
AMENDED AND RESTATED LOAN FACILITY AGREEMENT FOR INCIDENT RESPONSE

BETWEEN

SHELL CANADA LIMITED

AND

SCL PIPELINE INC.

DATED JANUARY 21, 2020

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AMENDED AND RESTATED LOAN FACILITY AGREEMENT FOR INCIDENT RESPONSE

THIS AGREEMENT is made January 21, 2020,

AMONG:

SHELL CANADA LIMITED

a Canadian federal corporation (the "**Lender**");

-and-

SCL PIPELINE INC.

a Canadian federal corporation (the "**Borrower**")

(each a "**Party**" and collectively, "**Parties**").

WHEREAS:

- A. The Borrower requires a line of credit for emergency situations in accordance with the financial resource requirements as provided for under the *Canadian Energy Regulator Act*, which authorizes Her Majesty the Queen in Right of Canada as represented by the Canadian Energy Regulator or any successor administrative body ("**CER**") to request information from companies to substantiate "readily accessible" financial resources (the "**CER Financial Requirements**").
- B. The Borrower wishes to be able to borrow non-interest-bearing Canadian Dollar denominated funds from the Lender in order to ensure availability of financial resources for exceptional circumstances of Incident Response.
- C. The Lender, as the sole shareholder of the Borrower, wishes to grant such line of credit to the Borrower on the terms and subject to the conditions in this Loan Facility Agreement for Incident Response (the "**Agreement**").
- D. The Lender and the Borrower had previously entered into a Loan Facility Agreement for Incident Response, dated July 9, 2019 (the "**First Agreement**"), and wish to now to amend and restate such First Agreement in its entirety with this Agreement.

NOW THEREFORE in consideration of the mutual covenants herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each Party, it is agreed that:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Agreement, unless the context requires otherwise:

- (a) "**Affiliate**" means any Person which, directly or indirectly, controls, is controlled by or is under common control with another Person; and, for the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" or "under

common control with") means the power to direct or cause the direction of the management and policies of any Person, whether through the ownership of shares or other economic interests, the holding of voting rights or contractual rights or otherwise.

- (b) "**Alternative CER Financing Arrangements**" has the meaning ascribed to it in Clause 12.5.
- (c) "**Anti-Corruption Laws**" has the meaning ascribed to it in Clause 26(a).
- (d) "**Authorization**" means an authorization, consent, approval, resolution, license, exemption, filing or registration.
- (e) "**Availability Period**" means the period from and including the Effective Date to termination pursuant to Clause 10.
- (f) "**Available Loan Facility**" means the Loan Facility minus:
 - i. the amount of any outstanding Loans under the Loan Facility; and
 - ii. the amount of any proposed Loans for which a Drawdown Request has been delivered in accordance with Article 4.
- (g) "**Borrower**" has the meaning ascribed thereto on page 1 of this Agreement.
- (h) "**Business Day**" means a day (other than Saturday, Sunday or statutory holidays) on which banks are open for business in Calgary, Alberta.
- (i) "**Canadian Dollars**", "\$" and "**CAD**" shall mean the lawful currency of Canada.
- (j) "**CDOR**" means the "Canadian Dollar Offered Rate" for terms to maturity of 12 months as calculated and administered by Refinitiv Benchmark Services Limited (or any successor entity) or, at the election of Lender, as calculated and reported by any reporting service selected by the Lender in its reasonable discretion; however, should there be no successor entity or Lender elects to not use the rates provided by a reporting service, this definition shall mean the arithmetic average of the rates for a twelve-month interest period applicable to Canadian Dollar bankers' acceptances quoted by any three banks listed in Schedule I of the *Bank Act (Canada)*, or in the schedule or provisions of any successor legislation, such banks to be chosen by the Lender in its sole discretion.
- (k) "**Controlled Affiliate**" means in relation to the Borrower, an Affiliate which is, directly or indirectly, controlled by the Borrower.
- (l) "**Disposal**" has the meaning ascribed to it in Clause 14.5(a).
- (m) "**Drawdown**" means drawdown of a Loan under the Loan Facility.
- (n) "**Drawdown Date**" means the "Drawdown Date" specified in a Drawdown Request delivered in accordance with Article 4.
- (o) "**Drawdown Request**" means a notice substantially in the form set out in Appendix 4.
- (p) "**Effective Date**" means July 9, 2019.

- (q) **"Events of Default"** has the meaning ascribed to it in Clause 9.
- (r) **"Final Repayment Date"** means the date falling on the earlier of:
- i. the date on which the Loans have been fully repaid by the Borrower to the Lender; or
 - ii. such other date as otherwise unanimously agreed by the Parties in writing.
- (s) **"Financial Indebtedness"** means any indebtedness for or in respect of:
- i. moneys borrowed;
 - ii. any amount raised by acceptance under any acceptance credit facility or dematerialized equivalent;
 - iii. any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
 - iv. the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Canadian generally accepted accounting principles, be treated as a finance or capital lease except for any finance or capital lease incurred in the ordinary course of business;
 - v. receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
 - vi. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
 - vii. any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
 - viii. shares which are expressed to be redeemable;
 - ix. any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution except as may be issued in the ordinary course of business or with respect to a fiduciary bond with respect to its Controlled Affiliate's pension plan; and
 - x. the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (ix) above.
- (t) **"First Party"** has meaning ascribed to it in Clause 26(b).
- (u) **"Governmental Authority"** means any federal, provincial, regional, municipal or local government or any department, agency, board, tribunal or authority thereof or other political subdivision thereof and any entity or Person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, government or the

operation thereof.

