

**SECOND AMENDMENT**  
**dated as of March 9, 2022**  
**to**  
**AMENDED AND RESTATED CREDIT AGREEMENT**  
**dated as of September 29, 2021**

**THIS SECOND AMENDMENT** (this “**Amendment**”) dated as of March 9, 2022 is entered into between, among others, The Green Organic Dutchman Ltd. (the “**Borrower**”) and Cortland Credit Lending Corporation, in its capacity as agent (the “**Agent**”), for the lenders from time to time party to the Credit Agreement (as hereinafter defined).

**RECITALS**

**WHEREAS** the Borrower and the Agent are parties to an amended and restated credit agreement dated September 29, 2021, as amended by a first amendment dated November 30, 2021 (collectively, the “**Credit Agreement**”);

**AND WHEREAS** the Borrower and the Agent have agreed to amend the Credit Agreement, from and after the Amendment Effective Date (as hereinafter defined), on the terms and condition more particularly described herein;

**NOW THEREFORE**, in consideration of the premises and mutual agreements contained herein and in the Credit Agreement, the parties hereto agree as follows:

**Article 1 – Definitions**

All capitalized terms not otherwise defined herein (including the recitals above) are used as defined in the Credit Agreement, as amended hereby.

**Article 2 – Amendments**

As of the Amendment Effective Date, the Credit Agreement is hereby amended as follows:

- 2.1 Sections 8(kk) of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

“(kk) **[REDACTED – commercially sensitive information]** and”

- 2.2 Schedule “C” to the Credit Agreement is hereby amended by adding the following definitions, in alphabetical order:

“**Accounts Receivable**” means all debts, accounts (including all “accounts” as defined in the PPSA), claims, demands, monies and choses in action which are now or which may at any time hereafter be due, owing to or accruing due to or owned by a Person, together with all books, records, documents, papers and electronically recorded data and any other documents or information of any kind which in any way evidences or relates to any or all of the said debts,

accounts, claims, demands, monies and choses in action.

***“Accounts Receivable Eligibility Criteria”*** means, in respect of any Obligor, an Account Receivable of such Obligor (in this definition, individually called an "account") which satisfies all of the following eligibility criteria:

- (a) the account is subject to a first-ranking security interest held by the Agent pursuant to the Security Agreements and is not subject to any other Liens, except Permitted Encumbrances, and the Account Debtor thereof has been directed to pay the proceeds of such account to the Collections Account;
- (b) if the Account Debtor is a Governmental Authority, all requirements of Applicable Law have been satisfied in order that the assignment of such account in favour of the Agent shall be valid and enforceable;
- (c) the Account Debtor is located in an Approved Jurisdiction;
- (d) the Account Debtor is not any Obligor or any Related Person of any Obligor;
- (e) the account is not in dispute or subject to any defence, counterclaim or claim by the Account Debtor for credit, set-off, allowance or adjustment;
- (f) the Obligor does not have an obligation to hold any portion of the account in trust or as agent for any other Person (except pursuant to a statutory lien securing obligations which are not overdue);
- (g) an invoice relating to the account has been issued by the Obligor and received by the Account Debtor;
- (h) the account is not outstanding for more than ninety-one (91) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment), unless the Account Debtor is a Governmental Authority, in which case the account shall not be outstanding for more than one hundred twenty-one (121) days from the date of the invoice relating thereto (regardless of the due date specified in such invoice for payment);
- (i) the Account Debtor is not insolvent or subject to any Bankruptcy Event; and
- (j) the account is not subject to undue credit risk in the opinion of the Agent.

***“ARCA Amendment No. 2”*** means the second amendment to this Agreement dated March 9, 2022.

***“Eligible Inventory”*** means in respect of any Obligor, Inventory owned by such Obligor which complies with the Inventory Eligibility Criteria.

***“Inventory”*** means finished goods (including all “goods” as defined in the PPSA) acquired or held for sale, re-sale or lease or furnished or to be furnished under contracts of rental or service, raw materials, work in progress, finished goods, returned goods, parts or equipment acquired from third parties for re-sale, and includes all Inventory in transit.

