permitted under the terms of this Agreement, any transfer of partnership or membership interests (if such entity is a general partner in a limited partnership or a member in a limited liability company), or (iii) any amendment of its limited partnership agreement, articles of incorporation, articles of organization, certificate of formation or operating agreement (as applicable) with respect to the matters set forth in this definition without the written consent of Lender;

(e)Is, and intends to remain solvent and has paid and intends to continue to pay its debts and liabilities (including, as applicable, shared personnel and overhead expenses) from its assets as the same have or shall become due, and has maintained, is currently maintaining and will endeavor to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations;

(f)Will not fail, to correct any known misunderstanding regarding the separate identity of such entity;

(g)Will maintain its accounts, financial statements, books, and records separate from any other Person and has not permitted, and will not permit, its assets to be listed as assets on the financial statement of any other entity (provided that Borrower's assets may be included in a consolidated financial statement of its Affiliates provided that (i) appropriate notation shall be made on such consolidated financial statements to indicate the separateness of Borrower and such Affiliates and to indicate that Borrower's assets and credit are not available to satisfy the debts and other obligations of such Affiliates or any other Person, and (ii) such assets shall be listed on Borrower's own separate balance sheet);

(h)Files its own tax returns, except to the extent that it (i) is required to file consolidated tax returns by law, or (ii) is treated as a disregarded entity for federal or state tax purposes;

(i)Other than as provided in this Agreement, (i) does not and will not commingle, its funds or assets with those of any other Person and (ii) does not and will not participate in any cash management system with any other Person;

(j)Holds and will hold its assets in its own name;

(k)Will not acquire obligations or securities of its partners, members or shareholders or any other Affiliate;

(l)Will allocate, fairly and reasonably, any overhead expenses that are shared with any Affiliate, including paying for shared office space and services performed by any employee of an Affiliate;

(m)Maintains and uses, and will maintain and use, invoices and checks bearing its name, and all invoices, and checks utilized by such Person or utilized to collect its funds or pay its expenses have borne and shall bear its own name and have not borne and shall not bear the name of any other entity unless such entity is clearly designated as being such Person's agent;

(n)Conducts and will conduct its business in its name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower, and has held itself out and identified itself, and will hold itself out and identify itself, as a separate and distinct entity under its own name or in a name franchised or licensed to it by an entity other than an Affiliate of Borrower and not as a division or part of any other Person, except in each case for services rendered under a business management services agreement with an Affiliate that complies with the terms contained in clause (x) below, so long as the manager, or equivalent thereof, under such business management services agreement holds itself out as an agent of Borrower;

(o)Maintains and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any other Person;

(p)Will not identify its constituent partners, members or shareholders (as applicable), or any Affiliate of any of them, as a division or part of it, and has not identified itself, and shall not identify itself, as a division of any other Person;

(q)Will not enter into or be a party to, any transaction with its partners, members, shareholders or Affiliates except (i) in the ordinary course of its business and on terms which are intrinsically fair, commercially reasonable and are no less favorable to it than would be obtained in a comparable arm's-length transaction with an unrelated third party, (ii) in accordance with the NJ Operating Agreement or (iii) to the extent permitted by the term of this Agreement;

(r)Does not have and will not have any obligation to indemnify, and has not indemnified and will not indemnify, its partners, officers, directors, managers or members, as the case may be, unless such an obligation was and is fully subordinated to the Obligations and will

not constitute a claim against such Person in the event that cash flow in excess of the amount required to pay the Obligations is insufficient to pay such obligation;

(s)Will not consent to any other Person (i) operating its business in the name of such Special Purpose Entity, (ii) acting in the name of such Special Purpose Entity, (iii) using such Special Purpose Entity's stationery or business forms, (iv) holding out its credit as being available to satisfy the obligations of such Special Purpose Entity, (v) having contractual liability for the payment of any of the liabilities of such Special Purpose Entity (except pursuant to the limited extent provided under the Loan Documents), or (vi) failing to at all times specify to all relevant third parties that it is acting in a capacity other than as the applicable Special Purpose Entity.

Exhibit 10.11

PROMISSORY NOTE

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THIS PROMISSORY NOTE (THIS "*NOTE*") AND THE RIGHTS AND OBLIGATIONS EVIDENCED HEREBY ARE SUBORDINATE IN THE MANNER AND TO THE EXTENT SET FORTH IN THAT SUBORDINATION AGREEMENT (AS DEFINED BELOW). ANY HOLDER OF THIS NOTE ACKNOWLEDGES THAT THE OBLIGATIONS HEREUNDER ARE SUBORDINATE TO THE LOANS, DEBT AND OTHER OBLIGATIONS UNDER THE LOAN DOCUMENTS (AS DEFINED BELOW) AS SET FORTH IN THE SUBORDINATION AGREEMENT, THAT THE SENIOR LENDER IS AN EXPRESS THIRD PARTY BENEFICIARY OF SECTION 12 HEREOF, THAT THE RIGHTS AND REMEDIES OF ANY HOLDERS ARE EXPRESSLY LIMITED BY THE PROVISIONS OF THIS NOTE AND THE SUBORDINATION AGREEMENT AND THAT THIS NOTE MAY NOT BE AMENDED, MODIFIED OR RESTATED WITHOUT THE PRIOR WRITTEN CONSENT OF THE SENIOR LENDER.

$25,000,000 October 11, 2022 (the "***Issue Date***")

FOR VALUE RECEIVED (which shall include, but not be limited to, the assignment by each Minority Member of 1 Common Unit pursuant to that certain Assignment of Membership Interests of even date herewith (such assignment of membership interests, the "***Assignment***")) on and from the Note Effective Date, **TERRASCEND NJ LLC**, a New Jersey limited liability company ("***Borrower***"), hereby promises to pay **BWH NJ LLC,** a New Jersey limited liability company and **BLUE MARBLE VENTURES LLC**, a New Jersey limited liability company (each a "***Minority Member***" and together, the "***Minority Members***" or "***Lender***"), in lawful money of the United States of America and/or pursuant to a Canadian Parent Share Issuance, the principal sum equal to Twenty Five Million Dollars ($25,000,000) (the "***Loan***") due and payable on the Trigger Date and in the manner set forth below.

1.Principal Repayment. The outstanding principal amount of the Loan shall be due and payable on the Trigger Date. The Borrower shall not have any right to prepay this Note, in whole or in part, except as expressly permitted by the Subordination Agreement.

2.Place of Payment. All amounts payable hereunder shall be payable at the office of Lender, unless another place of payment shall be specified in writing by Lender.

3.Application of Payments. Payment on this Note shall be made to each Minority Member pro rata to their membership interest in Borrower at the time of such payment. Notwithstanding anything to the contrary in this Note, the parties to this Note acknowledge that in no event shall the aggregate amount payable by Borrower under this Note exceed Twenty Five Million Dollars ($25,000,000).

4.Repayment of Loan. All outstanding principal with respect to the Note (such amount the "***Final Payment Amount***") shall be due and payable on the Trigger Date, provided that no cash payment of the Final Payment Amount shall be made or accepted in accordance with the Subordination Agreement unless and until a Senior Loan Payment in Full occurs; provided that, to the extent the Final Payment Amount is not satisfied in full following a Senior Loan Payment in Full (as defined in the Subordination Agreement) (such amount repaid, the "***Repaid Amount***"), an amount equal to the difference between the Final Payment Amount and the Repaid Amount (such amount, the "***Unpaid Amount***") shall be deemed to be satisfied and

repaid in full upon the Canadian Parent Share Issuance.

5.Representations and Warranties. Borrower and Canadian Parent represent and warrant to Lender as follows:

(a)Borrower is duly organized and validly existing in good standing under the laws of New Jersey;

(b)Each of Borrower and Canadian Parent has the power and authority, and the legal right, to execute and deliver this Note and to perform its obligations hereunder;

(c)The execution and delivery of this Note by Borrower and Canadian Parent and the performance of their respective obligations hereunder have been duly authorized by all necessary corporate action in accordance with all applicable laws;

(d)No consent or authorization of, filing with, notice to or other act by, or in respect of, any governmental entity or any other person is required in order for Borrower or Canadian Parent to execute, deliver, or perform any of its obligations under this Note;

(e)The execution and delivery of this Note and the consummation by Borrower and Canadian Parent of the transactions contemplated hereby and thereby do not and will not violate any provision of Borrower's or Canadian Parent's organizational documents; and

(f)This Note is a valid, legal and binding obligation of Borrower and Canadian Parent, enforceable against Borrower and Canadian Parent in accordance with its terms.