- (v) "**Incident Response**" means a response by an operator to an exceptional circumstance of emergency situations in respect of which the operator is required to have readily accessible financial resources, including the financial resource requirements as provided for under the *Canadian Energy Regulator Act*.
- (w) "**Lender**" has the meaning ascribed thereto on page 1 of this Agreement.
- (x) "**Loan**" means a credit made or to be made under the Loan Facility or the principal amount outstanding for the time being of that loan.
- (y) "**Loan Facility**" means the short-term revolving line of credit to be granted by the Lender according to the proportions and up to the amount set out in Appendix 5, as may be amended from time to time, and subject to the terms and conditions herein.
- (z) "**Person**" means any individual, firm, partnership (whether general or limited), company, corporation or other body corporate, government, Governmental Authority, agency, instrumentality, trust, unincorporated body of Persons, cooperative or association and the heirs, executors, administrators or other legal representatives of an individual.
- (aa) "**Pipeline System**" means the Borrower's interest in the Marysville Pipeline (Sarnia) pipeline system which relates to the transport of liquefied gas (butane) between the Marysville Underground Storage Terminal located at Marysville, Michigan, to a refinery located at Corunna, Ontario owned by an Affiliate of Lender.
- (bb) "**Positive Net Cash Flow**" means, as shown on the consolidated statements of cash flows of the Borrower's audited financial statements for the relevant fiscal year, the net increase in cash and cash equivalents excluding the positive amount (if any) of cash flows provided by financing activities.
- (cc) "**Positive Net Cash Flow Repayment Amount**" means an amount equal to $A - B$ where
 - A is the Positive Net Cash Flow amount
 - B is an amount (if any) determined by the Borrower in its sole discretion and acting reasonably that is required for the Borrower to maintain a consolidated cash balance that, following the payment of the Positive Net Cash Flow Repayment Amount, would not be less than the amount expected to be required to fund ongoing operations for the current fiscal year.
- (dd) "**Second Party**" has meaning ascribed to it in Clause 26(b).
- (ee) "**Security**" means a mortgage, charge, hypothec, pledge, lien, encumbrance or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect.
- (ff) "**Taxes**" means any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereof, excluding taxes imposed on a Party's income and any franchise taxes imposed on a Party.

1.2 Interpretation

Except to the extent that the context requires otherwise:

- (a) words (including words defined herein) denoting the singular shall include the plural and vice versa; words denoting any gender shall include all genders;
- (b) any reference to a statutory provision shall include such provision and any regulations made in pursuance thereof as from time to time modified or re-enacted whether before or after the date of this Agreement and (so far as liability thereunder may exist or can arise) shall include also any past statutory provisions or regulations (as from time to time modified or re-enacted) which such provisions or regulations have directly or indirectly replaced;
- (c) the words "**written**" and "**in writing**" include any means of visible reproduction;
- (d) any reference to "**Articles**", "**Clauses**", "**Recitals**" and "**Appendices**" are to be construed as references to articles, clauses and recitals of, and appendices and schedules to, this Agreement; and
- (e) any reference to a date or time of day is a reference to the applicable date or time in the Province of Alberta unless provided otherwise.

1.3 Headings

The headings in this Agreement are inserted for convenience only and shall be ignored in construing this Agreement.

2. THE LOAN FACILITY

2.1 Loan Facility

- (a) Subject to the terms and conditions of this Agreement, the Lender hereby agrees and commits to make available to the Borrower a Loan Facility in the amount set out in Appendix 5, which, subject to subsection 2.1(c), may be amended from time to time and any time Lender deems desirable in order to satisfy the CER Financial Requirements.
- (b) The Parties hereby agree that the aggregate principal amount set out in Appendix 5 for the Loan Facility are predicated upon and reflective of Lender being the sole shareholder of Borrower. Any transfer in accordance with Article 12 of common share ownership of the Borrower shall require a corresponding amendment to the amount under the Loan Facility set out in Appendix 5.
- (c) The Parties hereby agree and covenant that no changes to the aggregate principal amount of the Loan Facility shall be made without the prior written approval of the CER.

2.2 Purpose

All advances under Drawdowns made by the Lender to the Borrower in accordance with the provisions hereof shall only be used by the Borrower to finance operations of Incident Response on its Pipeline System as required under the CER Financing Requirements.

2.3 **Monitoring**

The Lender is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement.

3. **CONDITIONS PRECEDENT**

3.1 **Conditions Precedent**

The obligation of the Lender to advance any Loan under this Agreement is conditional upon the Lender being satisfied on the date of the Drawdown Request and on the Drawdown Date that the Borrower is not in breach of any of its representations, warranties, undertakings, covenants or other obligations under this Agreement.

3.2 **Waiver of Conditions**

The Lender may agree in writing to waive, in whole or in part, any of the conditions under Clause 3.1 above and may impose conditions for such waiver.

4. **DRAWDOWN**

4.1 **Delivery of Drawdown Request**

The Borrower shall drawdown any Loans under the Loan Facility by delivery to the Lender of a duly completed Drawdown Request.

4.2 **Completion of a Drawdown Request**

Lender covenants to deliver any Loans to Borrower pursuant to the terms of this Agreement within a maximum of five business days of receipt of a duly completed and delivered Drawdown Request. Each Drawdown Request will not be regarded as having been duly completed and delivered unless:

- (a) it specifies the proposed Drawdown Date, which shall be a Business Day within the Availability Period;
- (b) it specifies the amount of the proposed Loan, which amount shall not be more than the Available Loan Facility;
- (c) it identifies the purpose of the Drawdown Request, which must correspond with the purpose of the Loan Facility as described in Clause 2.2; and
- (d) it has been signed by one of the Borrower's authorized persons listed in Appendix 2.

4.3 **Loan Advancement**

- (a) Subject to the terms of this Agreement, the Lender shall make, within five business days of receipt of the Drawdown Request, the Loans for which they have received a duly completed and delivered Drawdown Request in accordance with Clauses 4.1 and 4.2 available to the Borrower.
- (b) Such transfer shall be made without deduction of any present or future bank charges

or fees, other than customary banking charges automatically deducted that in the aggregate total less than \$100 per transfer.

