

LOAN AGREEMENT

- Borrowers:** Kits Eyecare Ltd. and Kits.com Technologies Inc. (each, a “**Borrower**”)
- Guarantor(s):** Kits Eyecare Ltd., for amounts borrowed by Kits.com Technologies Inc., and Kits.com Technologies Inc., for amounts borrowed by Kits Eyecare Ltd., and all future subsidiaries of either Borrower as determined by the Lender in its discretion.
- If there is more than 1 Guarantor, then all references in this Agreement to “**Guarantor**” will mean “**Guarantors**”.
- The Borrowers and any Guarantors are collectively referred to as the “**Loan Parties**”.
- Lender:** Bank of Montreal, together with any of its affiliates (including but not limited to BMO Chicago Branch and BMO Bank N.A.) who provide any portion of the Facilities, cash management services or are otherwise owed Obligations (the “**Lender**”)
- Facilities:**
- (A) **Facility A:** Committed Revolving Credit Facility: This is a revolving operating facility; amounts repaid under this Facility may be re-borrowed subject to the other terms and conditions applicable to this Facility.
- Total Authorized Amount of Facility A is the lesser of (such lesser amount, the “**Facility A Authorized Amount**”:
- i. CAD\$15,000,000 or the equivalent in US\$; and
- and
- ii. the Borrowing Base.
- The following Obligations will further reduce the Facility A Authorized Amount:
- the total undrawn amount of outstanding LCs under the Standby/Documentary Letters of Credit plus the total unreimbursed amount of all drawings made pursuant to such LCs; and
 - Facility B Authorized Amount (*Corporate MasterCard Program*)
- (B) **Facility B:** Corporate MasterCard Program with a total authorized amount of [Redacted: Amount] or the equivalent in US\$ (the “**Facility B Authorized Amount**”).
- Facility A and Facility B are collectively, the “**Facilities**” and each a “**Facility**”.

- Borrowing Base:** Calculated by the Lender in its discretion as the sum of:
- A) Accounts Receivable:** up to (i) [Redacted: Percentage] of the Lender's estimated value of net Eligible Uninsured Canadian/US domiciled Accounts Receivable; (ii) [Redacted: Percentage] of the Lender's estimated value of Eligible Insured Canadian/US domiciled Accounts Receivable and/or Investment Grade Canadian/US domiciled Accounts Receivable; and (iii) [Redacted: Percentage] of credit and/or debit card receivables. The Lender will determine eligibility in its reasonable judgment. The Lender's determination is final and conclusive;
- plus*
- B) Inventory:** up to (i) [Redacted: Percentage] of the Net Orderly Liquidation Value of Eligible Inventory based on a recent independent appraisal acceptable to the Lender; and (ii) [Redacted: Percentage] of the cost (on a first in, first out basis) of eligible inventory at such time. The Lender will determine eligibility in its reasonable judgment. The Lender's determination is final and conclusive;
- minus*
- C) all Priority Claims; and**
 - D) reserves** as determined by the Lender in its reasonable judgment. Such reserves shall include but not be limited to reserves in respect of rent (only if landlord waivers satisfactory to the Lender are not in place), *Wage Earner Protection Program Act*, source deductions, statutory deemed trusts, the total potential exposure under any overdraft credit facilities provided by the Lender, and other reserves that the Lender deems appropriate to reflect any business, financial or other risk to it, the Collateral or any of the Loan Parties.
- Uncommitted Accordion:** At any time subsequent to the Closing Date and prior to Maturity, and so long as no Default or Event of Default has occurred and is continuing, the Borrowers may request an increase of up to CAD\$5,000,000 to the total Facility A Authorized Amount. Any such request may be accepted or denied, in whole or in part, by the Lender in its sole and absolute discretion and may be subject to terms and conditions required by the Lender, including an amendment to this Agreement. This section is in no circumstances a promise or guarantee on the part of the Lender to approve any increase to the total authorized amount of any of the Facilities.
- Term / Maturity Dates:**
- Facilities A:** All outstanding Obligations under Facility A are due and payable in full on November 24, 2028 (the "**Maturity Date**"). This payment obligation is in addition to the obligations opposite the headings "Scheduled Repayments" and "Mandatory Repayments".
 - Facility B:** In accordance with the Corporate MasterCard Agreement prior to the Maturity Date; otherwise, all outstanding Obligations are due and payable in full concurrently with the Maturity Date.
- Purpose:** The proceeds of each Loan under the Facilities shall be used for the following purposes only:
- Facility A:** To replace existing third-party credit facilities, fund working capital, LCs and general corporate requirements of the Borrowers.
 - Facility B:** For general business expenses and corporate requirements of the Borrowers.

**Availability Options;
Minimums; Notice
Periods:**

Facility A is available at a Borrower's option prior to the Maturity Date by way of:

1. CAD\$ Prime Rate Loans. No minimum Loan requirement. Same-Business Day via direct draw request.
2. US\$ Base Rate Loans. No minimum Loan requirement. Same Business Day via direct draw request.
3. CAD\$ Adjusted Term CORRA Loans with minimum Loans of CAD\$1,000,000 and in multiples of CAD\$100,000, with terms of 1 or 3 months, subject to availability. Adjusted Term CORRA floor of 1%. Minimum notice of 3 Business Days.
4. US\$ Adjusted Term SOFR Loans, with minimum draws of US\$1,000,000 and multiples of US\$100,000, with terms of 1, 3 or 6 months, subject to availability. Adjusted Term SOFR floor of 1%. Minimum notice of 3 U.S. Governmental Securities Business Days.
5. Letters of Credit ("LC's") in CAD\$ or US\$ with maximum aggregate face amount of CAD\$500,000. Maximum term of 1 year.

Facility B: Available in accordance with the Corporate MasterCard Agreement.

**Rollovers; Deemed Loans
for Adjusted Term
CORRA and Adjusted
Term SOFR Loans:**

For each Adjusted Term CORRA Loan and Adjusted Term SOFR Loan, a Borrower will either:

1. give notice to the Lender within 3 Business Days of the end of the applicable Interest Period for any Adjusted Term CORRA Loan and within 3 Business Days of the end of the applicable Interest Period for any Adjusted Term SOFR Loan, that such Borrower will roll such Loan over into a concurrent Adjusted Term CORRA or Adjusted Term SOFR Loan, which notice shall specify the applicable Interest Period. Each notice will be irrevocable; or
2. repay all outstanding Obligations under such Loan at the end of the applicable Interest Period.

If a Borrower fails to give notice under item 1, or repay all Obligations under item 2, then such Borrower shall be deemed to have requested a CAD\$ Prime Rate Loan (in the case of Adjusted Term CORRA Loans) or US\$ Base Rate Loan (in the case of Adjusted Term SOFR) under Facility A. Such deemed Loan will be in the principal amount equal to all Obligations owing under the maturing Adjusted Term CORRA Loan or Adjusted Term SOFR Loan, as applicable.

Notwithstanding anything else in this Agreement, a Borrower may not roll over any Adjusted Term CORRA Loan or Adjusted Term SOFR Loan if an Event of Default has occurred and is continuing or if the new Interest Period requested by such Borrower under item 1 above exceeds the Maturity Date of the applicable Facility.

Interest Rates and Fees:

The Borrowers shall pay the following fees and interest on the Loans and Facilities:

Interest & Margin:

Each Loan under Facility A shall bear interest at a rate per annum equal to the CAD\$ Prime Rate, US\$ Base Rate, CAD\$ Adjusted Term CORRA, Adjusted Term SOFR or other applicable rate *plus* the applicable Margin based on the following rubric:

Average Availability as a % of Facility A Authorized Amount	Excess Authorized	CAD\$ Prime / US\$ Base Rate Margin	Adjusted Term CORRA Margin	Adjusted Term SOFR Margin	Standby Fee on the undrawn portion of Facility A
> 50% of the current Facility A Authorized Amount		[Redacted: bps]	[Redacted: bps]	[Redacted: bps]	[Redacted: bps]
≤ 50% of the current Facility A Authorized Amount		[Redacted: bps]	[Redacted: bps]	[Redacted: bps]	[Redacted: bps]

Pricing will be adjusted quarterly on the 5th Business Day following receipt by the Lender of a compliance certificate, and will be effective on implementation, not retroactively, provided that pricing for Adjusted Term CORRA and Adjusted Term SOFR Loans will not be amended until the next maturity of the relevant Interest Period (including rollovers). The Lender's determination of the applicable pricing tier will be conclusive. If a compliance certificate is not received when due, pricing will be adjusted to the highest applicable margin until a satisfactory compliance certificate is received.

Interest on CAD\$ Prime Rate and US\$ Base Rate loans is calculated daily and paid monthly in arrears on the first Business Day of each month.

Term CORRA Loan interest payments are payable upon the earlier of the end of the applicable Interest Period and quarterly.

Adjusted Term SOFR Loan interest payments are payable upon the earlier of the end of the applicable Interest Period and quarterly.

All interest rates and fees are calculated on a 365 or 366-day basis as appropriate, except for Adjusted Term SOFR Loans, which are calculated on a 360-day year basis.

LC fees are calculated and payable quarterly in advance. Standard trade finance work fees apply.

Applicable margins and interest rates which would be otherwise applicable shall increase by 200 bps upon the occurrence of and during continuance of an Event of Default.

All interest rates in this Agreement are expressed on a per annum basis.

The Standby Fee is calculated daily and paid monthly in arrears (concurrent with pricing levels).

Fees:

- Closing/Upfront Fee of [Redacted: Fee], which is due and payable concurrently with the Closing.
- Monthly Monitoring Fee of [Redacted: Fee], payable in arrears to the Lender for work associated with daily collection/disbursement activity.
- Field examination fees for each field examination of the Borrowers performed by the Lender, calculated at the Lender's standard rate of [Redacted: Fee] per examiner (which rate is subject to change without notice to the Borrowers).
- Appraisal Fees for each appraisal of the Collateral performed by the Lender, or Lender's agent, on a full-reimbursement basis.
- Additional fees related to Facility B are set out in the Corporate MasterCard Agreement.
- Letter of Credit Fees: The Borrower will pay the Lender's standard LC fees charged as determined by the Lender from time to time. In addition, the Borrowers shall pay all usual and customary charges on standby and commercial LCs and amendment fees.

The Lender may debit the Borrowers' accounts for any fee that is due and owing or, if there are insufficient funds in the Borrowers' accounts, cause a deemed Loan to be made under Facility A for the full amount of any fees that are due and owing, which Loan shall be a CAD\$ Prime Rate or US\$ Base Rate Loan, as applicable based on the currency of the fee.

Scheduled Repayments:

All Obligations outstanding under any Facility on the Maturity Date are due and payable in full on the Maturity Date. Any outstanding LCs on the Maturity Date must be either returned for cancellation or cash-collateralized (in the same currency as the LC) by an amount at least equal to the Lender's maximum potential liability under the LCs. Upon the return of the collateralized LC for cancellation, any cash collateral deposited with the Lender shall be released by the Lender.

Facility B: In accordance to the Corporate MasterCard Agreement, and in any event no later than the Maturity Date.

