

Attachment 2

Amended and Restated Financial Assurances Plan, Line of Credit Agreement

AMENDED AND RESTATED FINANCIAL ASSURANCES PLAN
LINE OF CREDIT AGREEMENT

This Agreement is effective as of the 27th day of October, 2023 by and between:

CANADA TMP FINANCE LTD., a federal Crown corporation wholly-owned by Canada Development Investment Corporation and incorporated under the *Canada Business Corporations Act* (hereinafter, the "**Lender**");

– and –

TRANS MOUNTAIN PIPELINE ULC, an Alberta unlimited liability Corporation governed by the *Business Corporations Act* (Alberta) (hereinafter, "**TMPU**"), in its capacity as general partner of **TRANS MOUNTAIN PIPELINE L.P.**, an Alberta limited partnership ("**TMLP**");

(TMPU and TMLP are hereinafter referred to collectively as "**Trans Mountain**")

RECITALS:

- A. Pursuant to the financial resources requirements under the CER Act, the *Pipeline Financial Requirements Regulations* (the "**Regulations**"), applicable conditions including, without limitation, Condition 121 of Certificate of Public Convenience and Necessity OC-065 and any related Commission orders, the Regulator requires that Trans Mountain maintain \$1,100,000,000 in financial assurances (the "**Financial Assurances Plan**").
- B. Lender and Trans Mountain are party to a financial resources requirements line of credit agreement dated as of March 25, 2019, as amended by an amending agreement dated as of August 31, 2020 (as so amended, the "**Existing Credit Agreement**").
- C. Lender and Trans Mountain wish to amend and restate the Existing Credit Agreement in its entirety to provide for a \$550,000,000 line of credit facility to provide Trans Mountain with funds from time to time as part of Trans Mountain's Financial Assurances Plan.

NOW THEREFORE, in consideration of the premises and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which are hereby conclusively acknowledged by each of the Parties, the Parties agree as follows:

1. DEFINITIONS

"**Advance**" means an advance (as from time to time reduced by repayment or prepayment) made or to be made by the Lender hereunder;

"**Agreement**" means this Amended and Restated Financial Assurances Plan Line of Credit Agreement;

"**Business Day**" means any day other than a Saturday, Sunday, or statutory holiday in the Province of Alberta;

"**CER Act**" means the *Canadian Energy Regulator Act*, SC 2019, c. 28, s. 10 as the same may be amended or supplemented from time to time and for certainty includes any replacement or successor legislation;

"**Change of Control**" means any direct or indirect change in Control of a Person by any means whatsoever (whether through merger, plan of arrangement, sale of shares or other equity

interests or otherwise) through a single transaction or series of related transactions;

"Control" means the following: a body corporate, association, general or limited partnership, limited liability company, trust or other organization, is controlled by a Person if (i) more than fifty percent (50%) of the ownership interests, however designated, into which the body corporate, association, partnership, limited liability company, trust or other organization is divided are beneficially owned, directly or indirectly, by such Person; and (ii) the Person is able to elect a majority of the directors or otherwise direct the business and affairs of the body corporate association, general or limited partnership, limited liability company, trust or other organization;

"Existing Credit Agreement" has the meaning set forth in the recitals hereto;

"Financial Assurances Plan" has the meaning set forth in the recitals hereto;

"Funding Time" has the meaning ascribed to it in Section 2.2;

"Interest Payment Date" means each of June 30 and December 31 in each calendar year;

"Interest Rate" means five percent per annum (5% per annum), provided that (i) such interest rate shall be increased or decreased in accordance with any change to the interest rate applicable under the Lender's Credit Facility such that the Interest Rate hereunder is at all times equal to 0.3% per annum greater than the interest rate applicable under the Lender's Credit Facility from time to time, as evidenced by notice in writing from Lender to Trans Mountain delivered at least one (1) month prior to the proposed effective date of the new interest rate or (ii) such interest rate may be increased or decreased as agreed to between Trans Mountain and the Lender in accordance with an extension of the Maturity Date of an Advance in accordance with Section 4.2 of this Agreement;

"Lender's Credit Facility" means the credit facility dated as of March 25, 2019 between the Lender (as borrower) and Export Development Canada, a corporation formed pursuant to the *Export Development Act* (Canada), as lender and administrator of the credit facility of the Lender, as amended by an amendment agreement dated as of August 31, 2020 and as may be further amended, restated, supplemented or replaced from time to time;

"Line of Credit Amount" means \$550,000,000;

"Maturity Date", in respect of each Advance, means five (5) years from the date of such Advance or such later date as provided for in Section 4.2 herein;

"Parties" means the Lender and Trans Mountain, and **"Party"** means any one of them;

"Person" means and includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unlimited liability corporation, trustee, executor, administrator, legal representative, government (including any governmental authority) or any other entity, whether or not having legal status;

"Regulations" has the meaning set forth in the recitals hereto;

"Regulator" means the Canada Energy Regulator, or any successor thereof;

"Standby Fee" has the meaning set forth in Section 3.4; and

"Standby Fee Rate" means 0.3% per annum based on a year of 365 or 366 days, as applicable.