- (c) In relation to any Drawdown Request, Borrower shall be entitled to instruct the Lender to either:
 - (i) pay or direct Loan funds to such bank accounts or Persons, including any Affiliate of Lender, as Borrower shall instruct; or
 - (ii) in the instance where Lender is providing Incident Response or similar services to Borrower, have Lender apply, net, set off, deduct or otherwise utilize any Loan to satisfy amounts owed to Lender by Borrower in relation to such Incident Response or similar services,

provided Borrower deems the foregoing necessary for exceptional circumstances of Incident Response and to be consistent with the purpose of the Loan Facility as described in Clause 2.2.

5. INTEREST

5.1 Interest Rate

- (a) For the period of time when the Lender is the sole shareholder of the Borrower, the interest rate per annum applicable to the Loan amounts advanced to Borrower shall be zero basis points (0%).
- (b) To the extent permitted by law, for the period of time when the Lender is not the sole shareholder of the Borrower, any drawdown on the credit line shall bear interest at the 12 month CDOR rate applicable on the Drawdown date plus 5% (the “**Interest Rate**”). Interest will be calculated on a daily basis from, and including, the Drawdown date to, but excluding, the repayment date, based on a 365 day year. Such interest is payable on demand and shall continue to accrue until such amounts are actually paid (whether before or after judgment). The interest rate would reset annually if a loan amount remains outstanding for more than 365 days. Late payments will be subject to Default Interest.
- (c) If any provision of this Agreement would obligate the Borrower to make any payment of interest or other amount payable to the Lender in an amount or calculated at a rate which would be prohibited by applicable law then, notwithstanding such provisions, such 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 applicable law.

5.2 Default Interest

To the extent permitted by law, any amounts not paid to the Lender when due shall bear interest compounded quarterly from their respective due dates until actual receipt of payment by the Lender (whether before or after judgment) at a rate per annum equal to the Interest Rate plus 5.0%. Such default interest on overdue principal shall be payable on demand and shall continue to accrue until such overdue amounts are actually paid (whether before or after judgment).

6. TAXES

All payments made by the Borrower under this Agreement shall be made without any set-off or counterclaim and free and clear of and without deduction for or on account of any Taxes, except to the extent that the Borrower is required by law to make payment subject to any Taxes.

7. REPAYMENTS OF LOAN

7.1 Repayment

Subject to the provisions of this Clause 7:

- (a) upon ten Business Days' notice from Borrower to the Lender, the Borrower shall have the right and option to repay the Lender all or part of the outstanding amount under each Loan, at any time or from time to time, without penalty;
- (b) upon ten Business Days' notice from the Lender to the Borrower, the Lender shall have the right and option to:
 - (i) subject to applicable laws, convert into Borrower's common equity all or any portion of the Loan amounts owed to Lender (based on a valuation and amounts agreed to by the Lender) and subject to obtaining all required corporate consents and authorizations; or
 - (ii) require Borrower to repay the Lender on a *pro rata* basis all or any portion of the Loan amounts: (A) if the Borrower receives reimbursement from its insurance provider for the costs of Incident Response financed by this Loan; (B) if the Borrower or its Controlled Affiliates or both sell a material portion of their assets; or (C) if Lender ceases to be a shareholder of the Borrower; or (D) if the Borrower ceases to be the sole shareholder of its Controlled Affiliates.
- (c) If Borrower generates Positive Net Cash Flow for a fiscal year, then within 90 days of the end of such fiscal year Borrower shall be required to pay the Positive Net Cash Flow Repayment Amount (not to exceed the aggregate outstanding Loan amount at that time) to the Lender as repayment of all or any portion of the Loan amounts, unless a notice from the Lender waiving such repayment is provided to the Borrower within 85 days of the end of such fiscal year. In such case where a notice waiving such repayment is provided, such Loan amount remains fully due and payable and Lender further reserves the right to require such amounts be repaid in the next instance where the proceeding sentence is satisfied, or separately, Lender may elect by way of notice issued pursuant to Paragraph 7.1(b)(i) to convert to common equity amounts due and payable by the Borrower.
- (d) Upon the occurrence of an Event of Default and receipt of notice from the Lender in accordance with Article 9 declaring any outstanding Loan amount and all other amounts payable to it under this Agreement to be immediately due and payable, the Borrower shall immediately repay the Lender all the outstanding Loans and all other amounts payable to them under this Agreement pursuant to Article 9.

7.2 Repayments of Loan to Lender

- (a) Payments made by the Borrower to Lender under this Agreement shall be made by transfer of the relevant sum to a properly authorized bank account of Lender. For any

payments to Lender made at the Borrower's request pursuant to Clause 7.1(a), the Borrower shall provide notice to Lender before 12:00 p.m., at least two Business Days before the relevant date of repayment, from one of the Borrower's authorized persons listed in Appendix 2, specifying the amount and the date upon which such funds will be credited to Lender's authorized bank account listed in Appendix 1. Such payments shall be made without deduction of any present or future bank charges or fees.

- (b) Any changes to Lender's authorized bank or bank account to which payments shall be made must be made by written notice to the Borrower at least thirty days prior to the date such changes are effective, duly signed by one of Lender's authorized signatories. The Borrower may, at its sole discretion, decide whether to accept less advance notice.

7.3 **Re-borrow**

Unless the Parties otherwise agree in writing, the Borrower may re-borrow any part of the Loan Facility which is repaid.

8. **CURRENCY; TRANSFER OF FUNDS**

8.1 **Currency**

The repayment of any Loans under this Agreement, and the payment of any default interest accrued according to Clause 5.2 of this Agreement, shall be made in Canadian Dollars or in such other currency as all Parties may otherwise agree.

8.2 **Next Business Day**

In the event any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, such payment shall be made on the next succeeding Business Day.