Mandatory Repayments:

In addition to the Scheduled Repayments set out above, the Borrowers will pay the following:

1. If, at any time, the Obligations under Facility A exceed the Facility A Authorized Amount, the Borrowers shall immediately, without notice or demand by the Lender, repay such excess.
2. 100% of the net proceeds of (i) any sales or issuances of equity or debt securities by Kits.com Technologies Inc. ("**Kits.com**") other than to Kits Eyecare Ltd., (ii) any sale or disposition of any assets (other than sales of inventory in the ordinary course of business, disposition of obsolete capital assets or equipment that is beyond its useful life or normal course of asset sales consistent with past practice and in sound business judgment) above ^(Redacted: Amount) in aggregate in any fiscal year, which is not reinvested into assets for the Borrowers within 180 days and (iii) insurance and condemnation proceeds not otherwise reinvested within 180 days.
3. In the event that either (a) the Facilities are not renewed with the Lender on the Maturity Date, (b) the Facilities are re-financed by another lender other than the Lender at any time prior to the Maturity Date or (c) an Event of Default occurs, all amounts outstanding under Facility B will become due and payable in full.

All such mandatory prepayments shall be applied to Obligations under Facility A but shall not reduce the Facility A Authorized Amount during the term of this Agreement.

Voluntary Prepayments / Cancellations:

A Borrower may prepay all CAD\$ Prime Rate and US\$ Base Rate Loans upon 1 Business Day prior notice without penalty or bonus.

Adjusted Term CORRA and Adjusted Term SOFR Loans cannot be prepaid prior to the maturity of the applicable Interest Period, provided that if, for any reason permitted by the Lender in its discretion, any Adjusted Term CORRA or Adjusted Term SOFR Loan is repaid before the maturity of the applicable Interest Period, the Borrowers shall pay all breakage, unwind, re-deployment and other costs and expenses of the Lender concurrently with such repayment. The amount of such costs shall be determined by the Lender and the Lender shall have no obligation to disclose its cost of funds or other proprietary information to the Borrowers.

Security:

All present and future Obligations shall be guaranteed by the Guarantors and secured on a *pari-passu* basis by the following, in each case granted to and in favour of the Lender and in form and substance satisfactory to the Lender and its counsel, acting reasonably:

1. General security agreement and/or such other documentation as required, providing the Lender with a first-ranking security interest over all of the present and after-acquired personal property of the grantor from each Borrower and every Guarantor.
2. Unlimited Guarantees from each Guarantor.
3. Security under Section 426 / 427 of the *Bank Act*.
4. Assignment of Insurance from the Borrowers.
5. Landlords' waivers for any material real property leased by a Borrower or any Guarantor. The Lender agrees that the retail premises leased by Kits Eyecare Ltd. is not material real property for this purpose.
6. Blocked account agreements as required by the Lender, including as described in the Cash Dominion section of this Agreement.
7. Certificates of insurance, naming the Lender as first loss payee and additional insured, as applicable, and containing the standard mortgage clause and requirement to give the Lender at least 30 days before cancellation or termination. Insurance to include business interruption insurance. Certified copy of policy to be provided.
8. If required by the Lender, an assignment of material contracts, permits, agreements, licenses and management agreements;
9. If required by the Lender, intercreditor agreements and/or subordination agreements, as applicable, with any secured or unsecured creditors of the

- Borrowers and the Guarantors;
10. If required by the Lender, postponement and subordination agreements in connection with shareholder loans;
 11. Indemnities for LCs, if and as required by the Lender.
 12. All registrations, recordings and filings of or with respect to the security documents which in the opinion of counsel to the Lender, acting reasonably, are necessary or desirable.
 13. Such other documents as required by the Lender, acting reasonably.

Cash Dominion:

The Borrowers and each of the Guarantors shall cause all proceeds of the sale of its goods and services and all accounts receivable domiciled in Canada and the United States to be deposited into a blocked account or accounts under the sole control of the Lender and all such proceeds shall in turn be used on a daily basis to reduce the Obligations then outstanding under Facility A, after which any such proceeds shall be released to accounts that are not blocked and not under the sole control of the Lender.

Conditions Precedent to Closing and Initial Drawdown:

The Lender's obligation to make any of the Facilities available to the Borrowers or to make any Loans is conditional upon each of the following being completion to the Lender's satisfaction:

1. Completion and delivery of all Loan Documents, including any of the Lender's standard form agreements related to any of the Facilities.
2. Minimum excess availability of 25% (as a percentage of the Facility A Authorized Amount) at the Closing (one day test) after payment of transaction costs and initial proceeds, provided that accounts payable are acceptable.
3. Satisfactory completion of all financial, business, environmental and insurance due diligence with respect to the Borrowers and Guarantors, including field examination and inventory appraisal.
4. Satisfactory review of reviewed financial statements for Kits Eyecare Ltd. and the Guarantors on a consolidated basis for the 3 fiscal years most recently ended, most recent interim actual financial statements with comparatives, projected monthly and annual management prepared financial statements for the next immediate fiscal year.
5. Satisfactory review of all material contracts (of which the Lender acknowledges the Borrowers' advice that there are none).
6. Confirmation of all insurance maintained by the Loan Parties and such insurance shall comply with the requirements of this Agreement.
7. Satisfactory review of the most current aged accounts receivable, accounts payable and inventory listings, and client lists including historical sales and contract terms.
8. Compliance with all representations and warranties made by the Loan Parties under the Loan Documents.
9. No Material Adverse Effect having occurred since the date of the latest financial statements provided to the Lender.
10. No Default or Event of Default that has occurred and is continuing.
11. Payment of all fees and expenses required to be paid by the Loan Parties, including legal, inventory appraisal and field exam costs.
12. Delivery to the Lender of a Borrowing Base Certificate signed by an authorized officer of each Borrower.
13. Delivery to the Lender of a Compliance Certificate confirming compliance with financial covenants and with supporting calculations/documents.
14. Receipt of all information necessary in order for the Lender to comply with legal and internal requirements in respect of money laundering legislations, proceeds of crime legislation, and "know your customer" requirements.
15. Repayment of all existing indebtedness that is not expressly permitted under this Agreement and discharge of all security interests and registrations made against the Loan Parties or their property that is not expressly permitted under this Agreement.
16. Lender having received:
 - a. A favourable opinion of legal counsel to the Borrowers and each Guarantor, addressed to the Lender and its legal counsel with respect to, among others, due authorization, execution, delivery, and enforceability of the Loan Documents and the creation, validity and perfection of the security interest created by the security documents and such other matters as the

Lender requires, acting reasonably.

- b. Officer certificate for each Loan Party certifying, among other things, the constating documents, resolutions and incumbency of each Loan Party.
- c. Recent certificate of good standing (or equivalent) for each corporate Loan Party.

17. Such other conditions as the Lender may reasonably require.

Conditions Precedent to Each Loan:

The Lender's obligation to make any Loan is conditional upon each of the following being completed to the Lender's satisfaction:

- 1. All representations and warranties made by any Loan Party under any Loan Document being true and correct.
- 2. No Default or Event of Default has occurred and is continuing.
- 3. No Material Adverse Effect having occurred since the date of the latest financial statements provided to the Lender.
- 4. Timely receipt of notice of borrowing as required under this Agreement for the particular Loan requested (if any).
- 5. Such other conditions as the Lender may reasonably require.

Representations & Warranties:

On the date of this Agreement and on the date of each borrowing request, the Borrower (and, as applicable, the other Loan Parties) make and are deemed to make the representations and warranties in **Schedule "A"** to the Lender. The Lender is relying on the veracity of these representations and warranties in its decision to extend credit to the Borrowers.

Financial Covenants:

Minimum Fixed Charge Coverage Ratio ("FCCR"): The Borrower shall, at all times maintain a FCCR of not less than ^(Redacted: Ratio) ^, calculated and tested as of the last day of each calendar month on a trailing twelve month basis.

Reporting Requirements:

The Borrowers will deliver or cause to be delivered to the Lender, in sufficient quantity as the Lender reasonably requires, each of the following which shall be in form and substance satisfactory to the Lender, acting reasonably:

Monthly or Weekly

- i) Monthly Borrowing Base Certificates to be submitted within 20 days after the end of each month, along with supporting documentation as required by the Lender, acting reasonably, beginning with the first full calendar month after Closing. If Excess Availability under the Borrowing Base has been less than 15% of the Facility A Authorized Amount for more than 5 consecutive Business Days, a Borrowing Base Certificate shall be submitted within 3 Business Days after the end of each calendar week along with supporting documentation.
- ii) Monthly company-prepared consolidated financial statements including income statement, balance sheet and cash flow, together with a Compliance Certificate to be submitted within 30 days of each month end.
- iii) Priority Claims and statutory deductions report to be submitted 20 days after each month end.

Annually

- i) Annual audited, consolidated financial statements and related management discussion and analysis of the Borrowers and any Guarantors within 120 days of the Borrowers' fiscal year end (including balance sheet, cash flow statement and income statement) and accompanied by a Compliance Certificate
- ii) Annual fiscal plan, including capital expenditure estimates and financial projections consisting of income statement, balance sheet and cash flow statement along with quarterly FCCR and estimated Excess Availability calculations within 30 days prior to the Borrowers' fiscal year end.

Field Examinations and Inventory Appraisals

i) Annual inventory appraisals to be conducted by the Lender (or a representative of the Lender or third party chosen by it) at such times the Lender reasonably requires unless Excess Availability has been less than 17.5% of the Facility A Authorized Amount for more than 5 consecutive Business Days, in which case inventory appraisals shall be conducted 2 times per year. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, the Lender may require or perform inventory appraisals as frequently as it deems necessary.

ii) Annual field examinations to be conducted by the Lender (or a representative of the Lender or third party chosen by it) at such times the Lender reasonably requires, unless Excess Availability has been less than 17.5% of the Facility A Authorized Amount for more than 5 consecutive Business Days, in which case field examinations shall be conducted 2 times per year. Notwithstanding the foregoing, if an Event of Default has occurred and is continuing, the Lender may require or perform field examinations as frequently as it deems necessary.

Other

i) Within 10 days after the termination or expiry of any insurance policy required to be maintained by the Borrowers, a certificate of insurance evidencing the renewal or placement of insurance required to be maintained under this Agreement.

ii) Promptly, notice of material events including the occurrence of a Default or Event of Default, Material Adverse Effect, material litigation or written threat of material litigation, material business interruption, priority liens (which are not otherwise Permitted Liens) and other matters or circumstances which could materially and adversely affect the Lender's rights or the Collateral.

iii) Copies of all management letters and other notifications given to or received by auditors, as and when received or issued.

iv) Such other information as the Lender may reasonably request from time to time.

Positive and Negative Covenants:

The Borrowers jointly and severally (and, as applicable, the other Loan Parties) covenant and agree to do, refrain from doing and otherwise perform and observe at all times each of the positive and negative covenants in **Schedule "B"**.

Events of Default and Remedies:

Each of the events and circumstances set out in **Schedule "C"** constitutes an **"Event of Default"**.

Upon an Event of Default occurring, the Lender shall:

1. have no obligation to make any Loan or extend, or continue to make available, any of the Facilities;
2. be entitled to accelerate and demand any or all of the Obligations;
3. be entitled to enforce any or all of its rights under any of the Security and to make demand under any guarantees, letters of credit and other support granted to the Lender in connection with the Obligations;
4. be entitled to take all other steps and avail itself of all other rights, both legal and equitable, available to the Lender under the Loan Documents or otherwise.

Once the Borrowers, or either of them, are deemed to be in Default, the Borrowers shall remain in Default until the Lender provides, without delay, written notice to the Borrowers that they are no longer in Default. Notwithstanding anything else herein to the contrary, upon the occurrence of any Insolvency Event in respect of any Borrower, all Obligations shall immediately and automatically accelerate and become due in full.

Cross Guarantee

Each of the Borrowers hereby irrevocably and unconditionally jointly and severally guaranties to Lender, as and for its own debt, until the payment in full thereof has been made, (i) the due and punctual payment of all indebtedness, liabilities and other obligations of the other Borrower owed to Lender, when and as the same shall become due and payable, whether at maturity, pursuant to a mandatory prepayment requirement, by acceleration, or otherwise; it

being the intent of each of the Borrowers that the guarantee set forth herein shall be a guarantee of payment and not a guarantee of collection, and (ii) the punctual and faithful performance, keeping, observance, and fulfillment by the other Borrower of all of the agreements, conditions, covenants, and obligations of the other Borrower contained in this Agreement and under or in connection with each of the other Loan Documents.

The foregoing guarantees are a primary and original obligation of each Borrower providing such guarantee, are not merely the creation of a surety relationship, and are an absolute, unconditional, and continuing guaranty of payment and performance which shall remain in full force and effect without respect to future changes in conditions. Each Borrower hereby agrees that it is, directly, jointly and severally with the other Borrowers who have provided such guarantee, liable to Lender, that the obligations of each Borrower under the foregoing guarantees are independent of the obligations of any Borrower or any other guarantor, and that a separate action may be brought against the applicable Borrower, whether such action is brought against another Borrower or any other guarantor or whether another Borrower or any other guarantor is joined in such action.

Each of the Borrowers hereby agrees that its liability under the foregoing guarantees shall be immediate and shall not be contingent upon the exercise or enforcement by Lender of whatever remedies it may have against the applicable Borrower or Borrowers or any other guarantor, or the enforcement of any lien or realization upon any security by Lender.

Co-Borrowers

Each of the Borrowers are jointly and severally liable for the obligations of the Borrowers to the Lender under this Agreement and the Lender may proceed against one or all of the Borrowers to enforce the obligations of the Borrowers under this Agreement without waiving its right to proceed against the other Borrowers.

This Agreement is a primary and original obligation of each Borrower and shall remain in effect notwithstanding future changes in conditions, including any change of law or any invalidity or irregularity in the creation or acquisition of any obligations under this Agreement or in the execution or delivery of any agreement between the Lender and any Borrower. Each Borrower shall be liable for existing and future obligations under this Agreement as fully as if all advances to any Borrower under this Agreement were advanced to such Borrower. The Lender may rely on any certificate or representation made by any Borrower as made on behalf of, and binding on, all the Borrowers. Furthermore, the successful operation of each Borrower is dependent on the continued successful performance of the integrated group of Borrowers, such that each Borrower will benefit from any advances the Lender makes to another Borrower.

Expenses:

The Borrowers shall pay on demand to the Lender all costs and expenses of the Lender (including legal, consulting, advisory, expert, appraisal and other fees, costs and expenses) incurred in connection with the negotiation, establishment, administration, enforcement, registration and monitoring of the Facilities and Loan Documents, other out-of-pocket costs of the Lender incurred from time to time related to the Facilities and this Agreement, the preparation, negotiation, execution and registration of all Loan Documents, regardless of whether or not any documentation is entered into or any Loan. In addition and without limitation, all legal and other direct out-of-pocket expenses, including appraisals, consultant and field examination expenses shall also be for the account of the Borrowers.

Governing Law:

The laws of the Province of British Columbia and of Canada applicable therein.

Paramourncy

If any conflict or inconsistency exists between the terms of this Agreement and the terms of any other Loan Document, the terms of this Agreement will govern and prevail to the extent necessary to resolve such conflict or inconsistency, provided that rights of the Lender shall be construed as being in addition to one another and not conflicting.

Schedules:

The terms and provisions of the schedules and exhibits to this Agreement are an integral part

of this Agreement and this Agreement must be read in conjunction with its schedules and exhibits.

- Schedule "A": Representations and Warranties
- Schedule "B": Positive and Negative Covenants
- Schedule "C": Events of Default
- Schedule "D": Definitions
- Schedule "E": General Terms and Conditions
- Schedule "F": Benchmark Replacement Mechanics

Lender's Legal counsel: Bennett Jones LLP
Shoshanah Webber (webbers@bennettjones.com)

Borrower's Legal counsel: McCarthy Tétrault LLP
Pavan Jawanda (pjawanda@mccarthy.ca)

Open for Acceptance: This Agreement is open for acceptance by the Loan Parties until November ____, 2025, after which time it will be automatically revoked, cancelled and terminated.

BANK OF MONTREAL

Address for Notices:

/s/ "Mark Gray"

Name: Mark Gray
Title: Managing Director

Attention: Mark Gray, Managing Director, Western Canada & Prairies / Sarah Yazji, Associate Director
Email: [Redacted: Email addresses]
Address:

Bank of Montreal - Asset Based Lending
Corporate Finance
595 Burrard St.
Vancouver, BC V7X 1L7

/s/ "Sarah Yazji"

Name: Sarah Yazji
Title: Associate Director

Phone: [Redacted: Phone numbers]

[remainder of page is intentionally blank – signature page follows]

Accepted and agreed by the Loan Parties on: November 24, 2025

KITS EYECARE LTD.

Address for Notices:

/s/ "Roger Hardy"

Attention: Ibrahim Kamar
Email: [Redacted: Email address]

Name: Roger Hardy
Title: Chief Executive Officer

Address: 510 Seymour Street
Unit 1020
Vancouver BC V6B 3J5
Phone: [Redacted: Phone number]

/s/ "Zhe Choo"

Name: Zhe Choo
Title: Chief Financial Officer

KITS.COM TECHNOLOGIES INC.

Address for Notices:

/s/ "Roger Hardy"

Attention: Ibrahim Kamar
Email: [Redacted: Email address]

Name: Roger Hardy
Title: Chief Executive Officer

Address: 510 Seymour Street
Unit 1020
Vancouver BC V6B 3J5
Phone: [Redacted: Phone number]

Name:
Title:

Schedule "A": Representations and Warranties

On the date of this Agreement and on the date of each Loan, each of the Borrowers jointly and severally (and, as applicable, the other Loan Parties) represents and warrants to the Lender on the date of this Agreement and on the date any Loan is advanced by the Lender as follows:

1. It (a) validly exists, (b) has all necessary power and authority to own its property, to carry on the business carried on by it, and to enter into and perform its obligations under each of the Loan Documents to which it is a party, (c) has taken all necessary corporate and other action necessary to execute, deliver and perform its obligations under each of the Loan Documents to which it is a party, and (d) has duly executed each of the Loan Documents to which it is a party.
2. Each Loan Document to which it is party constitutes legal, valid and binding obligations enforceable against it in accordance with its terms.
3. The execution and delivery by it of the Loan Documents to which it is a party, and the performance by it of its obligations thereunder, will not conflict with or result in a breach or default of any applicable law, its constating documents or any agreement or restriction to which it is a party or by which it is bound.
4. Except as disclosed to the Lender in writing, no consent or approval of, registration or filing with, or any other action by, any Governmental Authority is required in connection with the execution, delivery or performance by it of any Loan Document to which it is a party. It has received all necessary consents in connection with the entering into of this Agreement and the granting of the Loan Documents.
5. There is no material litigation pending against it or, to its knowledge, threatened against or affecting it.
6. It is not overdue on taxes, all of which have been paid in full when due, and all tax returns and related filings have been duly and fully made by such Loan Party.
7. The financial statements most recently delivered to the Lender by the Borrower are true and complete and present fairly in all material respects the financial position of the Borrower on a consolidated basis in accordance with GAAP, as defined in Schedule "E", as of the date thereof and for the fiscal period then ended.
8. Since the date of the financial statements most recently delivered to Lender, no event or circumstance (individually or with any other events) has occurred which has had or could reasonably be expected to have a Material Adverse Effect.
9. It does not maintain, administer or otherwise have any obligations under any defined benefit pension plan, and any other pension plan maintained or administered by it is fully paid up and no deficiencies exist in respect of such other pension plan.
10. It maintains insurance policies and coverage in accordance with the Loan Documents and in at least such amounts and against at least such risks as are usually insured against in the same general area by persons in the same or a similar business.
11. It has full legal and equitable ownership in its Collateral, free of any liens or encumbrances (other than Permitted Liens and as otherwise permitted in the Loan Documents).
12. No Default or Event of Default has occurred or is continuing.
13. Except as disclosed in writing by a Borrower to Lender prior to the date of this Agreement, to the best knowledge of such Borrower after due inquiry:
 - a. the business carried on and the property owned or used at any time by it and has at all times been carried on, owned or used in compliance with all environmental and other laws;
 - b. there are no circumstances that could reasonably be expected to give rise to any civil or criminal proceedings or liability regarding the release from or presence of any hazardous substance on any lands owned by, used in or related to its business or property;
14. No representation or warranty made by any Loan party in any Loan Document is false or misleading or contains or will contain any untrue statement of a material fact or omits or will omit to state any material fact.

15. All projections and *pro forma* information delivered to the Lender from time to time by it have been or shall in the future be prepared in good faith based on assumptions believed by it to be reasonable at the time of delivery.
16. It i) has obtained and is in compliance in all material respects with all licenses, permits, consents, authorizations and approvals required from governmental authorities that are necessary for the conduct of its business as presently conducted, and the use of its property and assets (both real and personal), each of which is in full force and effect, is a good, valid and subsisting approval that has not been surrendered, forfeited or become void or voidable, and (ii) is in compliance in all material respects with all applicable laws, regulations and regulatory requirements relating to its business.
17. It has implemented and maintains in effect policies and procedures designed to ensure compliance by it and its directors, officers, employees and agents with Anti-Corruption Laws and Sanctions. It and each of its directors, officers, and employees is in compliance in all material respects with Anti-Corruption Laws and Sanctions. Neither it nor any of its directors, officers or employees is a Sanctioned Person or is engaged in any activity that would reasonably be expected to result in it being designated as a Sanctioned Person. No Loan or LC, use of proceeds or other transaction contemplated by this Agreement will violate Anti-Corruption Laws or Sanctions.

All representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and any Loans made under any Facility.

Schedule “B”: Positive and Negative Covenants

Each of the Borrowers jointly and severally (and, as applicable, the other Loan Parties) covenants and agrees to and in favour of the Lender as follows:

Positive Covenants:

Each of the Borrowers shall:

1. **Payments:** Duly and punctually pay all amounts due by it under the terms of the Loan Documents at the times and places and in the manner provided for and shall duly and punctually perform and observe all other obligations to be performed or observed hereunder at the times and in the manner provided for therein.
2. **Use of Proceeds:** Only use the proceeds of any Loan for the purposes expressly described in this Agreement.
3. **Cash Management:** Maintain its operating and other accounts and cash management with the Lender, and acknowledge that the pricing and continued availability of the Facilities is in part contingent of the Lender having continued visibility into and other rights in respect of the Borrowers’ accounts and cash management. Because the Borrowers maintain their operating and other accounts and cash management with another financial institution as of the Closing Date, they shall have 90 days after the Closing Date to comply with this covenant.
4. **Notices:** Promptly and, in any event, as soon as possible, give the Lender written notice of the occurrence or anticipated occurrence of any of the following:
 - a. any Default or Event of Default;
 - b. any material litigation, dispute, regulatory investigation, audit or other proceeding in respect of any Loan Party or its property;
 - c. an Insolvency Event in respect of, any Loan Party;
 - d. the creation, purchase or other acquisition of any subsidiary or other entity, together with a certified copy of its constating documents;
 - e. any circumstance or event which, in itself or in combination with other circumstances or the passage of time, would reasonably be expected to result in a Default or Event of Default;
 - f. any Material Adverse Effect;
 - g. any release of hazardous substances or other contaminants that are or could be harmful to the environment;
 - h. any enforcement action, or threatened enforcement action, by any other creditor of a Loan Party; and
 - i. any other event or circumstance which may be materially prejudicial to the rights or remedies of the Lender.

Each of the Borrowers and each other Loan Party shall:

5. **Existence:** Maintain its existence in good standing and maintain all Collateral in good working order and condition (normal wear and tear excepted).
6. **Taxes:** Pay all taxes when due, except where the obligation to pay such taxes are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and reserves satisfactory to the Lender have been established.
7. **Comply with Laws:** Comply at all times in all material respects with all laws, regulations, orders, permits and approvals applicable to such Loan Party, its property or rights, including but not limited to environmental laws and regulatory requirements relating to its business.
8. **Comply with Agreements:** Comply at all times, in all material respects, with all material agreements and contracts to which such Loan Party is bound, and for the purposes of this covenant, whether an agreement and contract is considered to be material shall be determined in accordance with the requirements of Part 12 of National Instrument 51-102 “Continuous Disclosure Obligations”.
9. **Insurance:** Maintain types and amounts of insurance in respect of its fixed assets and other property of the consistent with recent past practices, including property insurance and public liability insurance, in such amounts, for such risks, on such terms, with such endorsements and with such insurance companies as are consistent with recent past practices. The Lender shall be named as first loss payee and additional insured, as applicable.
10. **Additional Security:** Provide, and cause each of its subsidiaries and affiliates to provide, such additional security, guarantees, assignments, pledges, mortgages, subordinations and other security as required under

this Agreement or as otherwise required by the Lender, acting reasonably, each in form and substance satisfactory to the Lender and its counsel, acting reasonably.

11. **Inspect Collateral/Maintain Records:** Keep proper books of record and account in which full, true and correct entries are made of all dealings and transactions in relation to its business and activities; permit any representatives designated by the Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested.
12. **Registrations:** Record, file or register (at its expense) all financing statements, financing change statements, mortgages, charges, notations and filings to perfect and protect the security interests, liens, mortgages/charges and other encumbrances established under the Loan Documents in each jurisdiction where the Collateral is located, where it is domiciled (or where its chief executive office or jurisdiction of formation is) and all other locations where the Lender requires, acting reasonably.
13. **Defend Collateral:** Defend the Collateral from all liens, encumbrances, claims and damage (normal wear and tear excepted), other than as specifically permitted in the Loan Documents.
14. **Business Plan:** Use its commercially reasonable efforts to run its business in accordance with the business plans which are provided to and approved by the Lender, acting reasonably.
15. **Material Authorizations:** Maintain all material authorizations and consents in order to run their businesses as presently being conducted.

Negative Covenants:

Neither of the Borrowers shall, directly or indirectly, without the Lender's prior written consent:

1. **Financial Assistance:** Guarantee or provide financial assistance to any person for an amount exceeding \$100,000 other than in favour of the Lender.
2. **Change of Constatting Documents:** Change, amend, replace or restate any of its constating documents, by-laws, charter or other formation documents in any way that would reasonably be expected to be detrimental to any of the Lender's rights under any Loan Document or which would reasonably be expected to negatively affect its ability to repay the Obligations.
3. **Change in Business:** Materially change the nature of its business from the type conducted by it on the date of this Agreement and businesses ancillary to it.
4. **Sale of Assets:** Sell any of its assets or property, other than:
 - a. inventory in the normal course;
 - b. obsolete capital assets or equipment that is beyond its useful life;
 - c. normal course asset sales consistent with past practice and in sound business judgment;
 - d. other sales and dispositions not exceeding [Redacted: Amount] in aggregate in any year provided that the net proceeds of any such sales and dispositions are re-invested into the business of the Loan Parties within 180 days of sale/disposition.
5. **Distributions:** Make any Distribution at any time, other than:
 - a. Permitted Restricted Payments if, immediately before and after such Distribution, no Default (including any default of a Financial Covenant) or Event of Default has occurred or will occur as a result of such Permitted Restricted Payment being made;
 - b. in accordance with stock issuance plans to officers and employees of the Borrower; or
 - c. distributions, dividends or returns of capital payable solely in additional equity or which are paid to another Loan Party and, in each case, where such equity or amounts are subject to a first ranking security interest in favour of the Lender.
6. **Related Party Transactions:** Enter into any agreement with any affiliate or person related to a Loan Party, unless such transaction is completed in the ordinary course of business consistent with past practice and is made on arm's length terms.
7. **Control Agreements:** Enter into any account control agreement with any bank or financial institution other than the Lender.
8. **Discounting Receivables:** Discount, factor or sell (with or without recourse) any of its income, revenue or accounts receivable, other than discounts made in the ordinary course of business (for example, for volume discounts made in sound business judgment).
9. **Sale Leasebacks:** Enter into any arrangement or agreement with any person whereby it sells or transfers property and then rents or leases it back (in whole or in part) to be used for substantially the same purposes as before the sale or transfer.
10. **Issue Shares:** in the case of Kits.com, issue any shares, stock, partnership units or other ownership interests unless they are completely and absolutely pledged to the Lender under the Loan Documents and otherwise on terms acceptable to the Lender.
11. **Change of Control:** In the case of Kits Eyecare Ltd, Roger Hardy ceases to hold a position on the management team or on the Board of Directors of Kits Eyecare Ltd. and, in the case of Kits.com, any effective change of control or ownership (being more than 50% in the aggregate or individually or the ability to govern, manage or direct the operations whether contractually or otherwise) from the current owners on the date of this Agreement.

Neither of the Borrowers shall nor shall each other Loan Party, directly or indirectly, without the Lender's prior written consent:

12. **Debt:** Create, incur, assume or permit to exist any indebtedness other than Permitted Debt.
13. **Negative Pledge:** Create, incur, assume or permit to exist any lien, mortgage, charge, pledge, assignment or other encumbrance on any Collateral, other than Permitted Liens.

14. **Corporate Changes:** Merge or amalgamate with any other person, wind up or effect a dissolution, or sell or agree to sell all or substantially all of its property to any person.
15. **Acquisitions:** Acquire any other person (or all or substantially all of such person's property) other than Permitted Acquisitions.
16. **Investments:** Make any investment other than Permitted Investments; provided that it may invest in guaranteed investment certificates, deposit notes and other similar instruments in respect of the management of its cash.
17. **MAE:** Not do or permit to be done anything that could reasonably be expected to have a Material Adverse Effect.
18. **Payment of Indebtedness:** At any time, make any payments on indebtedness without the prior written consent of the Lender, which may be withheld in the Lender's sole discretion, other than:
 - a. Permitted Restricted Payments; and
 - b. Payments on Permitted Debt.
19. **Hedges.** Enter into any hedging or swap agreement for speculative purposes.
20. **Management Fees.** Make any payment on account of managements fees without the Lender's prior written consent.
21. **Capital Expenditures:** Make any capital expenditures which would cause the aggregate amount expended by the Loan Parties on capital expenditures for the fiscal year in which the expenditure is being made to exceed 120% of the budgeted capital expenditures set out in the budget approved by the Lender.

Schedule "C": Events of Default

Any one or a combination of the following occurring will be an Event of Default:

1. A Borrower fails to pay any amount due under the Loan Documents, including in respect of any principal, interest, fee or reimbursement obligation, provided that if such Borrower's failure to pay is the result of an administrative or technical failure, such Borrower shall have a grace period of one Business Day to rectify.
2. Any representation or warranty made by a Loan Party under any Loan Document to which it is a party is false or materially misleading.
3. Any report, financial statement, certificate or similar statement given to the Lender under or in connection with any Loan Document is materially incorrect or misleading.
4. Any Loan Party fails to comply or perform any covenant, condition or other agreement made in any Loan Document to which it is a party and, if such covenant, condition or other agreement is, in the Lender's discretion, reasonably capable of being remedied, is indeed remedied to the Lender's satisfaction within 30 days of the original failure.
5. Any person obtains a judgment, order, decree or other ruling from any court of competent jurisdiction, Governmental Authority against any Loan Party or its property with a monetary amount (or, in the case of non-monetary orders, which would require such Loan Party to expend money to comply) of CAD\$500,000 individually or in aggregate (or the equivalent in any other currency), which is not fully dismissed or stayed within 60 days of being issued.
6. An Insolvency Event occurs in respect of any Loan Party.
7. Any of the Loan Documents becomes unenforceable or if any Loan Party disputes or threatens to dispute or cancel any Loan Document.
8. A Material Adverse Effect occurs.
9. A change of control of a Borrower occurs, in the manner prohibited by section 11 of the Negative Covenants.
10. A Loan Party defaults under any other agreement for borrowed money or other indebtedness (other than trade payables and the Promissory Note to the extent that the Promissory Note falls within the definition of Permitted Debt).