***“Inventory Eligibility Criteria”*** means the criteria set by the Agent from time to time which identifies and sets any requirements or restrictions for the purpose of determining whether any Inventory owned by an Obligor is Eligible Inventory and includes the following eligibility criteria, which may be amended by the Agent from time to time: (i) such Inventory is not obsolete; (ii) such Inventory was not acquired by any Obligor more than 8 months from any testing date; (iii) such Inventory does not have any customer or supplier deposits applied

against it; (iv) the supplier of such Inventory does not retain any title in such Inventory; (v) such Inventory is not subject to any recall or safety restrictions in any relevant jurisdiction of sale or operations of any Obligor; (vi) such Inventory is not subject to any Potential Priority Claim or Priority Lien; (vii) such Inventory has been paid for in cash by such Obligor; (viii) such Inventory is relevant to the Obligors' business at all relevant times; and (iv) such Inventory is either: (A) located at premises owned by an Obligor; or (B) located on premises owned by any other Persons which are the subject of a duly executed landlord agreement in favour of the Agent."

- 2.3 The definition of "Advance Rate" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Advance Rate"** means: (i) with respect to Eligible Inventory, twenty-five percent (25%); and (ii) with respect to Eligible Accounts Receivable, eighty-five percent (85%)."

- 2.4 The definition of "Eligible Accounts Receivable" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Eligible Accounts Receivable"** means in respect of any Obligor, Accounts Receivable owned by such Obligor which complies with the Accounts Receivable Eligibility Criteria.

- 2.5 The definition of "Potential Priority Claims" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Potential Priority Claims"** means all amounts owing or required to be paid, where the failure to pay any such amount could give rise to a claim pursuant to any Applicable Law or otherwise, which ranks or is capable of ranking in priority to the Agent's security or otherwise in priority to any claim by the Agent for repayment of any amounts owing under this Agreement; provided that, for the purposes of calculating the Revolving Facility Margin Limit, the portion of Potential Priority Claims relating to excise tax shall exclude any deposits made in connection with any such excise tax owing."

- 2.6 The definition of "Revolving Facility Limit" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Revolving Facility Limit"** means the Base Facility Amount at such time, plus the Revolving Facility Margin Limit at such time, provided that such aggregate amount shall not at any time exceed \$30,000,000."

- 2.7 The definition of "Revolving Facility Margin Limit" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Revolving Facility Margin Limit"** means, at any time: (i) the book value of Eligible Inventory at such time (which, for greater certainty, excludes any Inventory subject to any Potential Priority Claims or Priority Liens) multiplied by the Advance Rate applicable to Eligible Inventory; plus (ii) the face amount of Eligible Accounts Receivable at such time multiplied by the Advance Rate applicable to Eligible Accounts Receivable; minus (iii) the face amount of Potential Priority Claims relating to Eligible Accounts Receivable forming (or capable of forming) Priority Liens."

- 2.8 The definition of "Transaction Documents" in Schedule "C" of the Credit Agreement is hereby deleted in its entirety and replaced with the following:

**"Transaction Documents"** means, collectively, this Agreement (including for greater certainty

ARCA Amendment No. 2), the Guarantees given by the Obligors (other than the Borrower) in respect of the obligations under this Agreement, the Security Agreements, the Warrants, the Amendment No. 1 Warrants, the Amendment No. 2 Warrants, ARCA Amendment No. 1 Warrants and all other documents contemplated by this Agreement and/or delivered in connection with this Agreement (including, for greater certainty, any Advance Request Certificate and Borrowing Base Certificate).”

### **Article 3 – Confirmation of Guarantee and Security**

- 3.1 The Borrower and each of the other Obligors hereby confirms to the Agent that all Security Agreements (including, for greater certainty, Guarantees) previously executed by each of them, respectively, continue in full force and effect.

### **Article 4 – Representations and Warranties**

- 4.1 The Borrower hereby represents and warrants that:
- (a) the representations and warranties made by it in the Credit Agreement, other than those expressly stated to be made as of a specific date, are true and correct in all material respects as of the date hereof with the same effect as if such representations and warranties had been made on and as of the date hereof; and
  - (b) after giving effect to this Amendment, no Event of Default has occurred which is continuing on the date hereof or will occur as a result of entering into this Amendment or the observance or performance of its obligations hereunder.