9.Waiver. Borrower waives presentment and demand for payment, notice of dishonor, protest and notice of protest of this Note, and shall pay all costs of collection when incurred, including, without limitation, reasonable attorneys' fees, costs and other expenses.

The right to plead any and all statutes of limitations as a defense to any demands hereunder is hereby waived to the full extent permitted by law.

10.Governing Law. This Note shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey, excluding conflict of laws principles that would cause the application of laws of any other jurisdiction.

11.Successors and Assigns. The provisions of this Note shall inure to the benefit of and be binding on any successor to Borrower and shall extend to any holder hereof.

12.Subordination and Third Party Beneficiary Provisions. Anything contained in this Note to the contrary notwithstanding, the maker and payee of this Note each acknowledge and agree that so long as that certain Subordination and Intercreditor Agreement, dated as of the date hereof, made by Pelorus Fund REIT, LLC (together with its successors and/or assigns, "***Senior Lender***"), Minority Members, and Borrower (as the same may be assigned, extended, amended, consolidated, split and severed from time to time, the "***Subordination Agreement***") has not been terminated, the indebtedness evidenced by this Note shall be subject to the terms and provisions of the Subordination Agreement and the rights of the other parties thereto. This Note may not be repaid, prepaid, amended, modified, restated or supplemented in a manner in violation of the Subordination Agreement. This Note and amounts hereunder shall only be prepaid or repaid in accordance with Sections 1, 4 and 13 hereof. Furthermore, this Note, including this Section 12, may not be amended, modified, supplemented or otherwise restated without the prior written consent of the Senior Lender under the Subordination Agreement. Senior Lender is an express third-party beneficiary of this Section 12.

13.Share Issuance. If for any reason Borrower fails to repay the Loan in full within 90 days following the Trigger Date, Canadian Parent agrees to immediately effectuate the Canadian Parent Share Issuance and, the "Unpaid Amount" for the purposes of this Section 13, shall be an amount equal to the difference between (x) the outstanding principal amount with respect to the Note and (y) any amount recovered by the Minority Members following a foreclosure of the NJ Mortgage as of such date, provided that, such amount shall not, in any event exceed $25,000,000; and provided further, that nothing herein shall obligate the Minority Members to foreclose on the NJ Mortgage as a condition precedent to the Canadian Parent Share Issuance.

14.Definitions. As used in this Note, the following capitalized terms have the following meanings:

"***Canadian Parent Share Issuance***" shall mean the issuance by TerrAscend Corp., an Ontario corporation (the "***Canadian Parent***"), of shares of its common stock (the "***Common Shares***") to Minority Members in satisfaction of any Unpaid Amount. The number of shares to be so issued shall be determined by dividing the Unpaid Amount by the average closing price of the Common Shares on the OTCQX (or any other stock exchange on which the Common Shares are then solely or primarily traded) on the five trading days immediately following the date of the Canadian Parent Share Issuance. The Canadian Parent Share Issuance shall be made pursuant to a stock issuance agreement in customary form to be negotiated in good faith by the parties and entered into prior to the Canadian Parent Share Issuance. Canadian Parent has agreed to undertake any and all steps to accomplish the registration of the Common Shares so that all Common Shares issued hereunder shall be fully registered and freely tradeable by Minority Members, without restriction of any kind. Notwithstanding anything to the contrary set forth herein, in no event shall the number of shares issued in the Canadian Parent Share Issuance exceed 19.99% of the total outstanding Common Shares of the Canadian Parent, based on the number of Common Shares outstanding on the date of the Canadian Parent Share Issuance, unless approved by the shareholders of the Canadian Parent.

"***Loan Agreement***" shall mean that certain Loan Agreement dated as of October 11, 2022, by and between TerrAscend NJ LLC, a New Jersey limited liability company, HMS Hagerstown, LLC, a Delaware limited liability company, HMS Processing, LLC, a Maryland limited liability company, HMS Health, LLC, a Maryland limited liability company (each as a "Borrower"), TerrAscend Corp., an Ontario corporation, TerrAscend USA, Inc., a Delaware corporation, Well and Good Inc., a Delaware corporation, and WDB Holding MD, Inc., a Maryland corporation (each as a "Guarantor"), and Senior Lender (as amended, modified, supplemented and/or amended and restated from time to time).

"***Loan Agreement Event of Default***" shall mean "Event of Default" as defined in the Loan Agreement.

"***Loan Documents***" shall have the meaning ascribed to that term in the Loan Agreement. "***Majority Member***" shall mean Well and Good Inc., a Delaware corporation.

"***NJ Mortgage***" shall mean that certain second priority mortgage executed and delivered by Borrower in favor of Minority Members in respect of (a) certain parcel of real property located at 130 Old Denville Road, Boonton, New Jersey 07005, and (b) that certain parcel of real property located at 55 South Main Street, Phillipsburg, New Jersey 08865, each as more particularly described in NJ Mortgage, and all appurtenances thereto.

"***Note Effective Date***" shall mean the date in which the following conditions are satisfied:

(a)Borrower shall deliver to Minority Members a duly executed NJ Mortgage to Minority Members;

(b)the Subordination Agreement is duly executed by each of the parties thereto; and

(c)an assignment of membership interests in respect of the Assignment is duly executed by the parties thereto.

"***Trigger Date***" shall mean the first date on which Senior Lender has either (i) accelerated the loan evidenced by the Loan Agreement or (ii) taken affirmative action to exercise its right under the Senior Mortgage to foreclose on (or to exercise a power of sale contained in) the Senior Mortgage (as defined in the Subordination Agreement) in respect of a Loan Agreement Event of Default that remains uncured following the expiration of any applicable grace or cure period.

[*Signature page follows*]

IN WITNESS WHEREOF, Borrower and Parent have executed this Promissory Note as of the date first set forth above.

TERRASCEND NJ LLC,
a New Jersey limited liability company

By: /s/ Keith Stauffer

Name: Keith Stauffer Title: Authorized Officer

TERRASCEND CORP.,
an Ontario corporation

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer

Exhibit 10.12

DEBT SETTLEMENT AGREEMENT

THIS AGREEMENT is made as of December 9, 2022 (the "**Settlement Date**") **BETWEEN**:

TERRASCEND CORP., a corporation incorporated under the laws of the Province of Ontario ("**TerrAscend**")

-AND -

ARISE BIOSCIENCE, INC., a corporation existing under the laws of the State of Delaware ("**Arise**")

-AND -

TERRASCEND CANADA INC., a corporation incorporated under the laws of the Province of Ontario ("**TerrAscend Canada**" and together with Arise, the "**Debt Issuers**")

-AND -

CANOPY USA, LLC, a limited liability company existing under the laws of the State of Delaware ("**Canopy USA**")

-AND -

CANOPY USA I LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario ("**Canopy USA LP I**")

-AND -

CANOPY USA III LIMITED PARTNERSHIP, a limited partnership existing under the laws of the Province of Ontario ("**Canopy USA LP III**", together with Canopy USA LP I, the "**Canopy USA LPs**" and, together with Canopy USA, the "**Canopy USA Entities**")

WHEREAS:

A.On October 24, 2022, Canopy Growth Corporation ("**Canopy Growth**"), certain of its wholly- owned subsidiaries and Canopy USA completed a series of transactions to effect a reorganization (the "**Reorganization**"). Pursuant to the Reorganization, among other things, Canopy USA or entities controlled by Canopy USA acquired from Canopy Growth or subsidiaries of Canopy Growth:

i.38,890,570 exchangeable shares ("**Exchangeable Shares**") in the capital of TerrAscend;

ii.an option to acquire 1,072,450 common shares of TerrAscend ("**Common Shares**")

for an aggregate exercise price of $1.00 (the "**TerrAscend Option**");

iii. 2,152,733 Common Share purchase warrants (the "**Warrants**") with an exercise price of $3.74 per Common Share (the "**TerrAscend 1A Warrants**");

iv. 15,656,242 Warrants with an exercise price of $5.14 per Common Share (the "**TerrAscend 1B Warrants**");

v. 2,225,714 Warrants with an exercise price of $5.95 per Common Share (the "**TerrAscend 2A Warrants**");

vi. 333,723 Warrants with an exercise price of $6.49 per Common Share (the "**TerrAscend 2B Warrants**");

vii. 1,926,983 Warrants with an exercise price of $15.28 per Common Share (the "**TerrAscend 3A Warrants**"); and

viii. 178,735 Warrants with an exercise price of $17.19 per Common Share (the "**TerrAscend 3B Warrants**", together with the TerrAscend 1A Warrants, TerrAscend 1B Warrants, the TerrAscend 2A Warrants, TerrAscend 2B Warrants and TerrAscend 3A Warrants, the "**TerrAscend Warrants**").