Schedule “D”: Definitions

The following terms have the corresponding meanings in this Agreement:

Adjusted Term CORRA:	The interest rate per annum equal to: (a) for an Interest Period of 1 month, Term CORRA plus [Redacted: %] and (b) for an Interest Period of 3 months, Term CORRA plus [Redacted: %]
Adjusted Term SOFR:	The interest rate per annum equal to: (a) for an Interest Period of 1 month, Term SOFR plus [Redacted: %] (b) for an Interest Period of 3 months, Term SOFR plus [Redacted: %]; and (c) for an Interest Period of 6 months, Term SOFR plus [Redacted: %]
Agreement	This loan agreement, together with its schedules and exhibits, all as amended, restated, supplemented or otherwise modified from time to time.
Anti-Corruption Laws	All laws, rules, and regulations of any jurisdiction applicable to the Loan Parties, their affiliates and, to their actual knowledge, their respective direct and indirect owners from time to time concerning or relating to bribery, corruption, financial crime, money laundering and terrorist financing.
Business Day	(a) with respect to any amount denominated in Canadian dollars and all matters pertaining thereto, any day excluding Saturday, Sunday and any day which is a legal holiday in Toronto or Vancouver, Canada, and (b) with respect to any amount denominated in US dollars and all matters pertaining thereto (unless otherwise specified), any day excluding Saturday, Sunday or any day which is a legal holiday in New York, U.S.A., Toronto or Vancouver, Canada.
CAD\$ Prime Rate	The rate of interest announced from time to time by the Lender as its reference rate then in effect for determining rates of interest on Canadian dollar loans to its customers in Canada and designated as its prime rate, which rate may change from time to time as posted by the Lender without any prior notice to or consent from the Borrowers.
CORRA	The Canadian Overnight Repo Rate Average administered and published by the Bank of Canada (or any successor administrator).
Closing	When all conditions precedent in this Agreement have been completed to the Lender’s satisfaction or waived by the Lender in writing in its discretion and the Lender has made available the Facilities in accordance with this Agreement.
Closing Date	The date on which Closing occurs.
Collateral	All property, rights and undertakings of every form, anywhere in the world, that is subject to the Lender’s security interests, liens, mortgages and charges in accordance with the Loan Documents, and all proceeds thereof.
Daily Compounded CORRA:	For any day, CORRA with interest accruing on a compounded daily basis, with the methodology and conventions for this rate (which will include compounding in arrears with a lookback) being established by the Lender in accordance with the methodology and conventions for this rate selected or recommended by the applicable Governmental Authority for determining compounded CORRA for business loans; <u>provided</u> that if the Lender decides that any such convention is not administratively feasible for the Lender, then the Lender may establish another convention in its reasonable discretion; and <u>provided further</u> that if the administrator has not provided or published CORRA and a Benchmark Replacement as defined in and in accordance with Schedule F with respect to CORRA has not occurred, then, in respect of any day for which CORRA is required, references to CORRA will be deemed to be references to the last provided or published CORRA. If a floor is stipulated in this Agreement, then Daily Compounded CORRA will never be less than the floor.
Debt Service	For any period, (a) all principal payments in respect of debt made or required to be made during such period, (b) interest expense for such period, and (c) all dividends paid during such period on all preferred shares of the Borrower, all as determined by the Lender.
Distribution	Any payment made by a person (whether in cash, kind or any other property or right, and whether by way of actual payment, set-off, counterclaim or otherwise) of any dividend,

distribution, return of capital, redemption, or purchase of share capital.

EBITDA

For any period, earnings (as defined in the Borrower’s consolidated financial statements prepared in accordance with GAAP) before interest expense, income taxes, depreciation, amortization, share-based compensation, exchange loss/gain (each as used to calculate Adjusted EBITDA in its quarterly earnings releases filed on SEDAR) and such other extraordinary/unusual non-recurring, and non-cash items (such latter items to be agreed upon by the Lender, acting reasonably).

Eligible Inventory

All inventory of the Loan Parties, which the Lender determines, in its reasonable credit discretion, to be “Eligible Inventory” based upon the following criteria (but without limiting the discretion of the Lender to establish, at any time and from time to time, in its reasonable credit discretion, other criteria for such eligibility):

1. raw materials or finished goods;
2. Eligible In-Transit inventory;
3. meets the quality or other standards imposed by any applicable Governmental Authority and any applicable customer;
4. not obsolete, slow moving (which includes Inventory that has been held for sale for more than 24 months), used or otherwise unsaleable, and is of good and merchantable quality, free from any defects that might adversely affect the market value thereof;
5. subject to the Lender’s perfected, first-ranking security interest and not subject to any other lien;
6. is in the possession of the relevant Loan Party and is located on premises owned by or leased to any Loan Party or in respect of which the Lender has received a collateral access agreement in respect of such inventory in form and substance satisfactory to the Lender or has established a reserve satisfactory to the Lender in its reasonable credit discretion;
7. located in Canada or the United States;
8. not work in progress, samples, demo, parts or storeroom materials;
9. not packaging or supplies;
10. not rental in nature;
11. not consigned to or by any Person or on a “bill and hold” basis;
12. not subject to repossession under sections 81.1 or 81.2 or otherwise of the Bankruptcy and Insolvency Act (Canada); and
13. not associated with any inter-company sale or disposition.

The Lender may deem any piece or group of inventory ineligible or otherwise attribute a lesser value to any such piece or group of inventory as the Lender determines in its reasonable judgment, which judgment shall be binding and conclusive.

Eligible Insured Accounts Receivable

Accounts (net of any tax, returns, trade discounts or other reductions) validly owed to a Loan Party that are credit insured (by a nationally recognized insurer satisfactory to the Lender) and/or investment grade and will satisfy the following non-exhaustive criteria:

1. less than 90 days past invoice date but no more than 60 days past due;
2. domiciled in Canada or the United States;
3. a binding and valid obligation of the obligor;
4. evidenced by an invoice;
5. free of claims of recession, cancellation or avoidance;
6. in the case of the sale of goods, those goods have been completed, sold and shipped, on a true sale basis on open account, or subject to contract, and not on consignment, on approval, on a “sale or return” basis, or on a “bill and hold” or “pre sale” basis or subject to any other repurchase or return agreement, and no material part of the subject goods has been returned, rejected, lost or damaged;
7. generated from the sale of goods or services of the applicable Loan Party in the normal course of its business;
8. not owed by an insolvent or bankrupt obligor or an Obligor for which any Insolvency Event has occurred;
9. not inter-company receivables or receivables from affiliates;
10. not owed by governments or government agencies;
11. not disputed or doubtful;
12. not progress billings or pre-billed or unbilled accounts; and

13. subject to the Lender's first-priority security interest and not subject to any other liens.

Other Limits:

- Concentration limit for accounts owed by any particular obligor of 15%
- Tainted/cross-aged factor in excess of 50%

The Lender may deem any particular or group of accounts as ineligible or otherwise attribute a lesser value to any such account as the Lender determines in its reasonable judgment, which judgment shall be binding and conclusive.

Eligible In-Transit Inventory

Any raw materials or finished goods inventory owned by a Loan Party which is in transit to its facilities or a storage facility of another person who has delivered a satisfactory collateral access agreement to the Lender or which is in transit to a customer and either:

- (a) such inventory are covered by a letter of credit issued by a financial institution acceptable to the Lender and otherwise on terms acceptable to it in its reasonable credit discretion, or
- (b) such Inventory is not covered by a letter of credit, but:

- (i) such Inventory has been purchased by a Loan Party from a vendor or supplier located outside Canada or the United States and it has acquired valid title to such Inventory pursuant to an English language purchase and sale contract between it, as buyer, and the vendor or supplier, as seller,
- (ii) title to such inventory and risk of loss has passed to such Loan Party,
- (iii) such Inventory has been shipped to a customer or to a location in Canada or the United States where the Lender's liens have been perfected for receipt by such Loan Party or on behalf of such Loan Party or by such customer, within 60 days of the date of determination, but which has not yet been delivered to the Loan Party or such customer,
- (iv) such inventory is fully insured, including marine cargo insurance, against types of loss, damage, hazards and risks, and in amounts satisfactory to the Lender in its reasonable credit discretion and the Lender shall have been named as lender loss payee with respect to such insurance,
- (v) the bill of lading, waybill, airway bill document of title or other shipping documents with respect to such inventory shall be issued in the name of, and held for the benefit of, such Loan Party, as consignee (or, if so requested by the Lender, consigned to the order of the Lender), and if so requested by the Lender, shall be in negotiable form,
- (vi) the Lender shall have received confirmation that such Loan Party or the applicable freight forwarder or customs broker (in accordance with (x) below) has possession of the original shipping documents issued in the name of such Lender Party, as consignee (or, if so requested by the Lender, consigned to the order of the Lender),
- (vii) the vendor or supplier has no claim upon, interest in, or rights of reclamation, repudiation, stoppage in transit or otherwise with respect to such inventory (other than the right to receive payment from such Loan Party for such Inventory),
- (viii) the Lender has a first priority lien on such Inventory other than Permitted Liens but not any liens in respect (vii) above,
- (ix) such Loan Party has directed the applicable freight forwarder or customs broker to follow all instructions given by the Lender regarding such inventory,
- (x) if required by the Lender, the applicable freight forwarder or customs broker shall have executed a bailee agreement in form and substance acceptable to the Lender in its reasonable credit discretion; and
- (xi) such inventory otherwise meets the criteria for "Eligible Inventory" hereunder.

Eligible Uninsured Accounts Receivable

Accounts that satisfy the criteria for an "Eligible Insured Account Receivable" other than the credit insurance/investment grade criteria.

Excess Availability:

At any particular date of determination, with respect to Facility A: the amount equal to (a) the lesser of the Facility A Authorized Amount and the Borrowing Base, *minus* (b) the total Obligations outstanding under Facility A.

Fixed Charge Coverage Ratio

With reference to the Borrower on a combined basis and in respect of any particular 12 month period:

(a) EBITDA, less cash taxes, dividends or other Distributions or advances or amounts paid to related parties not included in net income and capital expenditures (other than capital expenditures (i) funded with the cash proceeds of any disposition of assets outside the ordinary course of business, (ii) financed with debt (other than any Facilities that are revolving), and/or (iii) to the extent made with the cash proceeds of an issuance of securities of any Loan Party),

divided by

(b) Debt Service; provided that to the extent that payments made under any capital leases are deducted from net income in the calculation of the numerator above, then such payments shall be excluded from Debt Service in the calculation of the denominator above (notwithstanding the definition of Debt Service) so as to avoid duplication,

all as determined by the Lender, acting reasonably.

Insolvency Event

Any one or more of the following events in respect of any person:

1. such person is adjudged insolvent or bankrupt under Insolvency Legislation, or a trustee, monitor, interim receiver, receiver, receiver and manager, liquidator or similar official is appointed in respect of such person or a substantial part of its property;
2. such person ceases to carry on its business, commits an act of bankruptcy or becomes insolvent (as such terms are used in Insolvency Legislation), makes an assignment (or notice of intention to make an assignment) for the benefit of creditors, files a petition in bankruptcy, makes a proposal or commences a proceeding under Insolvency Legislation; or petitions or applies to any tribunal for, or consents to, the appointment of any receiver, trustee, liquidator or similar official in respect of all or a substantial part of its property; or admits the material allegations of a petition or application filed with respect to it in any proceeding commenced in respect of it under Insolvency Legislation; or takes any corporate action for the purpose of effecting any of the foregoing (including without limitation seeking any plan of arrangement under any corporate laws);
3. any proceeding or filing is commenced against such person seeking to have an order for relief entered against it as debtor or to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding-up, reorganization, arrangement, adjustment or composition of it or its debts under any Insolvency Legislation, or seeking appointment of a receiver, trustee, custodian or other similar official for it or any of its property or assets; unless (a) such person is diligently defending such proceeding in good faith and on reasonable grounds and (b) such proceeding does not materially adversely affect its ability to carry on its business and to perform and satisfy all of its obligations; and such proceeding is dismissed within 45 days after its commencement; or
4. such person ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets without complying with applicable law or commits or threatens to commit an act of bankruptcy.

Insolvency Legislation

Any applicable legislation relating to reorganization, arrangement, compromise or re-adjustment of debt, dissolution or winding-up, or any similar legislation, and specifically includes for greater certainty the *Bankruptcy and Insolvency Act (Canada)*, the *Companies' Creditors Arrangement Act (Canada)*, the *Winding-Up and Restructuring Act (Canada)* and applicable corporate legislation in any Province or Territory within Canada or federally.

Interest Period

Means:

(a) with respect to a Canadian Prime Rate Advance or U.S. Base Rate Advance, the period commencing on the applicable drawdown date or conversion date, as the case may be, and ending on the date that the Borrowers select for the repayment or conversion of such advance, as the case may be;

(b) with respect to any Term CORRA Loan, the period commencing on the drawdown date, rollover date, or conversion date, as the case may be, with respect to such

advance and ending on the numerically corresponding day that is one (1) or three (3) months thereafter (in each case, subject to the availability thereof), as selected by the Borrowers in their drawdown request, conversion notice or rollover notice given with respect thereto; and

- (c) with respect to any Term SOFR Loan, the period commencing on the drawdown date, rollover date or conversion date, as the case may be, with respect to such Term SOFR Loan and ending the numerically corresponding day that is one, three, or six months thereafter, as selected by the Borrowers in their drawdown request, conversion notice, or rollover notice given with respect thereto;

provided that, in any case, (i) the last day of each Interest Period shall also be the first day of the next Interest Period with respect to any rollover or conversion, (ii) if any Interest Period would otherwise end on a day that is not a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless the result of such extension would be to carry such Interest Period into another calendar month, in which event such Interest Period shall end on the immediately preceding Business Day, (iii) no Interest Period shall extend beyond the Maturity Date, (iv) any Interest Period that begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) shall end on the last Business Day of a calendar month, and (v) Interest Periods commencing on the same date for Term CORRA Loans and Term SOFR Loans that are part of the same drawdown shall be of the same duration.

Investment Grade Receivables	Eligible Receivables (Insured or Uninsured) owing to a Loan Party from an account debtor which has a Standard & Poor's Corporation rating of "BBB -" or better or a Moody's Investor Services Inc. rating of "Baa3" or better, or the equivalent ratings from DBRS Morningstar or Fitch Inc.
Governmental Authority	Any: (a) federal, provincial, state, municipal, local or other governmental or public department, central bank (including the Bank of Canada or committee officially endorsed or convened by it), court, commission, board, bureau, agency or instrumentality, domestic or foreign; (b) subdivision or authority of any of the foregoing; or (c) quasi-governmental, judicial or administrative body exercising any regulatory, expropriation or taxing authority.
Loan	Any advance of funds, credit made, LC issued or other avallment given to the Borrower under any of the Facilities or this Agreement and includes all rollovers and conversions of other Loans.
Loan Documents	Collectively: this Agreement, the Security and all other documents, pledges, guarantees, security, hypothecs, mortgages/charges, assignments, notes, certificates, instruments, credit card agreements (including the Lender's standard MasterCard Agreement), account and cash management agreements, account control agreements, intercreditor agreements and all other agreements entered into under or in connection with this Agreement, in each case, as amended, restated, supplemented or otherwise modified from time to time in accordance with their terms.
Material Adverse Effect	A material adverse effect on the business, property or condition (financial or otherwise) of the Borrower individually or the Loan Parties as a whole, or a material adverse effect on the ability of any of the Borrower or Loan Parties to perform its obligations under any of Loan Documents.
Net Orderly Liquidation Value	The saleable value of Eligible Inventory (net of any fees, commissions, taxes and other amounts) on arm's length transactions through private or public sale or auction (as decided by the Lender) based upon definitions and assumptions acceptable to the Lender in its sole discretion and confirmed in an appraisal report by an accredited appraiser satisfactory to the Lender in its sole discretion.
Obligations	All present and future debts, liabilities and obligations of every kind, matured or unmatured, contingent or absolute, of any Loan Party to the Lender and its affiliates under or in connection with the Loan Documents, and specifically includes all Loans, interest, principal, fees, reimbursement and indemnity obligations, cash management, credit card, hedging/swap obligations and all other amounts.

Permitted Acquisitions

Means an acquisition where the following conditions are met:

- no default or Event of Default exists or will occur on a pro forma basis as a result of the making of such acquisition;
- the Borrowers have Excess Availability of the greater of: (i) \$2,625,000 or (ii) greater than 17.5% for 30 days before and after the making of such acquisition; and
- the Borrowers have a Fixed Charge Coverage Ratio greater than 1.15-1:00 for 30 days before and after the making of such acquisition.

Permitted Debt

Without duplication:

1. Obligations owed to the Lender and its affiliates under the Loan Documents;
2. Indebtedness for equipment secured by purchase money security interests up to the maximum amount of CAD\$1,500,000 at any time;
3. Inter-company unsecured indebtedness among Loan Parties who are subject to the Lender's first-ranking security interest;
4. Indebtedness that is subordinated to the Lender on terms and conditions satisfactory to the Lender, acting reasonably;
5. Trade payables which are incurred in the ordinary course of business;
6. Indebtedness of Kits Eyecare Ltd. to any of their current or former shareholders [Redacted: Commercial sensitive information]; and
7. other indebtedness permitted by the Lender in advance in writing.

Permitted Investments

Means an investment where the following conditions are met:

- no default or Event of Default exists or will occur as a result of the making of such investment on a pre and pro forma basis;
- the Borrowers have Excess Availability of the greater of: (i) ^[Redacted: Amount] or (ii) greater than 17.5% for 30 days before and after the making of such investment; and
- the Borrowers have a Fixed Charge Coverage Ratio greater than ^[Redacted: Ratio] for 30 days before and after the making of such investment.

Permitted Liens

Without duplication:

1. Liens granted in favour of the Lender under the Loan Documents;
2. Purchase money security interests securing Permitted Debt;
3. liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges, provided that in each case that the obligation is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and reserves satisfactory to the Lender have been established therefor;
4. undetermined or inchoate liens established by statute for obligations not due or delinquent; and
5. other liens permitted by the Lender in writing in its discretion.

Permitted Restricted Payments

Periodic dividends and distributions to shareholders, redemption of capital stock and capital stock buybacks, in each case, where the following conditions are met:

- no default or Event of Default exists or will occur as a result of the making of such Permitted Restricted Payment on a pre and pro forma basis;
- the Borrowers have Excess Availability of the greater of: (i) ^[Redacted: Amount] or (ii) greater than 17.5% for 30 days before and after the making of such Permitted Restricted Payment; and
- the Borrowers have a Fixed Charge Coverage Ratio greater than ^[Redacted: Ratio] for 30 days before and after the making of such Permitted Restricted Payment.

Priority Claims

Any liability of any Loan Party that ranks, in right of payment in any circumstances in priority

to any Obligation and may include unpaid wages, salaries and commissions, unremitted source deductions for vacation pay, arrears of rent, unpaid taxes, amounts owed in respect of worker's compensation, amounts owed to unpaid vendors who have a right of repossession (but excluding any purchase money security interest which is a Permitted Lien), and amounts owing to creditors which may claim priority by statute or under a purchase money lien, deemed trusts and trusts, and all security that secures any such liability.

Promissory Note	Promissory note dated as of January 18, 2021 issued by Kits Eyecare Ltd. in favour of certain current and former shareholders of Kits Eyecare Ltd.
Sanctions	Economic and financial sanctions or trade embargoes imposed, administered or enforced by any Governmental Authority in any jurisdiction, including the Office of Foreign Assets Control of the US Department of Treasury.
Term CORRA Administrator:	Candeal Benchmark Administration Services Inc., TSX Inc., or any successor administrator.
Term CORRA:	The forward-looking term rate based on CORRA (" Term CORRA Reference Rate ") for a period comparable to the applicable Interest Period of 1 or 3 months on the day (such day, the " Periodic Term CORRA Determination Day ") that is 2 Business Days prior to the first day of such Interest Period, as such rate is published by the Term CORRA Administrator; <u>provided</u> that if as of 1:00 p.m. (Toronto time) on any Periodic Term CORRA Determination Day the Term CORRA Reference Rate for the applicable period has not been published by the Term CORRA Administrator and a Benchmark Replacement Date (as defined in Schedule F) with respect to the Term CORRA Reference Rate has not occurred, then Term CORRA will be the Term CORRA Reference Rate for such period as published by the Term CORRA Administrator on the first preceding Business Day for which such Term CORRA Reference Rate for such period was published by the Term CORRA Administrator so long as such first preceding Business Day is not more than 3 Business Days prior to such Periodic Term CORRA Determination Day.
Term SOFR	For an Interest Period of 1, 3 or 6 months, the rate per annum determined by the Lender as the forward-looking term rate based on the secured overnight financing rate administered by the US Federal Reserve Bank of New York (or a successor administrator selected by Lender) that is 2 U.S. Governmental Securities Business Days before the start of the chosen Interest Period (or, if such rate is not ascertainable on such date, the immediately preceding U.S. Governmental Securities Business Days). Each determination of Term SOFR by the Lender shall be conclusive and binding absent manifest error.
US\$ Base Rate	The annual rate of interest announced from time to time by Bank of Montreal as its reference rate then in effect for determining rates of interest on U.S. Dollar loans to its commercial customers in Canada and designated as its U.S. base rate.
U.S. Governmental Securities Business Days	Means any Business Day the U.S. Treasury and the Federal Reserve Bank of New York are open for business.

Schedule "E": General Terms and Conditions**GAAP:**

Unless otherwise specifically provided herein, any accounting term used in this Agreement shall have the meaning customarily given such term in accordance with GAAP (i.e. IFRS, ASPE, US GAAP, etc. as the case may be), and all financial computations hereunder shall be computed in accordance with GAAP consistently applied. That certain items or computations are explicitly modified by the phrase "in accordance with GAAP/IFRS/US GAAP/ASPE" shall in no way be construed to limit the foregoing. If there occurs after the date hereof any change in GAAP from that used in the preparation of the financial statements delivered or if, after the date hereof the Loan Parties (if any) adopt any other accounting principles for use in the preparation of their financial statements (such changes in GAAP and such adoption being referred to herein as "**Accounting Changes**") that affects in any respect the calculation of any covenants, the Lender and the Borrowers shall negotiate in good faith amendments that relate to the calculation of such covenants with the intent of having the respective positions of the Lender and the Borrowers after such Accounting Changes conform as nearly as possible to their respective positions as of the date hereof and, until any such amendments have been agreed upon by the Lender and the Borrowers, or if no such changes are mutually agreed upon, the covenants shall be calculated as if no Accounting Changes have occurred and all financial statements of Kits Eyecare Ltd. and its Subsidiaries (if any) shall be prepared and delivered in accordance with GAAP.

Assignment:

Loan Parties cannot transfer, assign, sell, delegate or otherwise dispose of any of their rights or obligations under any of the Loan Documents without the Lender's prior written consent.

