

# FIRST SUPPLEMENTAL DEBENTURE INDENTURE

THIS FIRST SUPPLEMENTAL DEBENTURE INDENTURE (the “First Supplemental Indenture”) made as of the 20<sup>th</sup> day of April, 2022,

BETWEEN:

ICANIC BRANDS COMPANY INC., a corporation existing under the laws of the Province of British Columbia

(“Icanic”)

AND:

LEEF HOLDINGS, INC., a corporation existing under the laws of the State of Nevada

(the “Company”)

AND:

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Albert) with an office in the city of Calgary in the Province of Alberta

(the “Trustee”)

AND:

ODYSSEY TRUST COMPANY, a trust company incorporated under the laws of the *Loan and Trust Corporations Act* (Albert) with an office in the city of Calgary in the Province of Alberta

(the “Collateral Agent”)

WHEREAS the Company, the Trustee and the Collateral Agent entered into a debenture indenture dated June 6, 2019 (the “Indenture”) governing the terms of convertible senior secured debentures of the Company (the “Debentures”);

AND WHEREAS pursuant to a merger transaction (the “Transaction”) between the Company and Icanic pursuant to the *Nevada Revised Statutes*, effective concurrent with the date hereof (the “Effective Date”), Icanic acquired all of the issued and outstanding shares of common stock of the Company (the “Leef Shares”) in exchange for common shares in the capital of Icanic (the “Icanic Shares”) at an exchange ratio of 12.54755 of a Icanic Share for each Leef Share (the “Exchange Ratio”);

AND WHEREAS the Transaction constitutes a “Liquidity Event” under the Indenture, entitling each holder of a Debenture to convert its Debentures into Leef Shares at the Conversion Price in accordance with Section 13.01 of the Indenture;

AND WHEREAS pursuant to Sections 11.01 and 13.11 of the Indenture, upon completion of the Transaction, each holder of Debentures will no longer have the right to receive Leef Shares on conversion of its Debentures, but will have the right to receive, in lieu of Leef Shares, Icanic Shares in accordance with this First Supplemental Indenture;

**AND WHEREAS** Icanic wishes to expressly assume the obligations of the Company under the Debentures and the Indenture and, other than as provided herein, the performance or observance of every covenant and provision of the Indenture and the Debentures required on the part of the Company, as required under Section 11.01 of the Indenture;

**AND WHEREAS** pursuant to Section 11.02 of the Indenture, upon completion of the Transaction and the express assumption by Icanic of the obligations of the Company under the Debentures and the Indenture, the Company shall be relieved of all obligations and covenants under the Indenture and the Debentures, other than as provided herein;

**AND WHEREAS** in order to support the specific security granted by it in support of all obligations and covenants under the Indenture and the Debentures, the Company shall continue to be a party to the Indenture for the purposes of Article 14 of the Indenture;

**AND WHEREAS** Section 10.01(b) of the Indenture provides that the Company and the Trustee may, subject to the terms and conditions therein, enter into indentures supplemental to the Indenture evidencing the succession of others to the Company and the covenants of and obligations assumed by any such successor;

**AND WHEREAS** all necessary acts and proceedings have been done and taken and all necessary resolutions have been passed to authorize the execution and delivery of this First Supplemental Indenture, and the other documents contemplated therein, by each of Icanic and the Company, to make the same effective and binding upon Icanic and the Company, as applicable;

**AND WHEREAS** each of the Trustee and the Collateral Agent has agreed to enter into this First Supplemental Indenture, and the Trustee has agreed to hold all rights, interests and benefits contained herein for and on behalf of those persons who are holders of the Debentures issued pursuant to the Indenture, as modified by this First Supplemental Indenture, from time to time;

**AND WHEREAS** the foregoing recitals are made as representations and statements of fact by Icanic and the Company and neither by the Trustee nor the Collateral Agent;

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

## **ARTICLE 1 DEFINITIONS AND AMENDMENTS TO INDENTURE**

### **1.1 Definitions**

All capitalized terms not defined herein shall have the meanings given to them in the Indenture.