B. Following completion of the Reorganization:

i. Canopy USA LP I is the registered owner of the TerrAscend 3A Warrants and the TerrAscend 3B Warrants;

ii. Canopy USA II Limited Partnership is the registered owner of 38,890,570 Exchangeable Shares and the TerrAscend Option; and

iii. Canopy USA LP III is the registered owner of the TerrAscend 1A Warrants, the TerrAscend 1B Warrants, the TerrAscend 2A Warrants and the TerrAscend 2B Warrants.

C. In connection with the Reorganization, Canopy USA LP I also acquired ownership of a non- convertible debenture (the "**Arise Debenture**") dated December 10, 2020 issued by Arise, with an aggregate principal amount of US$20,000,000 bearing interest, commencing upon the third anniversary of the date of issuance, at 6.1% per annum and maturing on December 10, 2030 or such earlier date in accordance with the terms of the Arise Debenture.

D. In connection with the Reorganization, Canopy USA LP III also acquired ownership of:

a. a non-convertible debenture (the "**TerrAscend Debenture**") dated March 10, 2020 issued by TerrAscend Canada, with an aggregate principal amount of $80,526,000 bearing interest at 6.1% per annum and maturing on March 10, 2030 or such earlier date in accordance with the terms of the TerrAscend Debenture; and

b. a $13,243,000 loan receivable owing by TerrAscend Canada pursuant to the terms of a loan agreement dated February 4, 2020 (the "**TerrAscend Loan**" and together with the Arise Debenture and the TerrAscend Debenture, the "**Debt Obligations**"), with the

principal amount bearing interest at 6% per annum and maturing on October 2, 2024 or such earlier date in accordance with the terms of the TerrAscend Loan.

E. The parties hereto wish to restructure the arrangements and agreements described above as set forth below, on the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the premises and of the covenants, agreements, representations and warranties set out below, the parties covenant and agree as follows:

1. INTERPRETATION

1.1 Definitions

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

(a) "**Affiliate**" means any Person that directly or indirectly controls, is controlled by, or is under common control with, a Party. For purposes of the preceding sentence, "control" means possession, directly or indirectly, of the power to direct or cause direction of management and policies through ownership of voting securities, contract, voting trust or otherwise;

(b) "**Agreement**" means this Agreement, including its recitals and schedules, as amended and supplemented;

(c) "**Antitrust Laws**" means the *Competition Act* (Canada), the *Sherman Antitrust Act of 1890*, the *Clayton Act of 1914*, the *Hart-Scott-Rodino Antitrust Improvements Act of 1976*, the *Federal Trade Commission Act of 1914*, and all other Applicable Laws that are designed or intended to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade or lessening of competition through merger or acquisition;

(d) "**Applicable Laws**" means (a) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation or by-law (zoning or otherwise), which, for certainty, includes Canadian Securities Laws; (b) any judgement, order, writ, injunction, decision, ruling, decree or award; (c) any regulatory policy, practice, protocol, guideline or directive; or (d) any franchise, licence, qualification, authorization, consent, exemption, waiver, right, permit or other approval, in each case, of any Governmental Authority or any municipal, state or federal cannabis regulatory authority and having the force of law, binding on or affecting the Party referred to in the context in which the term is used or binding on or affecting the property of such Party, all of the foregoing as may exist;

(e) "**Canadian Securities Laws**" means, collectively, and, as the context may require, applicable securities laws of each of the provinces of Canada and the respective regulations and rules under those securities laws together with all applicable policy statements, instruments, notices, blanket orders and rulings of the securities regulatory authorities in each of the provinces of Canada;

(f)"**Cannabis Laws**" means all Applicable Laws and rules, regulations and policies of any Governmental Authority having jurisdiction over TerrAscend and its subsidiaries with respect to the possession, ownership, storage, distribution, sale, promotion and disposal of any cannabis or related product distributed or sold by TerrAscend or its subsidiaries, including, without limitation, the *Cannabis Act*, S.C. 2018, c.16, the *Cannabis Regulations*, SOR/2018-144;

(g)"**Confidential Information**" means the terms of this Agreement and any other information and intellectual property concerning any matters affecting or relating to the business, operations, assets, results or prospects of the Parties, including information regarding plans, budgets, costs, processes and other data, except to the extent that such information has already been publicly released by a Party as allowed herein or that the Party providing such information can demonstrate was previously publicly released by a Person who did not do so in violation or contravention of any duty or agreement;

(h)"**CSE**" means the Canadian Securities Exchange;

(i)"**Governmental Authorities**" means any municipal, regional, provincial, state or federal governments and their agencies, authorities, branches, departments, commissions or boards, having or claiming jurisdiction over a Person and/or such Person's assets including, for greater certainty, Health Canada, U.S. state cannabis regulators and the CSE, and "**Governmental Authority**" shall mean any one of the Governmental Authorities as the context requires;

(j)"**Parties**" means the parties to this Agreement and "**Party**" means any one of them; and

(k)"**Person**" means an individual, legal personal representative, corporation, body corporate, firm, partnership, trust, trustee, syndicate, joint venture, unincorporated organization or Governmental Authority.

1.2Gender and Number

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.

1.3Headings, Etc.

The division of this Agreement into Articles, Sections, Subsections, Exhibits and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.

1.4Currency

All references in this Agreement to dollars, unless otherwise specifically indicated, are expressed in the currency of Canada.

1.5Severability

Any article, section, subsection, exhibit or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed from this

Agreement and be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof or thereof.

1.6Governing 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. For the purposes of legal proceedings, this Agreement shall be deemed to have been made in the said Province and to be performed therein and the courts of that Province shall have jurisdiction over all disputes which may arise under this Agreement. The Parties hereby irrevocably and unconditionally submit to the non-exclusive jurisdiction of such courts.

1.7Interpretation

Unless otherwise expressly provided in this Agreement, if any matter in this Agreement is subject to the determination, consent or approval of the Canopy USA Entities or is to be acceptable to the Canopy USA Entities, such determination, consent, approval or determination of acceptability will be in the sole discretion of the Canopy USA Entities, which means the Canopy USA Entities shall have sole and unfettered discretion, without any obligation to act reasonably. If any provision in this Agreement refers to any action taken or to be taken by a Person, or which a Person is prohibited from taking, such provision will be interpreted to include any and all means, direct or indirect, of taking, or not taking, such action. When used in the context of a general statement followed by a reference to one or more specific items or matters, the term "including" shall mean "including, without limitation" and the use of the term "includes" shall mean "includes, without limitation".

2.ISSUANCE OF NEW SECURITIES

In consideration of the premises and of the covenants, agreements, representations and warranties set out herein, TerrAscend and the Canopy USA Entities agree that on the Settlement Date:

(a)all of the TerrAscend Warrants shall be cancelled; and

(b)TerrAscend shall deliver to the Canopy USA Entities, as consideration for extinguishing the Debt Obligations, including all principal and interest on the amounts outstanding thereunder, an aggregate of 24,601,467 Exchangeable Shares of TerrAscend (collectively, the "**New Shares**") and warrants to purchase 22,474,130 Common Shares (the "**New Warrants**" and, together with the "**New Shares**", the "**New Securities**") with an expiration date of December 31, 2032 in the form attached hereto as Exhibit "A" as follows:

(i)5,349,020 New Shares to Canopy USA LP I;

(ii)19,252,447 New Shares to Canopy USA LP III;

(iii)473,601 New Warrants to Canopy USA LP I with an exercise price of $3.74;

(iv)1,679,132 New Warrants to Canopy USA LP III with an exercise price of $3.74;

(v)3,444,373 New Warrants to Canopy USA LP I with an exercise price of $5.14;

(vi)12,211,869 New Warrants to Canopy USA LP III with an exercise price of $5.14;

(vii)489,657 New Warrants to Canopy USA LP I with an exercise price of $5.95;

(viii)1,736,057 New Warrants to Canopy USA LP III with an exercise price of $5.95;

(ix)73,419 New Warrants to Canopy USA LP I with an exercise price of $6.49;

(x)260,304 New Warrants to Canopy USA LP III with an exercise price of $6.49;

(xi)423,936 New Warrants to Canopy USA LP I with an exercise price of $15.28;

(xii)1,503,047 New Warrants to Canopy USA LP III with an exercise price of $15.28;

(xiii)39,322 New Warrants to Canopy USA LP I with an exercise price of $17.19; and

(xiv)139,413 New Warrants to Canopy USA LP III with an exercise price of $17.19.