The Lender and each of its affiliates shall have the right to assign any or all of their rights and remedies under any of the Loan Documents and/or to sell, insure, re-insure or participate any of their rights or obligations in the Facilities or in any Loan to any other financial institution or person who makes loans as part of its business.

Increased Costs, Taxes etc.:

If, in respect of any change in or introduction of any law, regulation, order, rule, request or directive (whether or not having the force of law but of a kind which is intended to be generally complied with by banks) or in the interpretation thereof by any authority charged with the administration thereof or by any court of competent jurisdiction:

- (a) the Lender incurs a cost (which it would not otherwise have incurred), becomes subject to a tax, or becomes liable to make a payment (calculated with reference to the amount outstanding or available under a Facility) with respect to continuing to provide or maintain such Facility (other than a tax imposed on the income of the Lender);
- (b) any reserve, special deposit, liquidity or similar requirement is imposed or increased with respect to the Facility increasing the cost thereof to the Lender; or
- (c) the Lender suffers or will suffer a reduction in the rate of return on its overall capital (other than a reduction by reason of an income tax referred to in (a) above) as a result of the amount of the capital that the Lender is required to maintain being increased or of any change in the manner in which the Lender is required to allocate its resources;

then the Borrowers shall, upon receiving written notice from the Lender, pay to the Lender such amount as will compensate the Lender for and will indemnify the Lender against such increases in cost or reductions of rate of return with respect to the Facility accruing after the date of receipt of such notice. The notice issued by the Lender setting out the amount and basis for the amount of such additional payment required shall be deemed to be *prima facie* correct.

The Borrowers shall reimburse the Lender for any costs, losses and expenses incurred by the Lender (including for the liquidation or redeployment of deposits to make or maintain any Facility) in connection with (i) the failure of the Borrowers to borrow or maintain borrowings hereunder after requesting an advance (for any reason attributable to a Borrower including the failure to meet any conditions precedent to such advance or the occurrence of a Default), (ii) the repayment of loans by the Borrowers under any circumstances other than those set out in this Agreement, and (iii) the failure of the Borrowers to pay any amounts when owing and due under any Loan Document.

Confidential Information

The Lender shall keep confidential all information received from the Borrowers in connection

Release and Consent:

with the Facilities and this Agreement, except that the Lender may disclose such information to its directors, officers, employees, legal counsel, and other advisors (collectively, “**Representatives**”) on a confidential and “need to know” basis and as required or requested in any legal, judicial or administrative proceeding, by law or regulation or by a governmental or regulatory authority. The Lender’s confidentiality obligation shall not apply to information which: (a) becomes generally available to the public other than as a result of disclosure by the Lender or its Representatives in breach of this Agreement; (b) was available to the Lender on a non-confidential basis prior to its disclosure to the Lender by the Borrowers; (c) becomes available to the Lender on a non-confidential basis from a source other than the Lender, provided that such source is not to the knowledge of the Lender bound by a confidentiality agreement with, or other confidentiality obligation to, a Borrower; or (d) is independently developed by the Lender without reference to any information received from a Borrower.

The Borrowers authorize and consent to reproduction, disclosure and use by the Lender of only the Borrowers’ names and any identifying logos and the Facilities to enable the Lender to publish promotional “tombstones” and other forms of notices of the Facilities in any manner and in any media (including brochures and other marketing materials).

The Borrowers also consent to the Lender releasing confidential information to prospective and actual assignees, purchasers and participants of the Credit Facilities or any Loan Document, provided such information is subject to comparable obligations of confidentiality as are set out in the above paragraphs.

Evidence of Obligations (Noteless Advances):

The Lender may, but shall not be obligated to, request the Borrowers to execute and deliver from time to time such promissory notes as may be required in order to evidence the Obligations. The Lender shall open and maintain, in accordance with its usual practice, an account or accounts evidencing the Obligations, and the information entered in such accounts shall be deemed to be *prima facie* correct.

Indemnity:

Each Loan Party, on a joint and several basis, indemnifies and will hold harmless the Lender, their affiliates and each of their respective officers, directors, partners, agents, employees, consultants, advisors (the “**Indemnified Parties**”) and agents from and against all liabilities, losses, claims, damages and other obligations of every kind, direct or indirect, in any way connected or related to the Loan Documents, any Loan or any other transaction contemplated in any Loan Document, other than as a direct result of the gross negligence or willful misconduct of the Indemnified Parties as determined by a court of competent jurisdiction. This indemnity is intended to be broad and comprehensive but notwithstanding any other provision in this paragraph shall exclude any liability for indirect, special or consequential damages.

Matters relating to Interest:

Unless otherwise indicated, interest on any outstanding principal amount and all other amounts (including unpaid interest) shall be calculated daily and shall be payable monthly in arrears on the first Business Day of the following month; and if the Maturity Date of a Facility is not the end of a month, all accrued and unpaid interest in respect of such Facility shall be paid on such Maturity Date. Interest shall accrue from and including the day upon which a Loan is made or is deemed to have been made, and ending on but excluding the day on which such Loan is repaid or satisfied.

Any change in the CAD\$ Prime Rate or US\$ Base Rate shall cause an immediate adjustment of the interest rate applicable to CAD Prime Rate based loans or Base Rate based loans, as applicable, without notice to the Borrowers.

Unless otherwise stated in this Agreement, if reference is made to a rate of interest, fee or other amount “per annum” or a similar expression is used, such interest, fee or other amount shall be calculated on the basis of a year of 365 or 366 days, as the case may be. If the amount of any interest, fee or other amount is determined or expressed on the basis of a period of less than 1 year or 365 or 366 days, as the case may be, the equivalent yearly rate is equal to the rate so determined or expressed, divided by the number of days in the said period, and multiplied by the actual number of days in that calendar year. The Lender agrees that promptly upon request by a Borrower from time to time it will advise such Borrower of the CAD\$ Prime Rate and US\$ Base Rate in effect at such time (or during any other period prior to such time), and will assist such Borrower in calculating the

effective annual rate of interest required to be disclosed pursuant to section 4 of the *Interest Act* (Canada).

If the amount of any interest, premium, fees or other monies or any rate of interest stipulated for, taken, reserved or extracted under this Agreement or any other Loan Document would otherwise contravene the provisions of section 347 of the *Criminal Code* (Canada), section 4 or section 8 of the *Interest Act* (Canada) or any successor or similar legislation, or would exceed the amounts which the Lender is legally entitled to charge and receive under any law to which such compensation is subject, then such amount or rate of interest shall be reduced to such maximum amount as would not contravene such provision; and to the extent that any excess has been charged or received the Lender shall apply such excess against the outstanding indebtedness and refund any further excess amount.

Interpretation:

The definitions in the Loan Documents shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation”. The word “or” is disjunctive; the word “and” is conjunctive. Any reference herein to the exercise of discretion by the Lender (including phrases such as “in the discretion of”, “in the opinion of”, “to the satisfaction of” and similar phrases) shall mean that such discretion is absolute and unfettered and shall not imply any obligation to act reasonably, unless otherwise expressly stated herein. Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented, restated or replaced (subject to any restrictions on such modifications set out herein), (b) any reference herein to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time, (c) any reference herein to any person shall be construed to include such person’s successors and permitted assigns, (d) the words “herein”, “hereof” and “hereunder”, and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (e) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, and (f) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

**Matters related to
Currency:**

If it is necessary for any purpose relating to any Facility that an amount denominated in a currency other than Canadian Dollars be expressed in or equated to an amount of Canadian Dollars, the applicable amount of Canadian Dollars will be determined by the Lender in accordance with its normal practice. If the amount outstanding under such Facility, when converted to the equivalent amount in Canadian Dollars, exceeds the amount available under such Facility, the Borrowers shall, unless the Lender otherwise agrees in its sole discretion, immediately repay such excess to the Lender.

If, for the purposes of obtaining judgment in any court in any jurisdiction with respect to this Agreement or any other Loan Document, it becomes necessary to convert into a particular currency (the “**Judgment Currency**”) any amount due under this Agreement or under any other Loan Document in any currency other than the Judgment Currency (the “**Currency Due**”), then conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which judgment is given. For this purpose “rate of exchange” means the rate at which the Lender is able, on the relevant date, to purchase the Currency Due with the Judgment Currency in accordance with its normal practice at its office in Toronto, Ontario. If there is a change in the rate of exchange prevailing between the Business Day immediately preceding the day on which the judgment is given and the date of receipt by the Lender of the amount due, the Borrowers shall, on the date of receipt by the Lender, pay such additional amounts, if any, or be entitled to receive reimbursement of such amount, if any, as may be necessary to ensure that the amount received by the Lender on such date is the amount in the Judgment Currency which when converted at the rate of exchange prevailing on the date of receipt by the Lender is the amount then due under this Agreement or such other Loan Document in the Currency Due. If the amount of the Currency Due which the Lender is so able to purchase is less than the

amount of the Currency Due originally due to it, the Borrowers shall indemnify and save the Lender harmless from and against all loss or damage arising as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement and the other Loan Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Lender from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under this Agreement or any other Loan Document or under any judgment or order..

WAIVER OF JURY TRIAL:

EACH PARTY HERETO HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT, ANY OTHER LOAN DOCUMENT, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

No Advisory or Fiduciary Duty:

Each Loan Party acknowledges and agrees, and acknowledges its subsidiaries' understanding, that the Lender will not have any obligations hereunder except those obligations expressly set forth herein and in the other Loan Documents, and that the Lender is acting solely in the capacity of an arm's length contractual counterparty to the Loan Parties with respect to the Loan Documents and the transactions contemplated therein.

The Lender is not as a financial advisor or a fiduciary to, or an agent of, the Borrowers or any other Loan Party.

Each Loan Party agrees that it will not assert any claim against the Lender based on an alleged breach of fiduciary duty by the Lender in connection with Agreement or the other Loan Documents and the transactions contemplated thereby. Additionally, each Loan Party acknowledges and agrees that the Lender is not advising any Loan Party as to any legal, tax, investment, accounting, regulatory or any other matters in any jurisdiction. The Loan Parties shall consult with their own advisors concerning such matters and shall be responsible for making their own independent investigation and appraisal of the transactions contemplated hereby, and the Lender shall have no responsibility or liability to any Loan Parties with respect thereto.

Set Off:

The Lender and its affiliates may set off any Obligations owing or past-due against any money and other property maintained in any accounts of the Borrowers held with the Lender or its affiliates. Without limiting the foregoing, at any time that an Event of Default has occurred and is continuing, the Lender is authorized at any time to set off and apply any deposits held by it and any other amounts owed by it to or for the credit of the Borrowers against any and all of the Obligations, irrespective of whether or not the Lender has made any demand and even though any such obligations may not yet be due and payable.

Further Assurances:

Each Loan Party agrees to do all things and execute and deliver all agreements, instruments and other documents as the Lender reasonably requests from time to time to give effect to the terms or intent of any of the Loan Documents, to perfect or maintain perfection of the Security or to otherwise protect the Lender's rights.

Electronic Execution and Instructions:

Other than as may required by law, regulation or the Lender's policies, any Loan Document may be executed electronically and in any number of counterparts, each of which shall be deemed to be an original and all of which, when taken together, shall constitute one and the same instrument. The Lender may require that Loan Parties deliver originally executed versions of the Loan Documents.