2. ADVANCES

- 2.1 The term of this Agreement shall commence on the date hereof and shall continue indefinitely unless terminated pursuant to this Section 2.1. The Agreement shall only be terminated by either Party (i) with the prior written consent of the Regulator and (ii) upon delivering prior written notice to the other Party no later than one (1) month prior to the desired date of termination.
- 2.2 On delivery to Lender by Trans Mountain of a request to borrow in the form attached as Schedule B but subject to Section 2.5, Lender agrees that it shall make Advances to Trans Mountain in the amount specified and within five (5) Business Days of receipt of such request (each, the "**Funding Time**"), and Trans Mountain may borrow, repay, prepay and re-borrow up to the Facility Amount available under this Agreement at any time and from time to time.
- 2.3 All Advances under this Agreement shall be denominated in Canadian Dollars unless agreed to otherwise by the Parties and the aggregate amount of Advances outstanding at any time shall not exceed the Line of Credit Amount. Advances shall be in a minimum amount of \$5,000,000 and in whole multiples of \$1,000,000.
- 2.4 Lender may, and is hereby unconditionally and absolutely authorized and directed by the Parties to, enter on the attached schedule or such other records of account used by Lender all Advances, all payments made on account of the amounts remaining unpaid and the dates thereof. The aggregate unpaid principal balance of each Advance shown on the attached schedule or records of account shall be rebuttable presumptive evidence of the principal amount owing and unpaid to the Lender under the applicable Advance. The failure to record the date and amount of any Advance on the attached schedule or such alternative records of account shall not limit or otherwise affect the obligation of Trans Mountain to repay the aggregate principal amount of the Advances actually made by the Lender, together with all accrued and unpaid interest on such principal amount.
- 2.5 Trans Mountain shall use the Advances only for the purposes contemplated under the financial resources requirements of the CER Act, the Regulations, applicable conditions including, without limitation, Condition 121 of Certificate of Public Convenience and Necessity OC-065, and any related Commission orders.

3. INTEREST ON ADVANCES

- 3.1 Each Advance shall bear interest at a rate per annum equal to the Interest Rate, with interest calculated on the basis of a 365 or 366 day year, as applicable, calculated daily on the outstanding balance of the Advance.
- 3.2 Accrued but unpaid interest on each Advance shall be payable by Trans Mountain in arrears and shall be settled at least three (3) Business Days in advance of each Interest Payment Date or at such other intervals of time as Trans Mountain and Lender may from time to time otherwise agree in writing. All interest hereunder shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For the purposes of the *Interest Act* (Canada) and disclosure under such Act wherever any interest to be paid under this Agreement is to be calculated on the basis of any period of time that is less than a calendar year (a "**deemed year**"), such rate of interest shall be expressed as a yearly rate by multiplying such rate of interest for the deemed year by the actual number of days in the calendar year in which the rate is to be ascertained and dividing it by the number of days in the deemed year.
- 3.3 All agreements between Trans Mountain and Lender, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency or event whatsoever, whether by reason of demand or otherwise, shall such agreements cause the amount contracted

for, charged, received, paid or agreed to be paid to Lender for the use, forbearance or detention of the funds evidenced hereby or otherwise, of for the performance or payment of any covenant or obligation contained in any instrument securing the payment hereof, to exceed the maximum amount permissible under applicable law. If, from any circumstance whatsoever, interest would otherwise be payable to Lender in excess of the maximum lawful amount, the interest payable to Lender shall be reduced to the maximum amount permitted under applicable law; and if from any circumstance Lender shall ever receive anything of value deemed interest by applicable law in excess of the maximum lawful amount, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to Trans Mountain. All interest paid or agreed to be paid to Lender shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the period of the Advances evidenced hereby until payment in full of the principal so that the interest hereon for such period shall not exceed the maximum amount permitted by applicable law.

- 3.4 Trans Mountain shall pay a standby fee (the "**Standby Fee**") to the Lender calculated at the Standby Fee Rate on the daily unadvanced portion of the Line of Credit Amount. The Standby Fee shall be calculated and accrue daily from the date hereof and shall be payable at least three (3) Business Days in advance of each Interest Payment Date or at such other intervals of time as Trans Mountain and Lender may from time to time otherwise agree in writing. Each payment of Standby Fees shall be calculated for the period commencing on and including the date hereof or the last date on which such Standby Fee was payable hereunder, as the case may be. The Standby Fee shall be calculated on a daily basis and on the basis of a 365 or 366 day year as applicable.