3.DEBT SETTLEMENT AND SECURITY MATTERS

In accordance with the terms of this Agreement, in consideration for and only upon the issuance of the New Securities to the Canopy USA Entities, as applicable, the Canopy USA LPs, as applicable, acknowledge and agree that:

(a)all of the Debt Obligations shall be extinguished and all principal and interest on the amounts outstanding thereunder, together with all fees and expenses and other amounts owing in respect of the Debt Obligations shall be settled and extinguished;

(b)any and all guarantees and security documents delivered in connection with the Debt Obligations (collectively, the "**Security**") shall be released;

(c)all agreements, documents or other instruments evidencing or comprising the Security or the indebtedness, liabilities and obligations thereby secured are hereby cancelled and terminated and are of no further force or effect;

(d)the Debt Obligations and the Security shall automatically terminate and be of no further force or effect and TerrAscend and its subsidiaries (including, without limitation, TerrAscend Canada and Arise) shall be released and discharged from all obligations, liabilities, claims and demands under and in respect of the Debt Obligations and the Security;

(e)the Canopy USA LPs, as applicable, shall release to TerrAscend or as TerrAscend may direct any and all pledged collateral (including, without limitation, any and all pledged securities) in its possession securing the Debt Obligations; and

(f)the Canopy USA LPs, as applicable, shall release their interest in all policies of insurance held by it in respect of any of TerrAscend or any of its subsidiaries' assets and agrees that any notation of such interest may be deleted from all such policies.

Notwithstanding the foregoing or any other provision contained in this Agreement, TerrAscend and its subsidiaries (including, for greater certainty, each of the Debt Issuers and each other person obligated under the Debt Obligations, Security or the other documents delivered in connection therewith) shall remain liable for any and all indemnification and other provisions of the Debt Obligations, Security and

the other documents delivered in connection therewith which by their terms survive termination of the Debt Obligations.

Each of the Canopy USA LPs, as applicable, represents and warrants that, since the date of the Reorganization, it has not sold, assigned, encumbered or granted any interest in any of the Debt Obligations or the Security, or agreed to do any of the foregoing.

Each of the Canopy USA LPs, as applicable, authorizes TerrAscend and its agents (including, without limitation, Bennett Jones LLP) (collectively, the "**Designees**") to prepare and/or file on behalf of the applicable Canopy USA LPs discharge statements and termination statements with respect to those registrations and filings made pursuant to the Debt Obligations and the Security (and each of the Canopy USA LPs acknowledges and agrees that such Designees may rely on the provisions of this Agreement as their good and sufficient authority for so doing). All filings, termination statements, discharges, releases, notices and any other instruments or actions proposed to be signed, completed, filed, registered, notified or otherwise taken by the Designees shall be subject to the prior written approval of the applicable Canopy USA LP or its counsel, acting reasonably. Each Designee shall, promptly after completion, provide the applicable Canopy USA LP and its counsel with copies of all filings, termination statements, discharges, releases, notices and any other instruments or actions so signed, completed, filed, registered, notified or otherwise taken by it pursuant hereto.

Upon the reasonable request of TerrAscend and as soon as reasonably practicable following such request, in each case at the expense of TerrAscend, the Canopy USA LPs, as applicable, shall execute and deliver to TerrAscend additional terminations and discharges of the Security and each of the Canopy USA LPs' security interests on, and in, TerrAscend's and its subsidiaries' assets and personal property as are necessary to evidence the termination and discharge of such security interests of or in favour of the Canopy USA LPs as they relate to the Debt Obligations.

4.SECURITIES LAW MATTERS

4.1Canadian Prospectus Exemption

Each of the Canopy USA Entities hereby represents and warrants to TerrAscend that it is purchasing the New Securities as principal for its own account and that it is an "accredited investor" within the meaning of the *Securities Act* (Ontario) and applicable Canadian securities laws.

4.2No Registration

The Canopy USA Entities understand and acknowledge that the Securities have not been and will not be registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States and the offer and sale of the Securities to each Canopy USA Entity is being made on the basis of such Canopy USA Entity being an "accredited investor" as defined in Rule 501(a) of Regulation D and/or a "qualified institutional buyer" as defined in Rule 144A of the Securities Act in reliance on the private placement exemption provided by Rule 506(b) of Regulation D under the Securities Act and/or under Section 4(a)(2) of the Securities Act and similar exemption applicable under state securities laws.

4.3Acknowledgements of the Canopy USA Entities

The Canopy USA Entities acknowledge that:

(a)the Canopy USA Entities have not received or been provided with a prospectus, offering memorandum (within the meaning of Canadian Securities Laws) or any sales or advertising literature in connection with the transactions contemplated in this Agreement, or any document purporting to describe the business and affairs of TerrAscend which has been prepared for review by prospective purchasers to assist in making an investment decision in respect of the New Securities and each of the Canopy USA Entities' decision to subscribe for the New Securities was not based upon, and each such Canopy USA Entity has not relied upon, any oral or written representations as to facts made by or on behalf of TerrAscend except as set forth herein. Each of the Canopy USA Entities' decision to subscribe for the New Securities was based solely upon this Agreement, the representations, warranties, covenants and acknowledgements of TerrAscend contained herein, and information about TerrAscend which is publicly available, including information filed on SEDAR under TerrAscend's profile at www.sedar.com (any such information not having been provided by TerrAscend and having been obtained by the Canopy USA Entities);

(b)any certificate or certificates representing the Securities shall bear a restrictive legend stating that such securities have not been registered under the Securities Act and applicable state securities laws and referring to restrictions on the transferability and sale thereof and/or that book entries for uncertificated Securities will include similar restrictive notifications; and

(c)TerrAscend is relying on an exemption from the requirement to provide the Canopy USA Entities with a prospectus under Canadian Securities Laws and, as a consequence of acquiring the New Securities pursuant to such exemption:

(i)certain protections, rights and remedies provided by Canadian Securities Laws, including statutory rights of rescission or damages and certain statutory remedies against an issuer, underwriter, auditors, directors and officers that are available to investors who acquire securities offered by a prospectus, will not be available to the Canopy USA Entities;

(ii)the common law may not provide investors with an adequate remedy in the event that they suffer investment losses in connection with securities acquired in a private placement;

(iii)the Canopy USA Entities may not receive information that would otherwise be required to be given under Canadian Securities Laws; and

(iv)TerrAscend is relieved from certain obligations that would otherwise apply under Canadian Securities Laws.

4.4Acknowledgements of the Parties

TerrAscend, the Debt Issuers, and the Canopy USA Entities acknowledge that:

(a)any U.S. state cannabis license owned by TerrAscend, the Debt Issuers or their affiliates (collectively, the "**TerrAscend Licensees**") were issued to the TerrAscend Licensees; that such licenses are generally nontransferable and remain the property of the TerrAscend Licensees; and that nothing in this Agreement shall be construed as a transfer, assignment, sale, or conveyance of such licenses to the Canopy USA Entities or

to any other person. It is the intent of the Parties that this Agreement does not result in any change of ownership and control (as defined by Applicable Law) of TerrAscend or in a lease, sublease or subcontract of any license owned by the TerrAscend Licensees to the Canopy USA Entities; and

(b)the Parties acknowledge that this Agreement may be submitted to Governmental Authorities and may be subject to approval if required by Applicable Law.

5.REPRESENTATIONS AND WARRANTIES

5.1Representations and Warranties of the Canopy USA Entities

Each of the Canopy USA Entities hereby makes the following representations and warranties (individually and not jointly or severally) and acknowledge that TerrAscend is relying upon the accuracy of each such representation and warranty in connection with the matters and transactions contemplated herein:

(a)Each Canopy USA Entity is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation.

(b)Each Canopy USA Entity has the requisite power and authority to conduct its business as presently conducted in the jurisdictions in which it currently carries on business, including the execution, delivery and performance of this Agreement.

(c)The execution, delivery and performance of this Agreement has been duly authorized by all necessary or proper corporate and shareholder action.

(d)This Agreement has been duly executed and delivered and constitutes a legal, valid and binding obligation of such Canopy USA Entity enforceable against it in accordance with its terms, subject only to:

(i)applicable bankruptcy, insolvency, liquidation, reorganization, reconstruction, moratorium laws or similar laws affecting creditors' rights generally; and

(ii)the fact that the availability of equitable remedies, such as specific performance and injunctive relief, are in the discretion of a court and may not be available where damages are considered an equitable remedy.

(e)The execution, delivery and performance of this Agreement does not and will not contravene any provision of each Canopy USA Entity's constating documents or any resolutions passed by the directors (or any committee thereof) or shareholders of such Canopy USA Entity.

(f)Each of the Canopy USA Entities is (x) a qualified institutional buyer (as defined in Rule 144A of the Securities Act), or (y) an accredited investor (as defined in Rule 501 of the Securities Act).

5.2Representations and Warranties of TerrAscend and the Debt Issuers

TerrAscend and each of the Debt Issuers hereby makes the following representations and warranties (individually and not jointly or severally) and acknowledge that the Canopy USA Entities are relying

upon the accuracy of each such representations and warranties in connection with the matters and transactions contemplated herein:

(a)TerrAscend and the Debt Issuers are corporations duly incorporated, organized, validly existing and in good standing under the laws of its jurisdiction of incorporation.

(b)TerrAscend and the Debt Issuers have the requisite corporate power and authority to conduct its business as presently conducted in the jurisdictions in which it currently carries on business, including the execution, delivery and performance of this Agreement.

(c)The Common Shares are listed on the CSE and no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of TerrAscend has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of TerrAscend, are pending, contemplated or threatened by any regulatory authority.

(d)TerrAscend is a reporting issuer in Ontario, British Columbia and Alberta and is not included on the list of issuers in default in each such province.

(e)As of the date hereof, the outstanding share capital of TerrAscend consists of 258,580,542 Common Shares, 13,208 preferred shares in the capital of TerrAscend, 38,890,570 Exchangeable Shares and 13,504,500 units of a subsidiary of TerrAscend that are convertible into 13,504,500 Common Shares.

(f)The execution, delivery and performance of this Agreement have been duly authorized by all necessary or proper corporate and shareholder action.

(g)This Agreement has been duly executed and delivered and constitute legal, valid and binding obligations of TerrAscend and each of the Debt Issuers enforceable against them in accordance with its terms, subject only to:

(i)applicable bankruptcy, insolvency, liquidation, reorganization, reconstruction, moratorium laws or similar laws affecting creditors' rights generally; and

(ii)the fact that the availability of equitable remedies, such as specific performance and injunctive relief, are in the discretion of a court and may not be available where damages are considered an equitable remedy.

(h)The execution, delivery and performance of this Agreement does not and will not contravene any provision of TerrAscend's or each of the Debt Issuers' constating documents or any resolutions passed by the directors (or any committee thereof) or shareholders of TerrAscend or each of the Debt Issuers.

(i)The New Shares have been duly and validly authorized and allotted for issuance by TerrAscend and, when issued and delivered by TerrAscend pursuant to this Agreement, the New Shares will be validly issued as fully paid and non-assessable Exchangeable Shares and will be free of restrictions on transfer, other than restrictions on transfer set forth under applicable securities legislation.

(j)The New Warrants to be issued have been duly and validly authorized and created by TerrAscend and, when issued and delivered by TerrAscend pursuant to this Agreement, the New Warrants will be validly issued and will be free of restrictions on transfer, other

than restrictions on transfer set forth under applicable securities legislation.

(k)The Common Shares issuable upon exercise of the New Warrants have been duly and validly authorized and allotted for issuance by TerrAscend and, upon exercise of the New Warrants in accordance with their terms and when issued and delivered by TerrAscend, against payment of the consideration thereof, the Common Shares underlying the New Warrants will be validly issued as fully paid and non-assessable Common Shares and will be free of restrictions on transfer, other than restrictions on transfer set forth under applicable securities legislation.

(l)The Common Shares issuable upon conversion of the New Shares have been duly and validly authorized and allotted for issuance by TerrAscend and, upon conversion of the New Shares in accordance with their terms and when issued and delivered by TerrAscend, the Common Shares issuable upon conversion of the New Shares will be validly issued as fully paid and non-assessable Common Shares and will be free of restrictions on transfer, other than restrictions on transfer set forth under applicable securities legislation.

(m)The execution and delivery of this Agreement and certificates representing the New Warrant, as applicable, and the fulfilment of the terms of such documents by TerrAscend and the issuance and delivery of the New Securities to be issued do not and will not require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange or other third-party.

5.3Survival of Representations and Warranties

Each representation, warranty, and covenant contained in this Agreement shall survive for 12 months after the completion of the transactions contemplated herein.

6.COVENANTS

(a)TerrAscend shall, if required, file, with the applicable securities commission, a report of exempt distribution on Form 45-106F1 – *Report of Exempt Distribution*;

(b)TerrAscend shall cause to be filed, and cooperate with the Canopy USA Entities to make any filings, deemed necessary to the applicable Governmental Authorities regarding the transactions contemplated by this Agreement, including providing any requested documentation about the TerrAscend Licensees in a prompt and reasonable manner; and

(c)the Parties shall cooperate and use all reasonable efforts to obtain and diligently assist the other Party in obtaining all necessary consents, approvals, and authorizations under any Applicable Laws to the transactions contemplated by this Agreement, including, without limitation, to such consents, approvals, and authorizations and amendments, variations or changes to each of the foregoing, as mandated by the Antitrust Laws and Cannabis Laws, including as these may be amended from time to time, and the policies of the CSE.

7.MISCELLANEOUS

7.1Confidentiality

(a)All Confidential Information shall be treated as confidential by the Parties and shall not be disclosed to any other Person other than in circumstances where a Party has an obligation to disclose such information in accordance with Applicable Law, in which case, such disclosure shall only be made after consultation with the other Parties (if reasonably practicable and permitted by Applicable Law).

(b)In the event that a Party hereto determines that a public announcement or other disclosure of the transactions contemplated hereby (each an "**Announcement**") becomes necessary under Applicable Law, it will provide notice to the other Party as soon as reasonably possible, and, subject to the Parties' timely disclosure obligations, shall not release such Announcement until the form and content of the Announcement is approved by the other Party acting reasonably.

(c)Notwithstanding the foregoing, each of the Parties acknowledges and agrees that:

a.TerrAscend and the Canopy USA Entities shall each be permitted to disclose all such information as may be required under applicable Canadian Securities Laws;

b.TerrAscend and the Canopy USA Entities may each disclose Confidential Information to:

i.a Person providing financing or funding to TerrAscend or the Canopy USA Entities, as applicable, together with such prospective financier's consultants and advisors (financial and legal); and

ii.any prospective purchaser of the New Securities, together with such prospective purchaser's financiers, consultants and advisors (financial and legal),

so long as, in each case, prior to receiving any such information the recipient enters into a confidentiality agreement with the disclosing Party pursuant to which the recipient provides a confidentiality undertaking in favour of TerrAscend and the Canopy USA Entities to maintain the confidentiality of the Confidential Information in a manner consistent with this Agreement; and

c.each of the Parties may disclose Confidential Information to their respective directors, officers and employees (and the directors, officers and employees of their respective Affiliates) and the directors, officers, partners or employees of any financial, accounting, legal and professional advisors of such Party and its Affiliates, as well as any contractors and subcontractors of such Party, provided that each of such individuals to whom Confidential Information is disclosed is advised of the confidentiality of such information and is directed to abide by the terms and conditions of this Section 7.1; and, notwithstanding the foregoing, the Canopy USA Entities may disclose Confidential Information to Canopy Growth and its directors, officers and employees (and the directors, officers and employees of the Affiliates of Canopy Growth) and the directors, officers, partners or employees of any financial, accounting, legal and professional

advisors of Canopy Growth and its Affiliates, as well as any contractors and subcontractors of Canopy Growth.