9. **EVENTS OF DEFAULT**

If one or more of the following events ("**Events of Default**") shall have occurred and be continuing:

- (a) the Borrower fails to pay when due any principal amount or other amounts payable in accordance with this Agreement, and such amount remains unpaid for ten Business Days following the due date thereof; or
- (b) the Borrower (i) fails to observe or perform any other term, warranty, covenant, undertaking or agreement contained in this Agreement and such failure remains unremedied for a period of ten Business Days after the Borrower has actual knowledge thereof or (ii) fails to pay at maturity any obligation for or in respect of borrowed moneys or advances other than a Loan or fails to observe or perform any other term, warranty, covenant or agreement contained in any other agreement or instrument of the Borrower, evidencing or securing any obligation for or in respect of borrowed moneys or advances, if the effect of such failure is to permit (assuming the giving of notice or the lapse of time or both, if required) the holder or holders of any obligation of the Borrower, for or in respect of borrowed moneys or advances thereof to accelerate the maturity thereof; or
- (c) any representation or warranty made or deemed made by the Borrower (or any of its officers) under or pursuant to this Agreement proves to have been incorrect in any material respect when made or deemed made, and remains material as of the time of

discovery of the falsity thereof; or

- (d) the Borrower generally does not pay its Financial Indebtedness as such Financial Indebtedness become due, or admits in writing its inability to pay its Financial Indebtedness generally, or makes a general assignment for the benefit of creditors; or negotiates an agreement with one or more of its creditors to reschedule any of its Financial Indebtedness or a moratorium is declared in respect of any Financial Indebtedness of the Borrower; or any proceeding is instituted by or against the Borrower seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition of it or its Financial Indebtedness under any law relating to bankruptcy, insolvency or reorganization or relief or protection of debtors, or seeking the entry of any order for relief or the appointment of a receiver, trustee or other similar official for it or for any substantial part of its property, and, in the case of any such proceeding instituted against it (but not instituted or consented to by it), either such proceeding remains undismissed or unstayed for a period of 60 days or any of the actions sought in such proceeding (including, without limitation, the entry of an order for relief against it or the appointment of a receiver, trustee, custodian or other similar official for it or for any substantial part of its property) occurs; or the Borrower takes action to authorize any of the actions set forth above in this Clause 9(d); or
- (e) all or any substantial part of the assets of the Borrower are seized or appropriated or taken into custody by any Governmental Authority (*de jure* or *de facto*) or any Governmental Authority or other authority having jurisdiction over the Borrower institutes any action or legislation forcing the Borrower to cease all or a substantial part of its normal business, or withdraws or withholds any Authorization or consent obtained or required by the Borrower for the due performance of its business and its obligations under this Agreement if the failure to have such Authorization has a material adverse effect on the Borrower and its financial condition; or
- (f) any Governmental Authority takes any other action which gives reasonable grounds to conclude that such action could adversely affect the financial condition of the Borrower or its ability to fulfill its obligations under this Agreement if any such action shall not be revoked or rescinded within thirty days after the occurrence thereof; or
- (g) the Borrower repudiates this Agreement or evidences an intention to repudiate this Agreement,

then, and in any such event, and notwithstanding any other provisions of this Agreement, the Lender may terminate its obligations to advance further funds hereunder by notice in writing to the Borrower, whereupon the same obligations shall immediately terminate. Additionally, in any such event and notwithstanding the other terms of this Agreement, the Lender may, by notice in writing to the Borrower, jointly declare any outstanding Loan amount and all other amounts payable to it under this Agreement, to be immediately due and payable, whereupon the same shall be immediately due and payable, without presentment, demand, protest or further notice of any kind, all of which are expressly waived by the Borrower.

Any exercise by the Lender of any right or remedy for a default or breach of any term, covenant, undertaking condition or agreement contained in this Agreement shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy to which the Lender may be lawfully entitled for the same default or breach, and any waiver by Lender of the strict observance, performance or compliance with any term, covenant, undertaking, condition or agreement contained in this Agreement, and any indulgence granted thereby, shall be deemed

not to be a waiver of any subsequent default. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under this Agreement.

Each Party shall be required to notify the CER in writing of the existence of an Event of Default within two business days of their knowledge of an Event of Default.

10. TERMINATION OF AGREEMENT

This Agreement shall automatically renew on June 30th of each year unless terminated in accordance with the provisions of this Clause 10.

This Agreement shall terminate, conditional upon receipt of written approval to terminate from the CER or Borrower no longer being subject to CER Financial Requirements in a manner that requires this Agreement to be in force, upon the earliest of:

- (a) If after the conversion into Borrower's common equity of all outstanding amounts under each Loan and all other amounts payable to Lender under this Agreement, Borrower receives a written direction to terminate this Agreement from Lender;
- (b) the Lender ceasing to a shareholder of the Borrower and Borrower receives a written direction to terminate this Agreement from Lender;
- (c) final repayment by Borrower to Lender and direction to terminate this Agreement by Borrower (and such payment and direction is characterized as such in notice from Borrower to Lender) of all outstanding amounts under this Agreement, including but not limited to all amounts issued to Borrower as a Loan and all other amounts payable to Lender under this Agreement; or
- (d) such other date as agreed by the Parties in writing.

11. NOTICES

11.1 Communications in Writing

Any communication to be made under or in connection with this Agreement shall be made in writing.

11.2 Addresses

The applicable address, electronic mail address, and/or facsimile number and to the attention of respective authorized person(s) of each Party for any communication or document to be made or delivered under or in connection with this Agreement are set out in the relevant Appendices identified with the Parties' name below or any substitute address, electronic mail address, and/or facsimile number or authorized person(s) as the Party may notify to the other Parties.

