

TENTH AMENDMENT TO CREDIT AGREEMENT

THIS TENTH AMENDMENT TO CREDIT AGREEMENT (this “**Amendment**”) is made as of September 28, 2023, 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, a second amendment to credit agreement dated December 2, 2020, a third amendment to credit agreement dated May 10, 2021, a waiver and fourth amendment to credit agreement dated August 11, 2021, a waiver and fifth amendment to credit agreement dated October 12, 2021, a waiver and consent dated November 22, 2021, a consent, waiver and sixth amendment to credit agreement dated March 7, 2022, a seventh amendment to credit agreement dated July 11, 2022, an eighth amendment to credit agreement dated September 14, 2022 and a ninth amendment to credit agreement dated May 2, 2023 (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. **Amendments to Credit Agreement.** The Credit Agreement is hereby amended as follows:
 - 2.1. Section 1.01 (Definitions) of the Credit Agreement is amended by:
 - (a) Adding the following definitions in Section 1.01 in alphabetical order:

“**Tenth Amendment Date**” means September 28, 2023.

“**Term Maturity Date**” means the earlier of (i) December 31, 2023, and (ii) the date on which the Credit Facilities are terminated pursuant to Section 12.02.

- (b) Deleting subsection (iii) of the definition of “**Interest Period**” and replacing it with the following:

“(iii) no Interest Period shall expire subsequent to (x) the Term Maturity Date, with respect to Advances made under the Term Facility; and (y) the Maturity Date, with respect to Advances made under the Revolving Facility.”

- (c) Deleting the definition of “**Maturity Date**” and replacing it with the following:

““**Maturity Date**” means the earlier of (i) March 31, 2024, and (ii) the date on which the Credit Facilities are terminated pursuant to Section 12.02.”

- (d) Deleting the definition of “**Swingline Facility 1 Commitment**” and replacing it with the following:

““**Swingline Facility 1 Commitment**” means an amount equal to Cdn.\$0.00.”

2.2. Article 2 (The Credit Facilities) of the Credit Agreement is hereby amended by:

- (a) Deleting the words “which, as of the date hereof, is Cdn.\$5,000,000” from Section 2.02(1).

- (b) Inserting the following as a new Subsection (8) of Section 2.02:

“(8) Notwithstanding any other provision of this Agreement, with effect from the Tenth Amendment Date, Swingline Facility 1 is automatically terminated and the Swingline Facility 1 Lenders are relieved of all obligations to provide any further Advances under Swingline Facility 1.”

- (c) Deleting the words “Maturity Date” appearing twice in Section 7.02(b) and replacing the same with the words “Term Maturity Date”.

2.3. Article 7 (Repayment) of the Credit Agreement is amended by:

- (a) Deleting Section 7.02(a) and replacing the same with the following:

“(a) by equal quarterly payments of USD\$750,000 which shall be applied to the Term Loan on the last day of each Fiscal Quarter beginning with December 31, 2020 *provided that* no quarterly payment is required to be made on the Fiscal Quarter ending on September 30, 2023; and”

- (b) Deleting the words “Maturity Date” appearing twice in Section 7.02(b) and replacing the same with the words “Term Maturity Date”.

2.4. Article 10 (Covenants) of the Credit Agreement is amended by:

(a) Deleting Sections 10.02(4) and (5) of the Credit Agreement and replacing them with the following:

(4) Minimum Liquidity The Borrower, on a consolidated basis with the Obligors, will ensure that Liquidity is at all times greater than (i) \$7,500,000 until December 31, 2022, (ii) \$4,000,000 commencing on January 1, 2023 up to and including April 23, 2023, (iii) \$3,000,000 commencing on April 24, 2023 up to and including May 31, 2023, (iv) \$4,000,000 commencing June 1, 2023 up to and including September 29, 2023; (v) \$3,000,000 from September 30, 2023 up to and including December 30, 2023; and (vi) \$4,000,000 thereafter.”

“(5) Minimum EBITDA The Borrower, on a consolidated basis with the Obligors, will ensure that its EBITDA for the 12-month period ending on the following dates are greater than the corresponding thresholds:

<u>Fiscal Quarters</u>	<u>Threshold</u>
September 30, 2022	\$700,000
December 31, 2022	\$100,000
March 31, 2023	\$500,000
June 30, 2023	\$1,300,000
September 30, 2023	\$700,000
December 31, 2023	Not tested or applicable

For the purposes of Subsection 10.02(5), EBITDA shall exclude any adjustments for leases in accordance with International Financial Reporting Standards 16 – Leases.”

2.5. Schedule A (Lenders and Commitments) of the Credit Agreement is deleted in its entirety and replaced with Schedule A attached hereto as Exhibit I.

3. **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 extension and work fee of \$25,000 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.

4. **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 is continuing; and
 - (e) the Borrower shall have reimbursed the Agent and the Lenders for their costs and expenses in accordance with Section 10.
5. **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.
6. **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.
7. **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 advisors to the Agent and Lenders, including without limitation legal counsel.
8. **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.
9. **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.
10. **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

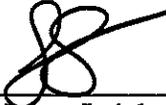
“execution”, “signed”, “signature”, and words of like import in this Amendment shall be deemed to include electronic signature or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper 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:

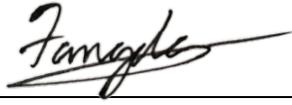
BAYLIN TECHNOLOGIES INC.

By: 

Name: Leighton Carroll
Title: Chief Executive Officer

AGENT:

ROYAL BANK OF CANADA, as Agent

By: 
Name:
Title:

By: _____
Name:
Title:

LENDERS:

ROYAL BANK OF CANADA, as Lender

By: *Nada Hamadi*
Name: Nada Hamadi
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

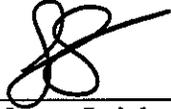
By: _____

Name:  Brian Pettit

Title: Assistant Vice-President

AGREED AND ACKNOWLEDGED BY EACH OF THE FOLLOWING GUARANTORS:

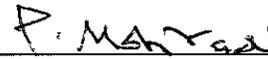
GALTRONICS USA, INC., as Guarantor

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

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

By: 

Name: Leighton Carroll
Title: Director

**GALTRONICS CORPORATION LTD.
(DELAWARE), as Guarantor**

By: 

Name: Philip Mohtadi
Title: Corporate Secretary

EXHIBIT I

SCHEDULE A

LENDERS AND COMMITMENTS

<u>Lender</u>	<u>Revolving Facility</u>	<u>Term Facility</u>	<u>Swingline Facility 2</u>
Royal Bank of Canada	Cdn.\$8,425,926	US\$5,687,500	--
HSBC Bank Canada	Cdn.\$2,407,407	US\$4,062,500	Cdn.4,166,666.67
	Cdn.\$10,833,333	US\$9,750,000	Cdn.4,166,666.67