The provisions of this Section 7.1 shall apply indefinitely.

7.2Notices

All notices, requests, demands or other communications (collectively, "Notices") by the terms hereof required or permitted to be given by one Party to another Party, or to any other Person shall be given by e- mail as the primary and required form of notice with return receipt confirmed and, as a supplemental form of notice only, in writing by personal delivery or by registered mail, postage prepaid, or by facsimile transmission to such other party at:

(a)to the Canopy USA Entities at:

Canopy USA, LLC
35715 US Hwy 40, Ste D102
Evergreen, CO
80439

Attention: Legal
Email: contracts@canopycannabis.com with a copy to:
Cassels Brock & Blackwell LLP 40
King Street West, Suite 2100 Toronto,
Ontario
M5H 3C2

Attention: Jonathan Sherman Email:
jsherman@cassels.com

(b)to TerrAscend or the Debt Issuers at: TerrAscend Corp.

3610 Mavis Road,
Mississauga, Ontario L5C
1W2

Attention: Lynn Gefen, Chief Legal Officer Email:
legal@terrascend.com

and

Attention: Jason Wild
Email: jwild@jwfunds.com with a copy to:
Bennett Jones LLP

One First Canadian Place, Suite 3400 Toronto,
Ontario
M5X 1A4

Attention: Aaron Sonshine
Email: sonshinea@bennettjones.com

or at such other address as may be given by such Party to the other Parties hereto in writing from time to time. All such Notices shall be deemed to have been received when delivered or transmitted, or, if mailed, 72 hours after 12:01 a.m. on the day following the day of the mailing thereof. If any Notice shall have been mailed and if regular mail service shall be interrupted by strikes or other irregularities, such Notice shall be deemed to have been received 72 hours after 12:01 a.m. on the day following the resumption of normal mail service, provided that during the period that regular mail service shall be interrupted, all Notices shall be given by personal delivery, by facsimile transmission or by e-mail.

7.3Invalidity of any Provisions

Any provision of this Agreement which is prohibited by the laws of any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition without invalidating the remaining terms and provisions hereof or thereof.

7.4Amendments

This Agreement may only be amended by written agreement signed by each of the Parties hereto.

7.5Further Assurances

Each of the Parties shall execute and deliver such further documents and do such further acts and things as may be reasonably required from time to time to carry out the full intent and meaning of this Agreement.

7.6Entire Agreement

This Agreement, including the Exhibits attached hereto, sets forth the entire understanding of the Parties with respect to the subject matter hereof and supersedes all existing agreements between them concerning such subject matter.

7.7No Notice of Trust

The Canopy USA Entities or its legal representative will be regarded as exclusively entitled to the benefit of this Agreement and all Persons may act accordingly and TerrAscend shall not be bound to enter in the register notice of any trust or, except as by some court of competent jurisdiction ordered, to recognize any trust or equity affecting the title to this Agreement.

7.8Expenses

Whether or not the transactions contemplated by this Agreement shall be consummated, each Party shall pay its own expenses incurred in connection herewith.

7.9U.S. Federal Law

THE CULTIVATION, PRODUCTION AND DISTRIBUTION OF CANNABIS IS ILLEGAL UNDER U.S. FEDERAL LAW. NO PARTY WILL ARGUE THAT THIS AGREEMENT IS INVALID FOR PUBLIC POLICY REASONS AND/OR BASED ON ITS VIOLATION OF
U.S. FEDERAL CANNABIS LAWS. EACH PARTY EXPRESSLY WAIVES THE RIGHT TO PRESENT ANY DEFENSE RELATED TO THE FEDERAL ILLEGALITY OF CANNABIS AND AGREES THAT SUCH DEFENSE SHALL NOT BE ASSERTED, AND WILL NOT APPLY, IN ANY DISPUTE OR CLAIM ARISING OUT OF THIS AGREEMENT.

[Signature Page Follows]

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

TERRASCEND CORP.

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer

ARISE BIOSCIENCE, INC.

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer

TERRASCEND CANADA INC.

By: /s/ Keith Stauffer

Name: Keith Stauffer
Title: Chief Financial Officer

CANOPY USA, LLC

By: /s/ David Klein

Name: David Klein
Title: Authorized Signatory

CANOPY USA I LIMITED
PARTNERSHIP, by its general partner CANOPY USA, LLC

By: /s/ David Klein

Name: David Klein

Title: Authorized Signatory

CANOPY USA III LIMITED
PARTNERSHIP, by its general partner CANOPY USA, LLC

By: /s/ David Klein

Name: David Klein

Title: Authorized Signatory

EXHIBIT

“A” FORM OF NEW WARRANT

THESE WARRANTS AND THE UNDERLYING SECURITIES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE **"SECURITIES ACT"**) AND MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, ASSIGNED, PLEDGED OR HYPOTHECATED UNLESS AND UNTIL REGISTERED UNDER THE SECURITIES ACT OR UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY AND ITS COUNSEL THAT SUCH REGISTRATION IS NOT REQUIRED.

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE APRIL 10, 2023.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL APRIL 10, 2023 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON THE EXPIRY DATE (AS DEFINED HEREIN) AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

WARRANTS TO PURCHASE UP TO [●] COMMON SHARES OF

TerrAscend

Corp. (existing under the laws of Ontario)

Warrant Certificate Number – 2022-12-[●]

Number of Warrants represented by this certificate: [●]

THIS CERTIFIES that, for value received, [***Name and registered address of Holder***] (the "**Holder**"), is the registered holder of [●] warrants (collectively, the "**Warrants**"; each a "**Warrant**"), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the "**Certificate**"), to purchase from TerrAscend Corp. (the "**Corporation**"), one common share in the capital of the Corporation (a "**Common Share**"), at any time prior to 5:00 p.m. (Toronto time) on December 31, 2032 (the "**Expiry Date**"), at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the "**Time of Expiry**"), on payment of a price per Common Share equal to CAD$[●], subject to adjustment as set forth herein (the "**Exercise Price**"). The number of Common Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Common Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

1.Exercise of Warrants.

(a)Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the "**Election to Purchase**"), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Common Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation. In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Common Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Common Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.

(b)Exercise.

The Corporation shall, within two trading days after receiving a duly executed Election to Purchase and the Exercise Price for the number of Common Shares specified in the Election to Purchase (the "**Exercise Date**"), issue that number of Common Shares specified in the Election to Purchase.

(c)Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall, as specified by the Holder in the Election to Purchase, either

(i) issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Common Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants, or (ii) in the case of the Common Shares, issue and cause to be deposited electronically with CDS Clearing and Depository Services Inc. ("**CDS**") through the book-based system administered by CDS using the "**non- certificated inventory**" issue process that number of Common Shares issuable on exercise of the Warrants so exercised and, in the case of the Warrants, a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Common Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Common Shares and unexercised Warrants represented thereby. Notwithstanding the above, all Common Shares issued to a United States "**accredited investor**" as defined in Rule 501(a) of Regulation D under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), who is not a "**qualified institutional buyer**" (as that term

is used in Rule 144A of the U.S. Securities Act), will be evidenced by physical certificates.

(d)Fractional Common Shares. No fractional Common Shares shall be issued upon exercise of the Warrants represented by this Certificate.

(e)Adjustments. The subscription rights in effect under the Warrants for Common Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:

(i)If, at any time from the date hereof until the Time of Expiry (the "**Adjustment Period**"), the Corporation shall:

(A)subdivide, re-divide or change its outstanding Common Shares and/or its non-voting and non-participating exchangeable shares in the capital of the Corporation (the "**Exchangeable Shares**") into a greater number of Common Shares or Exchangeable Shares;

(B)reduce, combine or consolidate its outstanding Common Shares and/or Exchangeable Shares into a lesser number of Common Shares or Exchangeable Shares; or

(C)issue Common Shares and/or Exchangeable Shares to all or substantially all of the holders of Common Shares or Exchangeable Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Common Shares and/or Exchangeable Shares upon the exercise of warrants, options, restricted share units or other exchangeable or convertible securities of the Corporation);

(any of such events in subsections 1(e)(i)(A), 1(e)(i)(B) or 1(e)(i)(C) being called a "**Common Share Reorganization**") then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Common Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the increase in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the decrease in the number of outstanding Common Shares and/or Exchangeable Shares resulting from such reduction, combination or consolidation, in each case by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Common Shares outstanding on such effective date or record date before giving effect to such Common Share Reorganization and the denominator of which shall be the number of Common Shares outstanding as of the effective date or record date after giving effect to such Common Share Reorganization. Such

adjustment shall be made successively whenever any event referred to in this subsection 1(e)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(e)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Common Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. "**Exchange Rate**" means the number of Common Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one (1) Common Share for one (1) Warrant.

(ii)If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares and/or Exchangeable Shares) at a price per Common Share (or having a conversion or exchange price per Common Share) less than 95% of the Current Market Price (as defined below) on the date of announcement of such issuance (a "**Rights Offering**"), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus a number of Common Shares and/or Exchangeable Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price, and of which the denominator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date plus the total number of additional Common Shares and/or Exchangeable Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Common Shares and/or Exchangeable Shares (or securities convertible or exchangeable into Common Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(ii), the Exchange Rate

will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment.

(iii)If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Common Shares and/or Exchangeable Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Common Shares and/or Exchangeable Shares), (ii) rights, options or warrants to subscribe for or purchase Common Shares and/or Exchangeable Shares (or other securities convertible into or exchangeable for Common Shares and/or Exchangeable Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Common Share Reorganization, a Rights Offering or a distribution of Common Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price on such record date, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Common Shares and/or Exchangeable Shares, and of which the denominator shall be the total number of Common Shares and/or Exchangeable Shares outstanding on such record date multiplied by the Current Market Price. Any Common Shares and/or Exchangeable Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment.

(iv)If and whenever at any time during the Adjustment Period, there is a reclassification of the Common Shares and/or Exchangeable Shares or a capital reorganization of the Corporation other than as described in subsection 1(e)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Common Shares that prior to such effective date the Holder would have been entitled to receive the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Common Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(e)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(e) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.

(v)If and whenever at any time during the Adjustment Period the Corporation or a subsidiary of the Corporation shall make an issuer bid or a tender or exchange offer (other than an odd lot offer or a normal course issuer bid) to all or substantially all of the holders of Common Shares and/or

Exchangeable Shares for all or any portion of the Common Shares and/or Exchangeable Shares where the cash and the value of any other consideration included in such payment per Common Share and/or Exchangeable Shares exceeds the Current Market Price on the trading day immediately preceding the commencement of the issuer bid or tender or exchange offer (any such issuer bid or tender or exchange offer being called an "**Issuer Bid**"), the Exercise Price shall be adjusted to a price determined by multiplying the applicable Exercise Price in effect on the date of the completion of such Issuer Bid by a fraction, the numerator of which shall be the product of (A) the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of any tendered or exchanged shares) and (B) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid, and the denominator of which shall be the sum of (A) the fair market value (determined by the board of directors of the Corporation, acting reasonably and in good faith) of the aggregate consideration paid by the Corporation or subsidiary to holders of Common Shares and/or Exchangeable Shares upon the completion of such Issuer Bid, and (B) the product of (I) the difference between the number of Common Shares and/or Exchangeable Shares outstanding immediately prior to the completion of the Issuer Bid (without giving effect to any reduction in respect of tendered or exchanged shares) and the number of Common Shares and/or Exchangeable Shares actually purchased by the Corporation or subsidiary pursuant to the Issuer Bid, and
(II) the Current Market Price on the trading day immediately preceding the commencement of the Issuer Bid.

(vi)In any case in which this subsection 1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Common Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Common Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Common Shares and/or Exchangeable Shares declared in favour of holders of record of Common Shares and/or Exchangeable Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(e)(vi), have become the holder of record of such additional Common Shares pursuant to this subsection 1(e).

(vii)In any case in which subsection 1(e)(i)(C), subsection 1(e)(ii) or subsection 1(e)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives,

subject to any required stock exchange or regulatory approval, the rights or warrants referred to in subsection 1(e)(i)(C), subsection 1(e)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(e)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Common Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Common Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.

(viii)Each Common Share issued upon exercise of Warrants shall be entitled to receive, in addition to any Common Shares received in connection with such exercise, rights under the shareholder rights plan or equivalent plan, if any, and the certificates (if applicable) representing the Common Shares issued upon such exercise shall bear such legends, if any, in each case as may be provided by the terms of any shareholder rights plan or equivalent plan adopted by the Corporation, as the same may be amended from time to time, and the Exercise Price shall not be adjusted in connection therewith. If prior to any exercise of Warrants, however, such rights have separated from the Common Shares in accordance with the provisions of the applicable shareholder rights agreement, the Exercise Price shall be adjusted at the time of separation as if the Corporation distributed to all holders of Common Shares, rights options or warrants as described in subsection 1(e)(iii), subject to readjustment in the event of the expiration, termination or redemption of such rights.

(ix)The adjustments provided for in this subsection 1(e) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(e), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Common Shares issuable upon the exercise of a Warrant by at least one one-hundredth of a Common Share; provided, however, that any adjustments which by reason of this subsection 1(e)(ix) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.

(x)After any adjustment pursuant to this subsection 1(e), the term "**Common Shares**", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), the Holder is entitled to receive upon the exercise of Warrants, and the number of Common Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Common Shares or other property or

securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), upon the full exercise of a Warrant.

(xi)All Common Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(e), shall, for the purposes of the interpretation of this Certificate, be deemed to be Common Shares which such Holder is entitled to acquire pursuant to such Warrant.

(xii)Notwithstanding anything in this subsection 1(e), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Common Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.

(xiii)As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Common Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Common Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.

(xiv)The Corporation shall from time to time promptly after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(e), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.

(xv)The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(e) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such

notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.

(xvi)The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(e)(xiii).

(xvii)If the Corporation, after the date hereof, shall take any action affecting the Common Shares other than action described in subsection 1(e), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Common Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Common Shares are listed for trading has been obtained. No adjustments shall be made pursuant to this subsection 1(e) if the Holder is entitled to participate in any event described in this subsection 1(e) on the same terms, mutatis mutandis, as if the Holder had exercised their Warrants prior to, or on the effective date or record date (as applicable) of, such event.

(xviii)If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(e), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.

(f)Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Common Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Common Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Common Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefore, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Common Shares may be so issued without violation of any applicable requirements of any exchange upon which the Common Shares may be listed or in respect of which the Common Shares are qualified for unlisted trading privileges. The Corporation will take all such actions

as are within its power to ensure that all such Common Shares may be so issued without violation of any applicable law.

(g)Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Common Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.

(h)Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares issuable upon the exercise of the Warrants to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.

(i)Current Market Price. For the purposes of any computation hereunder, the "**Current Market Price**" at any date shall be the volume-weighted average price ("**VWAP**") per Common Share for the 20 consecutive trading days ending five

(5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The VWAP shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

2.Transfer of Warrants. Subject to applicable securities laws, the Warrants represented by this Certificate are transferable by the Holder to any person, upon delivery of this Certificate and a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the "**Transfer Form**") or such other instrument of transfer in such form as the Corporation may from time to time prescribe and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the

U.S. Securities Act or any applicable state securities laws. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the

transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant in accordance with the terms hereof, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.

3.U.S. Registration.

(a)Neither the Warrants represented by this Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:

(i)(A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;

(A)did not execute or deliver the exercise form while in the United States;

(B)delivery of the Common Shares will not be to an address in the United States; and

(C)has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or

(ii)is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "**accredited investors**" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or

(iii)is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "**qualified institutional buyer**" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "**accredited investor**" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act) and all the representations, warranties and covenants agreed upon or made by the Holder, or any beneficial purchaser, as the case may be during the purchase of the Warrants

from the Corporation continue to be true and correct as of the date of exercise; or

(iv)is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Common Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

"**U.S. person**" and "**United States**" are as defined in Regulation S under the U.S. Securities Act.

(b)All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to subparagraphs 3(a)(ii) or 3(a)(iv) above on the exercise of the rights represented by this Certificate will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "**CORPORATION**") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR
(D)IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT

CONSTITUTE "**GOOD DELIVERY**" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA."

provided, that if the Common Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and

provided further, that if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

4.Replacement. Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.