The Lender may deliver any notice, demand or other communication to any Loan Party

personally, by mail or electronically by email at the addresses opposite such Loan Party's signature on this Agreement (as may be changed by the Loan Parties after the Closing by written notice to the Lender, which change will take effect no earlier than 5 Business Days after the Lender is given the notice).

The Loan Parties irrevocably and unconditionally authorize and instruct the Lender to accept instructions in respect of the Facilities by telephone or email, according to Lender-approved protocols and procedures. The Lender shall be fully entitled to act on any such instructions if it believes in good faith that such instructions originated from someone with authority to issue them on behalf of a Loan Party.

Electronic communications may not be secure means of communication and the Borrowers assume responsibility for the risks of using them, including the possibility that an electronic communication is intercepted by or sent to an unauthorized person, misunderstood, lost, delayed, or not received by Lender at all. Lender is entitled to rely upon any electronic communication from or purporting to be from a Borrower, as if such instructions were given in writing.

Notwithstanding the foregoing, the Lender is not required to act upon any electronic or other communication or instruction it receives if it believes in good faith that such communication or instruction is or could be fraudulent or unauthorized, could violate any law or regulation, is contrary to the terms of any Loan Document or if they are unclear or incorrect.

Amendments; Waivers: None of the Loan Documents can be amended, modified or changed in any way except by an instrument in writing that is signed by the Lender.

No delay on the part of Lender in exercising any right or privilege will operate as a waiver thereof, and no waiver of any failure or default will operate as a waiver thereof unless made in writing and signed by the Lender, or will be applicable to any other failure or default.

Payments on Business Days Only: If any payment is due on a day other than a Business Day, such payment will be due on the next Business Day.

The fees, interest rates and other charges for the Borrowers' banking arrangements with Lender are dependent upon each other. Accordingly, if a Borrower cancels or does not follow through with, in the manner originally contemplated, any of these arrangements, Lender reserves the right to require payment by such Borrower of increased or added fees, interest rates and charges as a condition of the continuation of the Borrowers' banking arrangements.

Overdraft Mechanics: If a Borrower is entitled under any Facility to obtain Loans by way of overdraft, the debit balance in such Borrower's applicable operating account from time to time will be deemed to be a loan in Canadian dollars or US dollars, as the case may be, outstanding to such Borrower under such Facility and bearing interest as set out in this Agreement for Loans in such currency under such Facility. If at any time a Borrower is a party to a cash concentration arrangement with Lender, the amount of any overdraft from time to time in the Canadian dollar or US dollar concentration account of such Borrower established pursuant to such arrangement will also be deemed to be a loan in Canadian dollars or US dollars, as applicable, outstanding to such Borrower under the applicable Facility and bearing interest as set out above on the basis of the CAD\$ Prime Rate or the US\$ Base Rate, as the case may be.

Letter of Credit (LC) Mechanics: The following is in addition to any other LC provision in this Agreement.

Each Borrower agrees, upon demand by the Lender, to provide the Lender with cash in the proper currency to meet each drawing that the Lender is required to pay under an LC or to reimburse the Lender for each drawing that the Lender has paid under an LC. If the Lender demands payment of any Facility under which a LC is outstanding, or if a Borrower elects to permanently repay or terminate any Facility under which a LC is outstanding, such Borrower must provide the Lender with cash, in the same currency as the LC, or marketable securities satisfactory to the Lender (collectively the "**Cash Collateral**") in an amount equal to Lender's maximum potential liability under the LC. The Cash Collateral

will be held by the Lender as collateral security for, and may be applied to satisfy Obligations under, the LC or otherwise under any Facility. Upon return of such LC and termination of the Facilities in full, the Lender shall release the Cash Collateral.

Neither the Lender nor any of its correspondents shall be liable for the use which may be made with respect to any LC; any acts or omissions of the beneficiary of any LC including the application of any payment made to such beneficiary; the form, validity, sufficiency, correctness, genuineness or legal effect of any document relating to any LC, even if such document should prove to be in any respect invalid, insufficient, inaccurate, fraudulent or forged; any failure of the beneficiary of any LC to meet the obligations of such beneficiary to a Borrower or to any other person; or any failure by the Lender to make payment under any LC as a result of any law, control or restriction rightfully or wrongfully exercised or imposed by any domestic or foreign court or Governmental Authority or as a result of any other cause beyond the control of the Lender.

The terms and conditions of the Lender's standard application for irrevocable documentary credit or application for standby letter of credit, as applicable, and any of our other standard documentation relating to LCs, in effect from time to time will be applicable to each LC whether or not any such documentation has been executed by or on behalf of a Borrower. A copy of any such documentation is available from the Lender.

Unless otherwise specified in the applicable documentation referred to above, and subject to any provision herein to the contrary, each LC shall be subject to the Uniform Customs and Practice for Documentary Credits or the International Standby Practices, as applicable, of the International Chamber of Commerce current at the time of issuance of such LC.

Waiver of *Contra Proferentem*:

The Loan Documents are the result of good faith negotiations between the Lender and the Loan Parties and reflect fairly the commercial agreement among them. The legal rule of *contra proferentem* will not apply to the Loan Documents.

Schedule “F”: Benchmark Replacement Mechanics

Capitalized terms used but not defined in this Schedule have the respective meanings given to them in Schedule D and the Agreement.

DEFINITIONS:

Benchmark:

For:

- (a) CORRA, initially, the Term CORRA Reference Rate or Daily Compounded CORRA, as applicable; and
- (b) SOFR, initially, Term SOFR,

provided that if a Benchmark Transition Event has occurred with respect to any of the foregoing or the then-current Benchmark, then “Benchmark” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate under this Schedule.

Benchmark Replacement:

With respect to any Benchmark Transition Event:

- (a) where a Benchmark Transition Event has occurred with respect to Term CORRA Reference Rate, the Benchmark Replacement will be Daily Compounded CORRA; and;
- (b) where a Benchmark Transition Event has occurred with respect to a Benchmark other than the Term CORRA Reference Rate, the Benchmark Replacement will be the sum of:
 - i. the alternate benchmark rate that has been selected by the Lender in its discretion but considering: (1) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by an applicable Governmental Authority, or (2) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for similar credit facilities, and
 - ii. the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than any applicable floor, the Benchmark Replacement will be deemed to be that floor for the purposes of this Agreement and the other Loan Documents. If there is no floor, then the floor shall be deemed to be 1%.

Benchmark Replacement Adjustment:

With respect to any replacement of the then-current Benchmark with a Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Lender in its discretion but considering: (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark by the applicable Governmental Authority, or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark for similar credit facilities at such time.

Benchmark Transition Event:

With respect to any then-current Benchmark, the occurrence of any of the following events as determined by the Lender in its sole discretion:

- (a) that Benchmark or any Interest Period of that Benchmark is no longer available or published or representative;
- (b) the administrator, regulatory supervisor or other applicable Governmental Authority having jurisdiction over the Benchmark has made a public statement

- that the Benchmark or any Interest Period of the Benchmark will no longer be made available, used or advisable for determining interest rates of loans; or
- (c) loans are currently being executed containing, or loans that include benchmark replacement language similar to that contained in this Agreement, are being executed or modified (as applicable) to incorporate or adopt, a new interest rate to replace a Benchmark.

Conforming Changes:

With respect to the use or administration of a Benchmark or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to definitions, pricing, Applicable Margins and other provisions of any Loan Document, timing and frequency of determining rates and making payments of interest, timing of loan requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods and other technical, administrative or operational matters) that the Lender decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender decides that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents.

REPLACEMENT MECHANICS:

1. **Rates and No Liability:** The Lender does not warrant or accept responsibility for, and won't have any liability with respect to:
 - a. Continuation, administration, calculation or any other matter related to CORRA, SOFR or any other Benchmark or any term, interest rate or Interest Period related to any of them;
 - b. the effect, implementation or composition of any Conforming Changes;
 - c. whether any adjustments to Term CORRA, Daily Compounded CORRA, Term SOFR or other Benchmark is similar to, or produces, the economic equivalence of any prior reference interest rate, index or other credit availability;
 - d. the liquidity or availability of any Benchmark or Interest Period thereof;
 - e. any other direct or indirect consequence of a Benchmark, Benchmark Transition Event, Benchmark Replacement, Conforming Changes or other consequence of any reference rate adjusting or ceasing in the future.
2. **Benchmark Replacement:** Notwithstanding anything to the contrary in this Agreement or any other Loan Document (and the Lender may determine if it requires applicable swap and hedge agreements to be Loan Documents for the purposes of these mechanics), if a Benchmark Transition Event occurs, then:
 - a. in the case of a Benchmark Replacement under clause (a) of that definition [*Term CORRA to Daily Compounded CORRA*], such Benchmark Replacement will replace the applicable Benchmark for all purposes under the Loan Documents for that Benchmark without any further action or consent of any party, provided the Lender may make Conforming Changes as required; and
 - b. in the case of a Benchmark Replacement under clause (b) of that definition [*anything other than Term CORRA*], such Benchmark Replacement will replace the applicable Benchmark for all purposes under the Loan Documents after 5:00pm Toronto time on the 5th Business Day after the date notice of such Benchmark Replacement is provided to the Lender without any further action or consent of any party, provided the Lender may make Conforming Changes as required.

The Lender may issue simple notice of any Benchmark Replacement to the Borrowers, however any Benchmark Replacement made under this Section will not be affected, conditional or prejudiced in any way if the Lender does not provide any such notice.

Each outstanding loan based directly or indirectly on a Benchmark that is being replaced under this section ("**Existing Loan**") will automatically convert to a loan under the new adjusted Benchmark ("**Updated Loan**") upon the later to occur of (a) the maturity of the applicable Interest Period of the Existing Loan, and (b) the effective date of the Benchmark Replacement. The Updated Loan will be in the principal amount of all outstanding debt, interest, fees and other amounts of the Existing Loan on the conversion date and bear interest at a rate per annum based on the new Benchmark and taking into account any Applicable Margin, Conforming Changes, fees and other amounts. If, for any reason, an Existing Loan cannot be so converted, it will be deemed to have converted to a Prime Rate or Base Rate, as applicable, loan in the principal amount of all outstanding debt, interest, fees and other amounts of the Existing Loan on the conversion date.

3. **Conforming Changes:** Without limiting the Lender's ability to make Conforming Changes under Section 2, the Lender may make Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.
4. **Notices:** The Lender will notify the Borrowers of any Benchmark Replacement and the effectiveness of any Conforming Changes. Any determination, decision or election by the Lender and associated notice(s) will be conclusive and binding absent manifest error and will be made in the Lender's sole discretion without the need for any consent or approval from any person.
5. **Compensation for Loss:** If any loan based on Term CORRA, Term SOFR or Daily Compounded CORRA is repaid, converted, rolled over or assigned before the last day of the applicable Interest Period, the Borrowers will immediately on demand compensate the Lender for any loss, cost and expense attributable to such event, including costs of re-deploying capital, break-fees and other related amounts.