

**NUTRITIONAL HIGH INTERNATIONAL INC.**

**AND**

**AST TRUST COMPANY**

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**SUPPLEMENTAL INDENTURE**

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**OCTOBER 8, 2020**

## THIS SECOND SUPPLEMENTAL INDENTURE

dated as of October 8, 2020

### BETWEEN:

**NUTRITIONAL HIGH INTERNATIONAL INC.**, a corporation incorporated under the laws of Canada and having its head office in the City of Toronto, in the Province of Ontario (hereinafter called the "**Corporation**")

### AND:

**AST TRUST COMPANY (CANADA)**, a trust company existing under the laws of Canada having an office in the City of Toronto, in the Province of Ontario (hereinafter called the "**Trustee**")

### WHEREAS:

- A. The Corporation and the Trustee executed a trust indenture dated March 14, 2018 (the "**Original Indenture**") providing for the issue of 10% senior unsecured convertible debentures (the "**Debentures**");
- B. The Corporation and the Trustee executed a supplemental indenture on December 30, 2019 (the "**First Supplemental Indenture**" and collectively with the Original Indenture, the "**Indenture**") reducing the Conversion Price from \$0.60 to \$0.15 until the Maturity Date and permitting the Corporation to pay interest on the Initial Debentures in cash or through the issuance of Common Shares;
- C. The Corporation issued Debentures in the aggregate principal amount of \$8,190,000 pursuant to the terms of the Original Indenture;
- D. Pursuant to an Extraordinary Resolution passed at a meeting of Debentureholders on October 8, 2020 pursuant to Article 12 of the Original Indenture or the written consent of the requisite Debentureholders pursuant to Section 12.12 of the Original Indenture, the Corporation wishes and the Trustee is authorized to enter into this supplemental indenture (the "**Second Supplemental Indenture**") to authorize the Corporation to make the following amendments:
- 1) a reduction in the Conversion Price from \$0.15 to \$0.02 or such lower amount as permitted by the CSE and acceptable to the Company; and
  - 2) an amendment to Section 6.7 – Forced Conversion of the Original Indenture deleting the text of the section in its entirety and replacing it with the following:

**"Section 6.7      Forced Conversion**

The Corporation may force conversion of all but not less than all of the principal amount and all accrued and unpaid interest (less any tax required by law to be deducted or withheld) of the Debenture at the Conversion Price, upon giving the Debentureholders 15 days advance written notice by way of a news release.;"

and
  - 3) The addition of a new Section 6.14 – Escrow to the Original Indenture, which shall read as follows:

**"Section 6.14      Escrow**

50% of the Common Shares issued upon conversion of the Debentures will be placed

in escrow for six months subject to early release in whole or part at the sole discretion of the Company.”

- E. The foregoing recitals are made as statements of fact by the Corporation and not by the Trustee;
- F. The Trustee has agreed to enter into this Second Supplemental Indenture and to hold all rights, interests and benefits contained herein for and on behalf of those persons who become holders of Debentures issued pursuant to the indenture as amended by this Second Supplemental Indenture from time to time;

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

1. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Indenture.
2. This Second Supplemental Indenture is supplemental to the Indenture and the Indenture shall henceforth be read in conjunction with this Second Supplemental Indenture and all of the provisions of the Indenture shall apply and have the same effect as if all the provisions of the Indenture and of this Second Supplemental Indenture were contained in one instrument and unless otherwise defined herein, all capitalized words or phrases used herein shall have the same meaning as is ascribed to those capitalized words or phrases in the Indenture.
3. On and after the date hereof, each reference to the Indenture as amended by this Second Supplemental Indenture, "this indenture", "herein", "hereby", and similar references, and each reference to the Indenture in any other agreement, certificate, document or instrument relating thereto, shall mean and refer to the Indenture as amended hereby.
4. Section 2.4(6) of the Original Indenture is hereby deleted in its entirety and replaced as follows:

"(6) Upon and subject to the provisions and conditions of Article 6 and Section 3.6, the holder of each Initial Debenture shall have the right at such holder's option, at any time prior to the close of business on the earliest of (i) the Business Day immediately preceding the Maturity Date of the Initial Debentures; (ii) if the Initial Debentures are called for redemption, on the Business Day immediately preceding the date specified by the Corporation for redemption of the Initial Debentures; or (iii) if subject to repurchase pursuant to a Change of Control, on the Business Day immediately preceding the payment date, subject to the satisfaction of certain conditions, including notice to the holders of Initial Debentures in accordance with subsection 2.4(4) and Section 4.3 (the earlier of which will be the "Time of Expiry" for the purposes of Article 6 in respect of the Initial Debentures), to convert any part, being \$1,000 or an integral multiple thereof, of the principal amount of a Debenture into Common Shares at the Conversion Price in effect on the Date of Conversion. To the extent a redemption is a redemption in part only of the Initial Debentures, such right to convert, if not exercised prior to the applicable Time of Expiry, shall survive as to any Initial Debentures not redeemed or converted and be applicable to the next succeeding Time of Expiry. Notwithstanding the foregoing, no Initial Debentures may be converted on an Interest Payment Date or during the five Business Days preceding each Interest Payment Date.

The Conversion Price in effect on the date hereof for each Common Share to be issued upon the conversion of Initial Debentures shall be equal to \$0.02 such that approximately 50,000 Common Shares shall be issued for each \$1,000 principal amount of Initial Debentures so converted. Except as provided below, no adjustment in the number of Common Shares to be issued upon conversion will be made for dividends or distributions on Common Shares issuable upon conversion, the record date for the payment of which precedes the date upon which the holder becomes a holder of Common Shares in accordance with Article 6, or for interest accrued on Initial Debentures surrendered. No

fractional Common Shares will be issued, and holders will receive a cash payment in satisfaction of any fractional interest based on the Current Market Price as of the Date of Conversion, provided, however, the Corporation shall not be required to make any payment of less than \$0.50. The Conversion Price applicable to, and the Common Shares, securities or other property receivable on the conversion of, the Initial Debentures is subject to adjustment pursuant to the provisions of Section 6.5. Holders converting their Initial Debentures will receive, in addition to the applicable number of Common Shares, accrued and unpaid interest (less any taxes required to be deducted) in respect of the Initial Debentures surrendered for conversion up to but excluding the Date of Conversion from, and including, the most recent Interest Payment Date. For clarity, payment of such interest may, at the option of the Corporation, be paid on the next regularly scheduled Interest Payment Date following the Date of Conversion. The Conversion Price will not be adjusted for accrued interest. Notwithstanding any other provisions of this Indenture, if a Debenture is surrendered for conversion on an Interest Payment Date or during the five preceding Business Days, the Person or Persons entitled to receive Common Shares in respect of the Debenture so surrendered for conversion shall not become the holder or holders of record of such Common Shares until the Business Day following such Interest Payment Date and, for clarity, any interest payable on such Debentures will be for the account of the holder of record of such Debentures at the close of business on the relevant record date. A Debenture in respect of which a holder has accepted a notice in respect of a Change of Control Offer pursuant to the provisions of subsection 2.4(8) may be surrendered for conversion only if such notice is withdrawn in accordance with this Indenture."

5. Section 6.7 - Forced Conversion of the Original Indenture is deleted in its entirety and replaced as follows:

**"Section 6.7 Forced Conversion**

The Corporation may force conversion of all but not less than all of the principal amount and all accrued and unpaid interest (less any tax required by law to be deducted or withheld) of the Debenture at the Conversion Price, upon giving the Debentureholders 15 days advance written notice by way of a news release."

6. The addition of a new Section 6.14 – Escrow the Original Indenture, which shall read as follows:

**"Section 6.14 Escrow**

50% of the Common Shares issued upon conversion of the Debentures will be placed in escrow for six months subject to early release in whole or part at the sole discretion of the Company."

7. Except as specifically amended by this Second Supplemental Indenture, the Indenture shall be and continue to be in full force and effect, unamended, and the Company hereby confirms the indenture in all other respects.

8. This Second Supplemental Indenture shall be governed by and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and shall be binding upon the parties hereto and their respective successors and assigns.

9. This Second Supplemental Indenture may be simultaneously executed in several counterparts, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument and notwithstanding their date of execution shall be deemed to bear the date set out at the top of the first page of this Second Supplemental Indenture.

[signature page follows]

**IN WITNESS WHEREOF** the parties hereto have executed this Second Supplemental Indenture under the hands of their proper officers in that behalf.

**NUTRITIONAL HIGH  
INTERNATIONAL INC.**

Per:                     *(signed)*                      
Robert Wilson, CFO

**AST TRUST COMPANY  
(CANADA)**

Per:                     *(signed)*                      
Marta Recinos

Per:                     *(signed)*                      
Radha Mulchan-Singh