5.Expiry Date. The Warrants represented by this Certificate shall expire and all rights to purchase Common Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on the Expiry Date.

6.Successor Corporations.

(a)The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a "**successor corporation**") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:

(i)the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and

(ii)the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.

(b)Whenever the conditions of subsection 6(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.

7.Covenants and Compliance Obligations. So long as any Warrants remain outstanding the Corporation covenants that:

(a)it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario; and

(b)if the issuance of the Common Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Common Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.

8.Governing Law. The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.

9.Successors. This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its successors.

10.General. All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

11.Signature and Electronic Copies. This Certificate may, if agreed by the Holder, be signed digitally or by other electronic means, which shall be deemed to be an original and shall be deemed to have the same legal effect and validity as a certificate bearing an original signature. A signed copy of this Certificate transmitted by facsimile, email or other electronic transmission shall be deemed to have the same legal effect and validity as delivery of an originally executed copy of this Certificate, provided that if this Certificate bears a digital or electronic signature as contemplated above and the Corporation is delivering this Certificate by electronic transmission pursuant to this Section 11, then the Corporation represents to the Holder that the electronically transmitted Certificate is the only executed copy to be issued to the Holder by the Corporation.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of December _, 2022.

TERRASCEND CORP.

Per:
Authorized Signing Officer

SCHEDULE 1

ELECTION TO PURCHASE

TO: TerrAscend Corp.

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Common Shares (or other property or securities subject thereto) as set forth below:

Payment of Exercise Price

(a)Number of Warrants to be Exercised: #_

(b)Number of Common Shares to be Acquired: #_

(c)Exercise Price per Common Share: $_

(d)Aggregate Purchase Price [(b) multiplied by (c)] $_

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Common Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

☐ (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
(v)did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Common Shares occurred in an "**offshore transaction**" (as defined under Regulation S under the U.S. Securities Act); OR

☐ (B) the undersigned holder

(i)is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Common Shares issuable upon such exercise, and

(ii)the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a

written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR

☐ (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an "**accredited investor**" within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof; OR

☐ (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a "**qualified institutional buyer**" (as that term is used in Rule 144A of the U.S. Securities Act and is also an "**accredited investor**" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act); and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date hereof.

The undersigned holder understands that unless Box A or Box D above is checked, the certificate representing the Common Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. "**U.S. Person**" and "**United States**" are as defined under Regulation S under the U.S. Securities Act.

If Box B or Box C is checked, any certificate representing the Common Shares issuable upon exercise of these Warrants will bear an applicable United States restrictive legend.

The undersigned hereby acknowledges that the undersigned is aware that the Common Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

[Remainder of page intentionally left blank. Signature page follows.]

DATED this _ day of _, 20__.

●

Per: Address of Registered Holder

Name of Registered Holder:

SCHEDULE 2

TRANSFER FORM

TO: TerrAscend Corp.

FOR VALUE RECEIVED, the undersigned transferor hereby sells, assigns and transfers unto

(Transferee)

(Address)

_of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

DATED this _ day of _, _.

Signature of Registered Holder (Transferor)

Print name of Registered Holder

Address

NOTE: The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

Exhibit 21.1

List of Subsidiaries of TerrAscend Corp

Subsidiary	State or Other Jurisdiction of Incorporation or Organization
TerrAscend Canada Inc.	Ontario
Solace Health Network Inc.	Ontario
TerrAscend Medical Holdings Inc.	Ontario
2627685 Ontario Inc.	Ontario
2151924 Alberta Ltd.	Alberta
2671983 Ontario Inc.	Ontario
Solace Rx Inc.	Ontario
Ascendant Laboratories Inc.	Ontario
TerrAscend USA, Inc.	Delaware
TerrAscend America, Inc.	Delaware
Arise Bioscience, Inc.	Delaware
WDB Holding PA, Inc.	Delaware
WDB Holding NV, Inc.	Delaware
WDB Holding CA, Inc.	Delaware
WDB Management CA LLC	California
WDB Holding MI, Inc.	Delaware
Well and Good, Inc.	Delaware
BTHHM Berkeley, LLC	California
V Products, LLC	California
Ilera Healthcare LLC	Pennsylvania
Ilera Dispensing LLC	Pennsylvania
IHC Real Estate GP, LLC	Delaware
IHC Real Estate LP	Delaware
Ilera Security LLC	Pennsylvania
235 Main Street Mercersburg LLC	Pennsylvania
Ilera InvestCo I, LLC	Pennsylvania
Ilera Dispensing 2 LLC	Pennsylvania
Ilera Dispensing 3 LLC	Pennsylvania
WDB Holding GA, Inc.	Georgia
Aspire Medical Partners, LLC	Georgia
WDB Holding MD, Inc.	Maryland
HMS Health, LLC	Maryland
HMS Processing LLC	Maryland
HMS Hagerstown, LLC	Delaware
TerrAscend NJ LLC	New Jersey
Oxnard Caring Project LLC	California
Capitola Caring Project, LLC	California
ABI SF LLC	California
RHMT, LLC	California
Deep Thought LLC	California
Howard Street Partners, LLC	California
IHC Management LLC	Delaware
GuadCo LLC	Pennsylvania
KCR Holdings LLC	Pennsylvania
PA Store 299 LLC	Delaware
Gage Growth Corp.	Canada
Cookies Retail Canada Corp.	Canada
Gage Innovations Corp.	Canada

2765533 Ontario Inc.	Ontario
2668420 Ontario Inc.	Ontario
TerrAscend USA Services, LLC	Delaware
Rivers Innovations, Inc.	Delaware
Rivers Innovations US South LLC	Delaware
RI SPE 1 LLC	Delaware
Apothecarium Dispensing LLC	New Jersey
Moose Curve Holdings, LLC	Maryland
Allegany Medical Marijuana Dispensary LLC	Maryland
Allegany CBD Wellness Shop Incorporated	Maryland
KISA Enterprises MI Inc.	Michigan
RKD Ventures, LLC	Michigan
AEY Holdings, LLC	Michigan
Stadium Ventures Inc.	Michigan
Thrive Enterprises LLC	Michigan
Spartan Partners Corporation	Michigan
Spartan Partners Holdings, LLC	Michigan
Spartan Partners Services LLC	Michigan
Spartan Partners Properties LLC	Michigan
Spartan Partners Licensing LLC	Michigan
Mayde US LLC	Michigan

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement No. 333-262566 on Form S-8, of our auditor's report dated March 16, 2023 with respect to the consolidated financial statements of TerrAscend Corp. (and its subsidiaries) as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022, as included in the Annual Report on Form 10-K of TerrAscend Corp. for the year ended December 31, 2022, as filed with the United States Securities and Exchange Commission.

/s/ MNP LLP
Chartered Professional Accountants
Licensed Public Accountants
March 16, 2023
Toronto, Canada

Exhibit 31.1

Certification of Principal Executive Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Ziad Ghanem, certify that:

1. I have reviewed this Annual Report on Form 10-K of TerrAscend Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange act rules 13a-15(f) and 15d-15(f) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

/s/ Ziad Ghanem
Ziad Ghanem
President and Chief Operating Officer
(Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer Pursuant to Exchange Act Rule 13a-14(a)/15d-14(a)
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Keith Stauffer, certify that:

1. I have reviewed this Annual Report on Form 10-K of TerrAscend Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in exchange act rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report), that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 16, 2023

/s/ Keith Stauffer
Keith Stauffer
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32

Certification of Principal Executive Officer and Principal Financial Officer

Pursuant to 18 U.S.C. Section 1350 as Adopted

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to the requirements set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), Ziad Ghanem, Principal Executive Officer of TerrAscend Corp. (the "Company"), and Keith Stauffer, Principal Financial Officer of the Company, each hereby certifies, that, to the best of his knowledge:

1. The Company's Annual Report on Form 10-K for the period ended December 31, 2022, to which this Certification is attached as Exhibit 32.1 (the "Periodic Report"), fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

2. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 16, 2023

/s/ Ziad Ghanem	/s/ Keith Stauffer
Ziad Ghanem	Keith Stauffer
President and Chief Operating Officer	Chief Financial Officer
(Principal Executive Officer)	(Principal Financial Officer)