### **1.2 Amendments to Indenture**

- (a) This First Supplemental Indenture is supplemental to the Indenture, and the Indenture and this First Supplemental Indenture shall hereafter be read together and shall have effect, so far as practicable, with respect to the Indenture and the Debentures as if all the provisions of the Indenture and this First Supplemental Indenture were contained in one instrument.
- (b) As of and from the date hereof, the Indenture is amended by removing the Company as a party to the Indenture and replacing the Company with its successor, Icanic, and making all changes necessary to give full and intended effect to this amendment and to ensure consistency in the Indenture.

- (c) In accordance with Section 13.11 of the Indenture, and notwithstanding any other provision of Article 13 of the Indenture, as and from the date hereof, any holder of Debentures who exercises its right to convert Debentures pursuant to the Indenture and the Debentures shall be entitled to receive and shall accept, in lieu of Leef Shares, Icanic Shares. Upon exercise of their rights to convert Debentures pursuant to the Indenture, holders of Debentures will be entitled to convert the principal amount of their Debentures, in multiples of \$1,000, into Icanic Shares at a Conversion Price equal to \$0.12 (based on (i) a Liquidity Event Price of \$1.99 per Leef Share, discounted by 25% in accordance with Section 13.01(ii) of the Indenture and (ii) an Exchange Ratio of 12.54755 Icanic Shares for each Leef Share) subject to further adjustments in accordance with Article 13 of the Indenture.
- (d) Each Debenture Certificate outstanding immediately prior to the Effective Date shall thereafter be deemed to include the amendments made hereunder. A replacement Debenture Certificate may be issued by Icanic in exchange for such outstanding Debenture Certificate, on substantially the same terms (other than modifications to reflect Icanic as the issuer of such Debenture Certificate, the new Conversion Price and the issuance of Icanic Shares).
- (e) The Indenture is and shall remain in full force and effect with regards to all matters governing it and the Debentures, except as the Indenture is amended, superseded, modified or supplemented by this First Supplemental Indenture, and the Indenture, as amended and supplemented by this First Supplemental Indenture, is in all respects confirmed.

## **ARTICLE 2 SUCCESSOR CORPORATION**

### **2.1 Assumption of Obligations**

Except as provided in Section 2.4. hereof, Icanic hereby expressly covenants and agrees to assume and does assume all of the rights, covenants, provisions and obligations of the Company in and to the Indenture, and all of the covenants, provisions and obligations of the Company under the Debentures, in each case, as and from the date of this First Supplemental Indenture. Without limiting the generality of the foregoing, from and after the date hereof, the Debentures will be valid and binding obligations of Icanic entitling the holders thereof, as against Icanic, to all rights of Debentureholders under the Indenture such that the interests of Debentureholders are not prejudiced negatively by the changes.

### **2.2 Obligations of Icanic to issue Icanic Shares**

- (a) Icanic hereby agrees that, in accordance with Section 13.01 of the Indenture, Icanic will issue and deliver Icanic Shares payable on behalf of Leef upon any holder of a Debenture's exercise of the right of conversion, on the basis set out in Section 1.2(c) of this First Supplemental Indenture, with the intent and to the extent that any and all such obligations of Leef in respect of the issuance and delivery of Leef Shares under the Indenture will be satisfied by the issuance or delivery by Icanic of Icanic Shares rather than by the issuance or delivery by Leef of Leef Shares.
- (b) Where the Indenture refers to Leef Shares or an obligation of the Company to issue or deliver Leef Shares, the provisions of the Indenture will be read mutatis mutandis to reflect that Icanic will issue and deliver Icanic Shares and not Leef, and references to Leef having an obligation to issue or deliver Leef Shares will refer to Icanic having an obligation to issue or deliver Leef Shares.

- (c) Any issuance or delivery of Icanic Shares by Icanic pursuant to this Section 2.2 will be treated, for the purposes of the Indenture, as if issued or delivered by Leef and will have the same effect under the Indenture as if made by Leef.

### **2.3 No Fractional Shares**

In no event shall any holder of a Debenture be entitled to a fractional Icanic Share upon conversion of any Debentures. Any fractional Icanic Shares that Icanic may otherwise be required to issue to a holder of a Debenture upon conversion of the Debentures, in accordance with the terms hereof, shall be rounded down to the nearest whole number and no consideration will be paid in lieu thereof.

### **2.4 Release of the Company**

- (a) Except as otherwise provided in this Section 2.4, the parties hereby expressly acknowledge and agree that, the Company is released from all of its rights, covenants and obligations in and to the Indenture, and all of its covenants and obligations under the Debentures concurrently with Icanic's assumption of obligations in section 2.1 of this First Supplemental Indenture.
- (b) The Company shall continue to be a party to the Indenture for the purposes of Article 14 of the Indenture and, for the avoidance of doubt, all references to "the Company" in Article 14 of the Indenture and in the definitions of "Security Documents", "General Security Agreement" and "Pledge Agreement" shall continue to read if "LEEF Holdings, Inc." was spelled out in full in lieu thereof.

## **ARTICLE 3 NOTICES**

### **3.1 Notice to Icanic**

Any notice to Icanic under the provisions of the Indenture shall be valid and effective if delivered to Icanic in accordance with Section 15.03 of the Indenture at:

Icanic Brands Company Inc.  
789 West Pender Street, Suite 810  
Vancouver, British Columbia  
V6C 1H2  
Attn: Brandon Kou

Email: *[Redacted – personal information]*

With a copy to legal counsel at

McMillan LLP  
1500 – 1055 West Georgia St.  
Vancouver, BC V6E 4N7  
Attention: Desmond Balakrishnan

Email : desmond.balakrishnan@mcmillan.ca

**ARTICLE 4  
CONFIRMATION OF INDENTURE**

**4.1 Confirmation**

The Indenture as amended and supplemented by this First Supplemental Indenture is in all respects confirmed.

**ARTICLE 5  
ACCEPTANCE OF TRUST BY TRUSTEE**

**5.1 Acceptance**

The Trustee and Collateral Agent hereby accept the trusts in this First Supplemental Indenture declared and created and agrees to perform the same upon the terms and conditions hereinbefore set forth but subject to the provisions of the Indenture.

**ARTICLE 6  
ADDITIONAL MATTTTERS**

**6.1 Applicable Law**

This First Supplemental Indenture shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and shall be treated in all respects as British Columbia contracts.

**6.2 Further Assurances**

The parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this First Supplemental Indenture, and each party shall provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this First Supplemental Indenture and carry out its provisions.

**6.3 Execution**

This First 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. Delivery of an executed counterpart of a signature page of this First Supplemental Indenture by facsimile or any other electronic format (including “pdf” or “tiff” files) shall be effective as delivery of a manually executed counterpart of this First Supplemental Indenture.

*{Remainder of page intentionally left blank. Signature page follows.}*

IN WITNESS WHEREOF the parties hereto have executed these presents by the hands of their proper officers.

**ODYSSEY TRUST COMPANY, as Trustee**

By: (signed) "Dan Sander"  
Name: Dan Sander  
Title: President, Corporate Trust

By: (signed) "Amy Douglas"  
Name: Amy Douglas  
Title: Director, Corporate Trust

**ODYSSEY TRUST COMPANY, as Collateral Agent**

By: (signed) "Dan Sander"  
Name: Dan Sander  
Title: President, Corporate Trust

By: (signed) "Amy Douglas"  
Name: Amy Douglas  
Title: Director, Corporate Trust

**ICANIC BRANDS COMPANY INC.**

By: (signed) "Brandon Kou"  
Name: Brandon Kou  
Title: Chief Executive Officer

**LEEF HOLDINGS, INC.**

By: (signed) "Micah Anderson"  
Name: Micah Anderson  
Title: President