

WAIVER AND FIFTH AMENDMENT TO CREDIT AGREEMENT

THIS WAIVER AND FIFTH AMENDMENT TO CREDIT AGREEMENT (this “**Amendment**”) is made as of October 12, 2021, among:

BAYLIN TECHNOLOGIES INC. (the “**Borrower**”)

- and -

ROYAL BANK OF CANADA, in its capacity as the administrative agent (the “**Agent**”)

- and each of -

ROYAL BANK OF CANADA and **HSBC BANK CANADA**, as lenders (in such capacities individually referred to as a “**Lender**” and collectively in such capacities referred to as the “**Lenders**”)

RECITALS

- A. The Agent, the Borrower and the Lenders have entered into a credit agreement, dated March 29, 2019, as amended by a first amendment to credit agreement dated June 8, 2020 (the “**First Amendment**”), a second amendment to credit agreement dated December 2, 2020 (the “**Second Amendment**”), a third amendment to credit agreement dated May 10, 2021 (the “**Third Amendment**”) and a waiver and fourth amendment to credit agreement dated August 11, 2021 (as further amended, restated, supplemented or replaced from time to time, collectively, the “**Credit Agreement**”); and
- B. The Borrower requested, and the Agent and the Lenders have agreed to make, certain amendments to the terms and conditions of the Credit Agreement.

NOW THEREFORE, in consideration of the covenants and agreements contained in this Amendment, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. **Definitions.** All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Credit Agreement.
- 2. **Waiver of Mandatory Repayments on Additional Equity Financings.** Subject to the terms and conditions contained herein, the Lenders hereby agree to waive the requirements of Section 7.05 and 7.08 of the Credit Agreement with respect to the issuance of equity pursuant to the October 2021 Equity Issuance, provided that the proceeds of such equity issuance are deposited into the Borrower’s bank account held with the Agent or a Lender on or before November 1, 2021.
- 3. **Amendments to Credit Agreement.** The Credit Agreement is hereby amended by:

- (a) Adding the following definition to Section 1.01 of the Credit Agreement in alphabetical order:

“**October 2021 Equity Issuance**” means the issuance of common shares and all associated warrants of the Borrower in the month of October 2021 for gross proceeds of not less than \$5,000,000.”

- (b) Deleting the definition of “**Fixed Charge Coverage Ratio**” and replacing it with the following:

“**Fixed Charge Coverage Ratio**” means, for any twelve month period, the ratio of: (i) EBITDA less Consolidated Tax Expenses of the Borrower and its Subsidiaries paid in cash during such period, less Unfinanced Capital Expenditures, less Distributions made in cash, plus the net proceeds of the common shares issued pursuant to the November 2020 Equity Issuance and March 2021 Warrants Exercise used to repay Advances under the Agreement during such period, plus the net proceeds of the common shares issued pursuant to the August 2021 Equity Issuance and the October 2021 Equity Issuance; to (ii) the sum of (a) Cash Interest Expense, (b) scheduled principal payments (excluding mandatory principal repayments and final maturity payments) in respect of Senior Debt of the Borrower and its Subsidiaries and (c) Earn Out Obligations paid or then due and payable in cash, *provided that* for the 12 month period commencing July 1, 2021 only, the Fixed Charge Coverage Ratio shall be calculated on a cumulative basis. For greater certainty, the deferred financing expense of \$2,766,000 relating to the Crown Debt shall not be included in the calculation of Fixed Charge Coverage Ratio.”

- (c) Adding the following new Subsection (29) to Section 10.01 of the Credit Agreement:

“(29) October 2021 Equity Issuance Ensure that the October 2021 Equity Issuance is completed, and the proceeds of such equity issuance are deposited into the Borrower’s bank account held with the Agent or a Lender, on or before November 1, 2021.”

- (d) Deleting Subsection (c) to Section 12.01 of the Credit Agreement and replacing it with the following:

“(c) if the Borrower fails to observe or perform any of the covenants in Section 10.01(28), 10.01(29) or Section 10.02; or”

4. **Conditions Precedent.** The effectiveness of this Amendment shall be conditional upon each of the following, each of which must be fulfilled by the Borrower in form and substance satisfactory to the Agent or waived by the Agent in writing prior to the effectiveness hereof:

- (a) receipt, by the Agent, of a fully executed copy of this Amendment;
- (b) payment of a one time work fee of \$10,000 to each Lender;

- (c) confirmation (as contained herein) that no Default or Event of Default has occurred; and
 - (d) confirmation (as contained herein) that all representations and warranties contained in the Credit Agreement are true and correct as if made on the date hereof except to the extent that such representations and warranties relate solely to an earlier date.
5. **Representations and Warranties.** The Borrower hereby represents and warrants to the Agent and the Lenders as follows:
- (a) it has all requisite power and authority to execute this Amendment and any other agreements or instruments required hereunder and to perform all obligations hereunder, and this Amendment constitutes legal, valid and binding obligations, enforceable in accordance with its terms;
 - (b) the execution, delivery and performance by it of this Amendment and any other agreements or instruments required hereunder have been duly authorized by all necessary corporate or other action and do not require any authorization, consent or approval by any Governmental Authority or other Person, or violate any Applicable Law;
 - (c) all of the representations and warranties contained in Credit Agreement are correct on and as of the date hereof as though made on and as of such date, except to the extent that such representations and warranties relate solely to an earlier date;
 - (d) no Default or Event of Default has occurred; and
 - (e) the Borrower shall have reimbursed the Agent and the Lenders for their costs and expenses in accordance with Section 9.
6. **References.** All references in the Credit Agreement to “this Agreement” shall be deemed to refer to the Credit Agreement as amended hereby; and any and all references in the other Loan Documents to the Credit Agreement shall be deemed to refer to the Credit Agreement as amended hereby. This Amendment is a Loan Document.
7. **No Other Changes.** Except as explicitly amended by this Amendment, all of the terms and conditions of the Credit Agreement shall remain in full force and effect and un-amended hereby.
8. **Costs and Expenses.** The Borrower reaffirms its agreement under the Credit Agreement to pay or reimburse the Agent and the Lenders on demand for all costs and expenses incurred by the Agent and the Lenders in connection with the Loan Documents, including without limitation all reasonable fees and disbursements of legal counsel.
9. **Miscellaneous.** This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

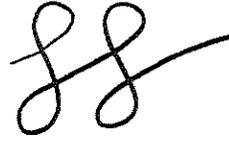
10. **Governing Law.** This Amendment shall be governed by, and construed in accordance with, the laws of the Province of Ontario and the laws of Canada applicable therein.
11. **Counterparts; Electronic Execution.** This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. The words “execution”, “signed”, “signature”, and words of like import in this Amendment shall be deemed to include electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper based recordkeeping system, as the case may be.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF the Parties hereto have executed this Amendment as of the date first written above.

BORROWER:

BAYLIN TECHNOLOGIES INC.

A handwritten signature in black ink, consisting of two large, stylized loops followed by a horizontal stroke extending to the right.

By: _____

Name: Leighton Carroll

Title: Chief Executive Officer

AGENT:

ROYAL BANK OF CANADA, as Agent

By: 
Name: **Helena Sadowski**
Title: **Manager, Agency**

By: _____
Name:
Title:

LENDERS:

ROYAL BANK OF CANADA, as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

HSBC BANK CANADA, as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

AGENT:

ROYAL BANK OF CANADA, as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

LENDERS:

ROYAL BANK OF CANADA, as Lender

By:  _____
Name: B. Miller
Title: Senior Director

By: _____
Name:
Title:

HSBC BANK CANADA, as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

AGENT:

ROYAL BANK OF CANADA, as Agent

By: _____
Name:
Title:

By: _____
Name:
Title:

LENDERS:

ROYAL BANK OF CANADA, as Lender

By: _____
Name:
Title:

By: _____
Name:
Title:

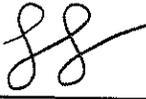
HSBC BANK CANADA, as Lender

By: _____
Name: John Borch
Title: Assistant Vice-President

By: _____
Name: Brian Pettit
Title: Assistant Vice-President

AGREED AND ACKNOWLEDGED BY EACH OF THE FOLLOWING GUARANTORS:

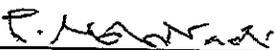
GALTRONICS USA, INC., as Guarantor

By: 
Name: Leighton Carroll
Title: Chief Executive Officer

**GALTRONICS ELECTRONICS (WUXI)
CO., LTD., as Guarantor**

By: 
Name: Leighton Carroll
Title: Director

**GALTRONICS CANADA INC., as
Guarantor**

By: 
Name: Philip Mohtadi
Title: Corporate Secretary

**ADVANTECH WIRELESS
TECHNOLOGIES INC., as Guarantor**

By: 
Name: Leighton Carroll
Title: Chief Executive Officer

**ADVANTECH WIRELESS
TECHNOLOGIES (USA) INC., as
Guarantor**

By: 

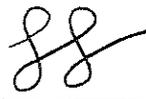
Name: Leighton Carroll
Title: Chief Executive Officer

**BAYLIN TECHNOLOGIES REAL
ESTATE HOLDINGS INC., as Guarantor**

By: 

Name: Philip Mohtadi
Title: Corporate Secretary

**GALTRONICS KOREA CO. LTD., as
Guarantor**

By: 

Name: Leighton Carroll
Title: Director

**GALTRONICS CORPORATION LTD., as
Guarantor**

By: _____
Name: Jeffrey C. Royer
Title: Director

**ADVANTECH WIRELESS
TECHNOLOGIES (USA) INC., as
Guarantor**

By: _____
Name: Leighton Carroll
Title: Chief Executive Officer

**BAYLIN TECHNOLOGIES REAL
ESTATE HOLDINGS INC., as Guarantor**

By: Philip Mohtadi
Name: Philip Mohtadi
Title: Corporate Secretary

**GALTRONICS KOREA CO. LTD., as
Guarantor**

By: _____
Name: Leighton Carroll
Title: Director

**GALTRONICS CORPORATION LTD., as
Guarantor**

By: Jeffrey C Royer
Name: Jeffrey C. Royer
Title: Director