Party	Appendices
SCL Pipeline Inc. (Borrower)	Appendix 2

Shell Canada Limited (Lender)	Appendix 3
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11.3 **Delivery**

- (a) Any communication or document made or delivered by one person to another under or in connection with this Agreement will only be effective:
- (i) if by way of fax, when received in legible form during the regular business hours of the recipient;
 - (ii) if by electronic communication sent to those email addresses set forth in Appendices 3 or 4, as applicable, when received by those email addresses during the regular business hours of the applicable Party's mailing address listed in the appendices, provided, however, should the sending Party receive an autoreply email notification that such account is no longer being monitored, or is not being monitored for a period of time, notice shall not be effective or shall only be effective as of the date (if any) that such autoreply email indicates that such account is again being monitored;
 - (iii) if by way of regular mail, the earlier of when it has been left at the relevant address or seven Business Days after being deposited in the mail postage prepaid in an envelope addressed to it at that address; or
 - (iv) if it is delivered by hand, by registered mail or by courier, it shall be deemed to be received on the date of delivery to the address with receipt;

and, if a particular authorized person is specified as part of its address details provided under Clause 11.2 above, addressed to that authorized person.

12. **ASSIGNMENT AND TRANSFER OF INTEREST**

12.1 **Assignment by Lender of Interest in Agreement**

- (a) Subject to Clause 12.5:
- (i) Lender may assign its interest in this Agreement to an Affiliate, successor or assign; and
 - (ii) if Lender validly transfers all of its common shares of the Borrower, Lender shall be entitled to assign its interest in this Agreement to the transferee of the common shares of the Borrower.

12.2 **Withdrawal by Lender**

Notwithstanding Clause 2.1, if Lender validly assigns its entire interest in the Agreement pursuant to Clause 12.1 and in compliance with Clause 12.5 or if Lender validly terminates this Agreement in accordance with its terms, Lender shall be released of its obligations to further advance funds under this Agreement, shall only be a party hereto until such time as such Lender is repaid all funds owed to it hereunder, and thereafter shall no longer be a party hereto and additionally, in the case of an assignment of this Agreement, shall be entitled to have this Agreement amended and novated, without restriction and with the signature of the

Borrower and new assignee thereto, to reflect that assignment of interest.

12.3 Sale by Lender of Less than All Common Shares of Borrower

Notwithstanding Clause 2.1 but subject to Clause 12.5, if Lender validly transfers less than all of its common shares of the Borrower, Lender shall be entitled to have Appendix 5 of this Agreement amended to reflect a reduced Loan Facility, the principal amount of which shall be decreased in proportion to the decrease in ownership by Lender of the Borrower's common shares.

12.4 Assignment by Borrower

The consent of the Lender and the CER is required for the Borrower to assign or transfer any of its rights or obligations under this Agreement, which Lender and CER, as applicable may grant or withhold in its sole discretion.

12.5 Satisfaction of CER Financing Requirements

The Parties acknowledge that this Agreement is intended to assist the Borrower in satisfaction of the CER Financing Requirements. No transfer or assignment of any interest under or purported withdrawal from this Agreement by either Lender or Borrower, or any reduction of the Loan Facility pursuant to Clause 12.3 of this Agreement, which results in the Borrower no longer being in demonstrable compliance with the CER Financing Requirements (or similar applicable laws in force at the time of transfer or withdrawal) shall be permitted without the consent of the CER as well as all Parties to this Agreement, unless Borrower, Lender or a transferee or holder of an interest in this Agreement or common shares of the Borrower puts alternative arrangements into place which have been approved and consented to in writing by the CER, effective at the time of such transaction that allow the Borrower to remain in compliance with the CER Financing Requirements ("**Alternative CER Financing Arrangements**"). Each Party hereto shall be entitled to refuse to recognize any transfer of an interest or purported withdrawal under this Agreement if the result of such transfer or withdrawal shall result in the Borrower no longer being in demonstrable compliance with the CER Financing Requirements (or similar applicable laws in force at the time of transfer or withdrawal), unless Alternative CER Financing Arrangements are in place. If required by applicable laws, rules or regulations, the Company shall promptly provide the CER with notice of, and any required filings relating to, any such transfer, assignment, reduction or Alternative CER Financing Arrangements.

13. BORROWER'S REPRESENTATION, WARRANTIES AND COVENANTS

13.1 Borrower's Representations and Warranties

The Borrower represents and warrants to Lender on the date of this Agreement and at all times during the continuance of this Agreement that:

- (a) the Borrower is duly incorporated and validly existing in good standing under the laws of Canada, has the power and authority to own its assets and to carry on its business as presently conducted and as proposed to be conducted, and is duly qualified and authorized to do business under the laws of each jurisdiction in which the character of its property or the nature of its business make such qualification necessary. The execution and delivery of this Agreement and the performance of all transactions and obligations contemplated hereby are within the Borrower's power and authority and the execution, delivery and performance hereof have been duly authorized by all

necessary and proper business entity proceedings. This Agreement constitutes a legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms;

- (b) the execution and delivery of this Agreement and the performance of the obligations of the Borrower hereunder, and of all transactions and obligations contemplated hereunder, do not and will not conflict with or result in a breach of any provision of law or regulation applicable to the Borrower or of its organizational documents or of any agreement, instrument, decree, arbitration award, order or judgment to which the Borrower is a party or by which it is bound, or constitute a default thereunder, do not and will not constitute a default or termination event (however described) under any document which is binding upon it, and do not and will not result in the breach of or constitute a default or require any consent under, or result in the creation of any Security upon any of its property or assets pursuant to any agreement or instrument to which it is a party or by which it or its property or assets may be bound or affected;
- (c) the most recent balance sheet and the related statement of profit and loss of the Borrower provided to the Lender, if requested, fairly present the financial position of the Borrower as of the date of such balance sheet and the results of its operations for the period then ended, all in accordance with Canadian generally accepted accounting principles applied on a consistent basis and, except as otherwise disclosed in writing by the Borrower to the Lender, there has been no material adverse change in the financial condition, business or operations of the Borrower since the date of such balance sheet;
- (d) except as otherwise disclosed in writing to the Lender prior to the date hereof, there is no action, suit or arbitration pending, or to the best knowledge of the Borrower threatened, against the Borrower or involving any of its properties or interests, at law or in equity or admiralty, or before any court, government department, commission, board or other federal, state, provincial, county, municipal or other instrumentality, agency or authority, foreign or domestic, an adverse decision in which might (i) affect the power of the Borrower to enter into, or the legality, validity or enforceability of this Agreement, or (ii) materially adversely affect the ability of the Borrower to perform its obligations under this Agreement, or (iii) result in any material liability or any materially adverse change in the business, operations, condition, properties, assets, rights, titles or interests of the Borrower;
- (e) other than the CER Financial Requirements, no consent, approval, Authorization, permit or license from any national, provincial or local regulatory authority in any applicable jurisdiction or other third party is required in connection with the making of, or performance by the Borrower under, this Agreement except those which have been duly obtained prior to the Effective Date;
- (f) the Borrower is not in breach of or default under any agreement or instrument relating to any indebtedness for borrowed money of the Borrower in such a way as could result (with the giving of notice, lapse of time, or otherwise), in the outstanding balance of such indebtedness being declared to be due and payable, or required to be prepaid (other than by a regularly scheduled prepayment), prior to the stated maturity thereof;
- (g) as long as any amounts are and remain outstanding to the Lender under this Agreement, such amounts will rank at least *pari passu* with all its other unsecured and unsubordinated creditors, except for obligations mandatorily preferred by law applying to companies generally and except for amounts payable to any trust established by

the Borrower as required by the CER;

- (h) under the law of the jurisdiction of its incorporation, it is not necessary that this Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Agreement or the transactions contemplated by this Agreement;
- (i) no Event of Default has occurred; and
- (j) the Borrower is in compliance in all material respects with all federal, provincial and local laws, statutes and regulations applicable to Borrower or its assets as well as all of its contracts, agreements and employee pension and benefit plans and, without limitation, has made all contributions and payments required thereunder.

13.2 Borrower's Covenants

- (a) At the request of any of the Lender, the Borrower shall provide to such Lender as soon as reasonably practical such financial data and other information and certificates regarding the business, operations, conditions, properties or assets of the Borrower or its Controlled Affiliates or both as the Lender may reasonably request. All financial data shall be prepared in accordance with Canadian generally accepted accounting principles or Canadian Accounting Standards for Private Enterprise (ASPE).
- (b) If requested by any Lender, the Borrower shall use its reasonable efforts to provide such Lender and all other Lender with monthly forecasts detailing any expected Loan repayments and Drawdowns.
- (c) The Borrower shall furnish the Lender prompt written notice of the occurrence of any Event of Default or any condition known to the Borrower which, with the giving of notice or lapse of time or both, would become an Event of Default.
- (d) The Borrower shall duly and punctually pay all sums of money due by it hereunder and the Borrower shall perform all other obligations on its part to be performed under the terms of this Agreement at the times and places and in the manner provided for herein.

14. EXCESS PAYMENT / FAILURE TO ADVANCE

14.1 Excess Payment

In the event that the Lender receives an amount in excess of its payment or repayment amount which is supposed to be made by the Borrower according to this Agreement, the Lender shall return such excess amount to the Borrower.

14.2 Failure to Advance

If the Lender fails to advance, or advances an amount less than validly requested, of any Loan in accordance with the terms of this Agreement, the Borrower shall promptly notify the Lender of such shortfall in amount advanced. Lender shall advance the amount of such shortfall to the Borrower within three Business Days of the receipt of notice from the Borrower.

15. INCREASED COSTS

15.1 Increased Costs

Subject to Clause 16.3, the Borrower shall, within three Business Days of a demand by Lender, pay Lender the amount of any additional or increased costs incurred by Lender as a result of (i) the introduction of or any change in (or in the interpretation, administration or application of) any applicable law or regulation or (ii) compliance with any applicable law, regulation, direction request or requirement of any competent Governmental Authority or other authority in Canada that occur after the date of this Agreement, to the extent that it is attributable to Lender having entered into this Agreement or funding or performing its obligations under this Agreement.

15.2 Increased Cost Claims

- (a) If Lender intends to make a claim pursuant to Clause 16.1, it shall notify the Borrower of the event giving rise to the claim.
- (b) Lender shall, as soon as practicable after a demand by the Borrower, provide an officer's certificate confirming the amount of its increased costs.

15.3 Exceptions

Clause 16.1 does not apply to the extent any increased or additional cost is attributable to the willful breach by the Lender of any applicable law or regulation.

16. CALCULATIONS AND CERTIFICATES

16.1 Accounts

In any litigation proceedings arising out of or in connection with this Agreement, the entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

16.2 Certificates and Determinations

Any certification or determination by the Lender of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

17. APPLICABLE GOVERNING LAW

- 17.1 This Agreement shall be governed by and interpreted under the laws of Alberta and the federal laws of Canada applicable therein. The Borrower hereby irrevocably and unconditionally submits to the exclusive jurisdiction of the courts of Alberta and any appellate courts thereof, in any action or proceeding arising out of or relating to this Agreement.
- 17.2 The Borrower hereby irrevocably and unconditionally waives, to the fullest extent it may effectively do so, any defence of an inconvenient forum to the maintenance of any such action or proceeding in any such court and any right of jurisdiction on account of the place of residence or domicile of the Borrower. The Borrower hereby irrevocably and unconditionally consents to the service of any and all process in any such action or proceeding in any such court by the mailing copies of such process to the Borrower by certified or registered mail to its address specified in Appendix 2. The Borrower hereby agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit upon the judgment or in any other manner provided by law.

18. ENTIRE AGREEMENT

This Agreement amends and restates the First Agreement, and accordingly constitutes the entire understanding of the Parties with respect to the subject matter hereof, and supersedes the First Agreement and all prior agreements, understandings, negotiations and discussions, provided that such amendment and restatement does not release any Party from any liability or debt incurred or accrued under the First Agreement.

19. AMENDMENTS AND UPDATES OF APPENDICES

- 19.1 Any amendment or modification of any part of this Agreement, including the Appendices hereof, shall be duly signed by authorized signatories of the Borrower and/or the Lender, as applicable.
- 19.2 Any amendment or modification of any part of this Agreement requires prior written approval from the CER, other than amendments to Appendices 1 to 4.

20. NO WAIVERS

No failure or delay by any Party to this Agreement in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

21. EFFECTIVENESS

- 21.1 After this Agreement is duly executed and delivered by the authorized representative(s) of the Borrower and the Lender, it shall become effective as of the Effective Date.
- 21.2 This Agreement shall be binding upon and inure to the benefit of the Borrower, the Lender and their respective successors and permitted assigns.
- 21.3 This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. A signed counterpart provided by way of facsimile or email transmission or other electronic means shall be as binding upon the Parties as an originally signed counterpart.

22. COST AND EXPENSE

Each Party shall bear its respective cost and expense relating to drafting, negotiating and execution of this Agreement, unless otherwise provided in this Agreement.

23. LANGUAGE

This Agreement is drafted and executed in English. It is the express wish of the Parties that this Agreement and all related documents, including notices and other communications, be drawn up in the English language only. *Il est la volonté expresse des parties que cette convention et tous les documents s'y rattachant, y compris les avis et les autres communications, soient rédigés et signés en anglais seulement.*

24. TIME OF THE ESSENCE

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

25. ANTI-CORRUPTION

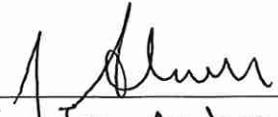
- (a) For the purposes of this Article 26, "**Anti-Corruption Laws**" shall mean (i) the United States Foreign Corrupt Practices Act of 1977; (ii) the United Kingdom Bribery Act 2010; and (iii) all applicable national, regional, provincial, state, municipal or local laws and regulations that prohibit tax evasion, money laundering or otherwise dealing in the proceeds of crime or the bribery of, or the providing of unlawful gratuities, facilitation payments, or other benefits to, any government official or any other person.
- (b) Each Party represents, warrants, and covenants that in connection with this Agreement and the business resulting therefrom: (i) it is aware of and will comply with Anti-Corruption Laws; (ii) whether directly or indirectly, it has not made, offered, authorized, or accepted and will not make, offer, authorize, or accept any payment, gift, promise, or other advantage, to or for the use or benefit of any government official or any other person where that payment, gift, promise, or other advantage would comprise a facilitation payment or otherwise violate the Anti-Corruption Laws; (iii) it has maintained and will maintain adequate written policies and procedures to comply with Anti-Corruption Laws or, alternatively, has made itself aware of and shall adhere to the Shell General Business Principles and the Shell Code of Conduct (www.shell.com/about-us/our-values); (iv) it has maintained and will maintain adequate internal controls, including but not limited to using reasonable efforts to ensure that all transactions are accurately recorded and reported in its books and records to reflect truly the activities to which they pertain, such as the purpose of each transaction, with whom it was entered into, for whom it was undertaken, or what was exchanged; (v) it will, to its knowledge, retain such books and records for the period required by Applicable Law or a Party's own retention policies, whichever is longer; (vi) in the event a Party becomes aware it has breached an obligation in this paragraph, it will promptly notify the other Party, subject to the preservation of legal privilege; (vii) it has used and will use reasonable efforts to require any subcontractors, agents, or any other third parties to also comply with the foregoing requirements in this paragraph; and (viii) only a Party (and not its Affiliates or a third party) shall make payments to the other Party, except with that other Party's prior written consent. Subject to the preservation of legal privilege, during the term of this Agreement and for seven years thereafter and on reasonable notice, each Party shall have a right, at its expense, and the other Party shall take reasonable steps to enable this right, to audit the other Party's relevant books and records with respect to compliance with this paragraph. Without limitation to any other available remedies, where a Party (the "**First Party**") fails, or its subcontractors, agents, or other third parties fail, to comply with this paragraph, the other Party (the "**Second Party**"), acting in good faith, shall have a right to notify the First Party in writing of such failure to comply and, if the written notice contains reasonable detail about the failure to comply then, if the failure is incapable of being cured or, if capable of cure and the First Party does not cure the failure to comply within 60 calendar days following receipt of the written notice, the Second Party shall have the right to terminate the Agreement on further written notice to the First Party. Nothing in this Agreement shall require a Party to perform any part of this Agreement or take any actions if, by doing so, the Party would not comply with the Anti-Corruption Laws. The obligations in this paragraph shall survive the termination or expiry of this Agreement.
- (c) Vendor's right to termination under this Section 25 shall be subject to the prior written consent of the CER.

– Signature page follows –

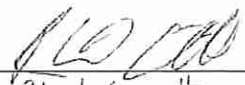
IN WITNESS WHEREOF this Agreement has been duly executed by the Parties effective as of the Effective Date.


SHELL CANADA LIMITED

Per: 
Name: **MEGHAN WATERS**
Title: **Secretary**

Per: 
Name: **Jason Anderson**
Title: **Vice President, Controller**

SCL PIPELINE INC.