4. REPAYMENT AND EXTENSION OF ADVANCES

- 4.1 Subject to Section 5, each Advance (together with all accrued and unpaid interest thereon and other amounts due or owing to the Lender in connection with such Advance) shall be repayable by Trans Mountain on the applicable Maturity Date for such Advance.
- 4.2 Trans Mountain may, in its sole discretion but no later than fifteen (15) days prior to any Maturity Date, deliver notice to the Lender to extend such Maturity Date for a further five (5) years from the current Maturity Date or such extended Maturity Date, at which time the Parties shall, acting reasonably, determine the applicable Interest Rate that will take effect from the Maturity Date at the time of the notice to the new Maturity Date. Any extension of the Maturity Date and resetting of the Interest Rate shall be evidenced by a document in writing signed by Lender and Trans Mountain.

5. PREPAYMENT OF ADVANCES

Subject to the terms hereof, Trans Mountain may, at its option, without penalty or premium, prepay any or all Advances together with all accrued and unpaid interest thereon in whole at any time, or in part from time to time, provided that Lender receives at least ten (10) Business Days' notice of such prepayment.

6. PAYMENTS

- 6.1 Unless required by law or the Parties agree otherwise, all payments made by Trans Mountain hereunder shall be made free and clear of and without any deduction for or on account of any tax, set-off or counterclaim.
- 6.2 All payments of principal and interest in respect of the Advances shall be payable in lawful money of Canada in immediately available funds unless agreed to otherwise by the Parties.

- 6.3 Payments of interest and payments in respect of the Standby Fee shall be made at least three (3) Business Days in advance of each Interest Payment Date in accordance with Section 3.2.
- 6.4 Any payment or prepayment made by Trans Mountain pursuant to Section 4.1 or Section 5, as applicable, shall be applied by Lender first to the accrued, unpaid interest on the Advances subject to payment or prepayment and second to the applicable Advance(s) being paid.

7. NOTIFICATIONS TO THE REGULATOR

In the event of a default or breach of any term, condition or obligation as set forth in this Agreement, the Lender or Trans Mountain will notify, or the Lender shall cause Trans Mountain to notify, the Regulator of such default or breach, in writing, within two (2) Business Days of such default or breach, including any of the following:

- a) if Trans Mountain fails to make any payment owing under this Agreement when due;
- b) if Trans Mountain or the Lender defaults in the performance of any term of this Agreement;
- c) if Trans Mountain or the Lender becomes insolvent or ceases to pay its debts as they mature or voluntarily files a petition in bankruptcy or petition seeking reorganization, or is adjudicated bankrupt, or makes a voluntary assignment for the benefit of creditors; or
- d) if any involuntary petition is filed against Trans Mountain or the Lender under any bankruptcy, insolvency or similar law seeking the reorganization of or the appointment of any receiver, trustee, or liquidator for Trans Mountain or the Lender, or a substantial part of the property of Trans Mountain or the Lender.

8. OTHER MATTERS

- 8.1 This Agreement shall be governed by the laws of the Province of Alberta and federal laws of Canada applicable therein, and the Parties hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.
- 8.2 All dollar amounts in this Agreement shall be references to Canadian Dollars unless indicated or agreed by the Parties otherwise.
- 8.3 If at any time any one or more of the provisions of this Agreement is or becomes invalid, illegal or unenforceable in any respect, such provisions shall be deemed to be severed from this Agreement to the extent of such invalidity, illegality or unenforceability, and the validity, legality and enforceability of the remaining provisions of this Agreement shall not be in any way affected or impaired thereby.
- 8.4 No delay by Lender in exercising any power or right hereunder shall operate as a waiver of any power or right, nor shall any single or partial exercise of any power or right preclude other or further exercise thereof, or the exercise of any other power or right hereunder or otherwise; and no waiver whatsoever or modification of the terms hereof shall be valid unless set forth in writing by Lender or Trans Mountain as the case may be and then only to the extent set forth therein.
- 8.5 This Agreement shall enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns. No Party to this Agreement may assign, or transfer, all or any part of its respective rights or obligations under this Agreement. In the event of a Change of Control of TMLP or TMPU, this Agreement shall remain in full force and effect until such time as the Regulator determines in accordance with Section 138 of the CER Act that the requirements of the financial assurances plan have been met for the assignee, transferee or acquiror of TMLP or TMPU, as applicable.