### **Article 5 – Miscellaneous**

- 5.1 **Effectiveness.** Article 2 of this Amendment shall become effective as of the date upon which the following conditions have been satisfied (the “**Amendment Effective Date**”):
- (a) each of the parties hereto shall have received duly executed counterparts of this Amendment;
  - (b) the Agent shall have received:
    - (i) an amendment fee equal to \$50,000 which, for greater certainty, is earned on the date hereof and payable in cash or such number of common shares of Holdings (the “**Consideration Shares**”) issued to the Agent, valued at \$50,000, each such share issued at the closing price per common share of Holdings on the Canadian Securities Exchange on the date immediately preceding the date hereof, being \$0.10;
    - (ii) a duly executed officer’s certificate from each of the Borrower and Holdings, attaching certified copies of such entity’s constating documents, bylaws and directors’ resolutions authorizing this Amendment, and all other related documents and transactions;
    - (iii) certificates of good standing in respect of each of the Obligors from the jurisdiction of its organization;
    - (iv) a legal opinion from the Borrower’s Canadian legal counsel; and

- (v) such other documents and information which the Agent may reasonably request.

The Agent acknowledges, and shall cause each of Cortland Credit Strategies L.P. and Cortland Credit Institutional LP to acknowledge, that: (a) the Consideration Shares shall be subject to restrictions on transfer for a period of four months plus one day from the date of issuance and the certificates representing the Consideration Shares shall have appended a legend to that effect; and (b) the Consideration Shares will be subject to certain resale restrictions under applicable Canadian securities laws; and agrees that it will, and shall cause each of Cortland Credit Strategies L.P. and Cortland Credit Institutional LP to, duly complete and execute a Canadian accredited investor certificate in the form required by the Borrower.

- 5.2 References to Credit Agreement. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to “this Agreement”, “hereunder”, “hereof”, “herein” or words of like import shall mean and be a reference to the Credit Agreement as amended by this Amendment, and each reference to the Credit Agreement in any other document, instrument or agreement executed and/or delivered in connection with the Credit Agreement shall mean and be a reference to the Credit Agreement as amended by this Amendment.
- 5.3 Effect on Credit Agreement. The Credit Agreement, as amended and modified hereby, and all other documents, instruments and agreements executed and/or delivered in connection therewith shall remain in full force and effect and are hereby ratified and confirmed.
- 5.4 No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any party under the Credit Agreement or any other document, instrument or agreement executed in connection therewith, nor constitute a waiver of any provision contained therein, except as specifically set forth herein.
- 5.5 Governing Law. This Amendment, including the rights and duties of the parties hereto, shall be governed by, and construed in accordance with, the laws of the Province of Ontario (without giving effect to the conflict of laws principles thereof).
- 5.6 Successors and Assigns. This Amendment shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and assigns.
- 5.7 Headings. The section headings in this Amendment are inserted for convenience of reference only and shall not affect the meaning or interpretation of this Amendment or any provision hereof.
- 5.8 Counterparts. This Amendment may be executed by the parties hereto in several counterparts, each of which shall be deemed to be an original and all of which shall constitute together but one and the same agreement. Delivery by facsimile or email of an executed signature page of this Amendment shall be as effective as delivery of an original executed counterpart thereof.

*(The remainder of this page is intentionally blank; signature page follows.)*

**IN WITNESS WHEREOF** the parties hereto have executed this Amendment.

**BORROWER:**

**THE GREEN ORGANIC DUTCHMAN LTD.**

Per:  (signed) "Sean Bovingdon"

Name: Sean Bovingdon

Title: CEO

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the corporation.

**OTHER OBLIGORS:**

**THE GREEN ORGANIC DUTCHMAN HOLDINGS LTD.**

Per:  (signed) "Sean Bovingdon"

Name: Sean Bovingdon

Title: CEO

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the corporation.

**THE GREEN ORGANIC HEMP LTD.**

Per:  (signed) "Sean Bovingdon"

Name: Sean Bovingdon

Title: Secretary

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the corporation.

**MEDICAN ORGANIC INC.**

Per:  (signed) "Sean Bovingdon"

Name: Sean Bovingdon

Title: CEO

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the corporation.

**GALAXIE BRANDS CORPORATION**

Per:  (signed) "Sean Bovingdon"

Name: Sean Bovingdon

Title: Director

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the corporation.

**AGENT:**

**CORTLAND CREDIT LENDING CORPORATION, as Agent**

Per: (signed) "Sean Rogister"

Name: Sean Rogister

Title: CEO

Per: \_\_\_\_\_

Name:

Title:

I/we have the authority to bind the Agent.