Per: 
Name: **Rhéal Guenette**
Title: **Vice - President**

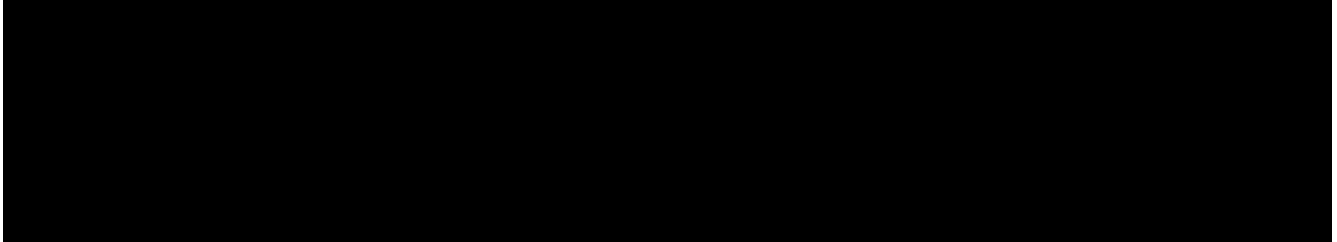
Per: 
Name: **Rimma Rizkallah**
Title: **Vice - President**

Appendices:

1. Lender's Authorized Bank Account(s)
2. List of Borrower's Authorized Persons
3. List of Lender's Authorized Persons
4. Form of Drawdown Request
5. Amount of Loan Facility

Appendix 1
Lender's Authorized Bank Account(s)

<u>Currency</u>	<u>Lender</u>	<u>Bank Name</u>	<u>Bank Address</u>	<u>SWIFT Code</u>	<u>Routing (ABA, IBAN)</u>	<u>Account No.</u>
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Appendix 2
List of Borrower's Authorized Persons

Notices and Confirmations from and to Borrower

- (i) Any one of the following persons is authorized, on behalf of Borrower, to provide notices and requests for funds:

<u>Name</u>	<u>Address</u>	<u>E-Mail</u>	<u>Telephone No.</u>	<u>Fax No.</u>
Rheal Guenette	150 St-Clair Parkway, Corunna, ON N0N 1G0	rheal.guenette@shell.com	519-481-4546	
Rima Rizkallah	150 St-Clair Parkway, Corunna, ON N0N 1G0	rima.rizkalla@shell.com	519-481-1320	

- (ii) all of the following persons/contacts must be copied on all notices from Lender regarding borrowing, repayment of principal, conversion to equity, updates to Lender' attachments, and any confirmations from Lender, and repayment and other requests from Lender under the Agreement:

<u>Name</u>	<u>Address</u>	<u>E-Mail</u>	<u>Telephone No.</u>	<u>Fax No.</u>
Rheal Guenette	150 St-Clair Parkway, Corunna, ON N0N 1G0	rheal.guenette@shell.com	519-481-4546	
Rima Rizkallah	150 St-Clair Parkway, Corunna, ON N0N 1G0	rima.rizkalla@shell.com	519-481-1320	

In addition, any one of the following officers of SCL Pipeline Inc. (Borrower) also has such authority:

President;

any Vice President; or

Treasurer.

Amendments and Updates to Appendices

Any one of the following officers or directors is authorized to sign the Agreement, any amendments to the Agreement, and any Appendices to the Agreement on behalf of Borrower:

President;

any Vice President; or

Treasurer.

**Appendix 3
List of Lender's Authorized Persons**

Notices and Confirmations from and to Lender

- (i) Any one of the following persons is authorized, on behalf of Lender, to provide notices, confirmations, and repayment and other requests to Borrower, and
- (ii) all of the following persons/contacts must be copied on (A) all notices from Borrower regarding borrowing, repayment of principal, conversion to equity, updates to Borrower's attachments, and any confirmations from Borrower, (B) all notices from Lender:

<u>Name</u>	<u>Address</u>	<u>E-Mail</u>	<u>Telephone No.</u>	<u>Fax No.</u>
Jason Anderson	400 – 4 th Ave SW Calgary, AB T2P 2H5	jason.r.anderson@shell.com	403-384-7510	
Murray Paetz	400 – 4 th Ave SW Calgary, AB T2P 2H5	murray.paetz@shell.com	403-384-5725	
Associate General Counsel, Downstream	400 – 4 th Ave SW Calgary, AB T2P 2H5	Gordon.Mccue@shell.com		

In addition, any one of the following individuals also has such authority to provide notices:

President;

any Vice President;

Treasurer;

any Assistant Treasurer;

Secretary; or

any Assistant Secretary.

Amendments and Updates to Appendices

Any two of the individuals listed above is authorized to sign the Agreement, any amendments to the Agreement, and any Appendices to the Agreement on behalf of Lender.

**Appendix 4
Form of Drawdown Request**

From: SCL Pipeline Inc. ("**Borrower**")
To: Shell Canada Limited ("**Lender**")
Dated: _____
Drawdown Request Number _____

Dear Shell Canada Limited,

Loan Facility Agreement dated [Month] [Date], 20__ (the "Agreement")

1. We refer to the Agreement. This is a Drawdown Request. Terms defined in the Agreement have the same meaning in this Drawdown Request unless given a different meaning in this Drawdown Request.
2. We wish to borrow a Loan on the following terms:

Proposed Drawdown Date: _____

Amount: _____

3. The proceeds of this Loan will be used to **[finance operations of an Incident Response]** and are intended to be used as follows:

[insert proposed breakdown for use of the Loan funds]

4. We confirm that each condition specified in Clause 3 of the Agreement is satisfied and shall remain satisfied on the date of this Drawdown Request and up to the Drawdown Date.
5. The proceeds of this Loan should be credited to **[bank account / against amounts owed to Lender by Borrower]**, pursuant to Clause 4.3 of the Agreement.
6. Attached documentation substantiates the purpose of and proposed breakdown for the use of the Loan funds.
7. This Drawdown Request is irrevocable.

.....
Authorized signatories for **SCL Pipeline Inc. (Borrower)**

Name:
Title:

Name:
Title:

**Appendix 5
Amount of Loan Facility**

Lender	Amount (CAD)
Shell Canada Limited	\$50,000,000
Total	\$50,000,000

It is recognized that the above table represents the maximum Loan Facility, as at the Effective Date. Subject to the written prior approval of the CER, the table may be amended by the Parties from time to time to reflect an increase in the Loan Facility, or pursuant to Article 12 of this Agreement.