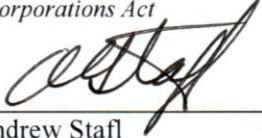
- 8.6 This Agreement may be executed in several counterparts and by different Parties on separate counterparts (including by facsimile or other electronic transmission), each of which, when so executed and delivered shall be deemed to be an original, and all of which, when taken together, shall constitute one and the same instrument. Any Party may execute this Agreement by signing any counterpart. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic means shall be effective as delivery of a manually executed counterpart of this Agreement.
- 8.7 The Parties will from time to time make, execute and deliver, or cause to be done, made, executed and delivered, all such further documents, financing statements, assignments, acts, matters and things which may be reasonably required and as are consistent with the intention of the Parties as evidenced herein, with respect to all matters arising under this Agreement.
- 8.8 No term or provision of this Agreement shall be amended, modified, altered, waived, or supplemented except with prior written approval of the Regulator.
- 8.9 This Agreement amends the Existing Credit Agreement and restates and consolidates in this Agreement the terms and provisions of the Existing Credit Agreement as so amended, and represents the entire agreement currently constituted between the Parties hereto respecting the subject matter of the Existing Credit Agreement. All references, if any, to the Existing Credit Agreement in all other agreements, documents and instruments delivered by the Parties hereto or any other person in connection with the Existing Credit Agreement, shall mean and be a reference to this Agreement as this Agreement may from time to time in the future be further amended, supplemented, restated or replaced. The Parties hereto acknowledge and agree that (i) this Agreement and the other agreements, documents and instruments executed and delivered in connection herewith do not constitute a novation or termination of the obligations and liabilities of any of the Parties under the Existing Credit Agreement as in effect prior to the date hereof, and (ii) such obligations and liabilities are in all respects continuing (as amended and restated hereby) with the terms of the Existing Credit Agreement being modified only as provided in this Agreement.


[signature page follows]

IN WITNESS WHEREOF each of the Parties hereto have executed this Agreement and affixed their corporate seal effective as of the date first written above.

LENDER

CANADA TMP FINANCE LTD., a corporation wholly-owned by Canada Development Investment Corporation and incorporated under the *Canada Business Corporations Act*

By: 
Name: Andrew Staf
Title: Vice-President, Finance

By: 
Name: Elizabeth Wademan
Title: President

BORROWER

TRANS MOUNTAIN PIPELINE ULC, in its capacity as general partner of **TRANS MOUNTAIN PIPELINE L.P.**

By: _____
Name:
Title:

By: _____
Name:
Title:

IN WITNESS WHEREOF each of the Parties hereto have executed this Agreement and affixed their corporate seal effective as of the date first written above.

LENDER

CANADA TMP FINANCE LTD., a corporation wholly-owned by Canada Development Investment Corporation and incorporated under the *Canada Business Corporations Act*

By: _____
Name: Andrew Stafl
Title: Vice-President, Finance

By: _____
Name: Elizabeth Wademan
Title: President

BORROWER

TRANS MOUNTAIN PIPELINE ULC, in its capacity as general partner of **TRANS MOUNTAIN PIPELINE L.P.**

By: Mark Malo
Name: Mark Malo
Title: CFO

By: Dean Farrell
Name: Dean Farrell
Title: CEO

SCHEDULE A

**(To the Amended and Restated Financial Assurances Plan Line of Credit Agreement dated
October 27 _____, 2023 between Canada TMP Finance Ltd. and Trans Mountain Pipeline
ULC in its capacity as general partner of Trans Mountain Pipeline L.P.)**

ADVANCES AND PAYMENTS OF PRINCIPAL

LENDER: CANADA TMP FINANCE LTD.

Date	Amount of Advance	Interest Rate	Principal Paid	Aggregate Unpaid Principal Balance	Initials

SCHEDULE B

**(To the Amended and Restated Financial Assurances Plan Line of Credit Agreement dated
October 27, 2023 between Canada TMP Finance Ltd. and Trans Mountain Pipeline
ULC in its capacity as general partner of Trans Mountain Pipeline L.P.)**

FORM OF BORROWING REQUEST

TO: Canada TMP Finance Ltd.

RE: Amended and Restated Financial Assurances Plan Line of Credit Agreement dated
October 27, 2023 (the "**Line of Credit**")

DATE: [•]

1. The Funding Time will be the [•] day of [•], [•].
2. Pursuant to Section 2.2 of the Line of Credit, the undersigned hereby irrevocably requests that the following Advance under the facility be made available:

PRINCIPAL AMOUNT

3. The Interest Rate in respect of the Advance shall be [•]% and the Maturity Date shall be the fifth anniversary of the Funding Time.
4. Capitalized words and phrases used and not otherwise defined herein have the meanings attributed to them in and for the purposes of the Line of Credit.

The undersigned has caused this request to be executed and delivered, and the certifications contained herein to be made, by a duly authorized officer of the undersigned as of the date first above written.

TRANS MOUNTAIN PIPELINE ULC, in its
capacity as general partner of **TRANS MOUNTAIN
PIPELINE L.P.**

By:

Title:

Acknowledged by Lender the [•] day of [•], [•].

CANADA TMP FINANCE LTD.

By:

Title: